



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

## BOARD OF DIRECTORS MEETING

December 4, 2024

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

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

**City of Palo Alto City Hall**  
**250 Hamilton Ave.**  
**Palo Alto, CA 94301**

**Office of Santa Clara County**  
**Supervisor Otto Lee**  
**70 W Hedding St**  
**East Wing, 10th Floor**  
**San Jose, CA 95110**

**Office of Contra Costa County**  
**Supervisor John Gioia**  
**Conference Room**  
**11780 San Pablo Ave., Suite D**  
**El Cerrito, CA 94530**

**Office of Alameda County Supervisor**  
**David Haubert**  
**Heritage House**  
**4501 Pleasanton Avenue**  
**Pleasanton, CA 94566**

**San Mateo County**  
**Board of Supervisors Offices**  
**500 County Center - 5th Floor**  
**Redwood City, CA 94063**

### THE FOLLOWING STREAMING OPTIONS WILL ALSO BE PROVIDED

These streaming options are provided for convenience only. In the event that streaming connections malfunction for any reason, the Board of Directors reserves the right to conduct the meeting without remote webcast and/or Zoom access.

The public may observe this meeting through the webcast by clicking the link available on the air district's agenda webpage at [www.baaqmd.gov/bodagendas](http://www.baaqmd.gov/bodagendas).

Members of the public may participate remotely via Zoom at <https://bayareametro.zoom.us/j/85848781660>, or may join Zoom by phone by dialing (669) 900-6833 or (408) 638-0968. The Webinar ID for this meeting is: 858 4878 1660

**Public Comment on Agenda Items:** The public may comment on each item on the agenda as the item is taken up. Members of the public who wish to speak on a matter on the agenda will have two minutes each to address the Board on that agenda item, unless a different time limit is established by the Chair. No speaker who has already spoken on an item will be entitled to speak to that item again.

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

# BOARD OF DIRECTORS MEETING AGENDA

**WEDNESDAY, DECEMBER 4, 2024**

**10:00 AM**

**Chairperson, Davina Hurt**

**1. Call to Order - Roll Call**

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

**2. Pledge of Allegiance**

**3. Special Orders of the Day**

**4. Recognition of Outgoing Board Members**

A. Recognition of Director Erin Hannigan

B. Recognition of Director Nate Miley

C. Recognition of Director Katie Rice

D. Recognition of Director Mark Ross

**CONSENT CALENDAR (Items 5 - 20)**

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

**5. Approval of the Draft Minutes of the Board of Directors Meeting of November 6, 2024**

*The Board of Directors will consider approval of the draft minutes of the Board meeting of November 6, 2024.*

**6. Board Communications Received from November 6, 2024, through December 3, 2024**

*A copy of communications directed to the Board of Directors received by the Air District from November 6, 2024, through December 3, 2024, if any, will be distributed to the Board Members by way of email.*

7. Proposed Board and Committee Meeting Schedule for Calendar Year 2025

*The Board of Directors will consider adopting a Resolution establishing the Board and Committee Meeting Schedule for Calendar Year 2025.*

8. Publication of 2025 Regulatory Agenda

*State law requires the Air District to publish a list of regulatory measures scheduled or tentatively scheduled for consideration during the upcoming year. The Board of Directors will publish the Air District's list of all the regulatory measures the Board may consider in 2025.*

9. Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of October 2024

*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 October 2024.*

10. Authorization to Amend the Master Services Agreement with the Bayview Hunters Point Community Advocates for the Bayview Hunters Point/Southeast San Francisco Community Emissions Reduction Plan

*The Board of Directors will consider authorizing the Executive Officer/APCO to extend the end date of the Master Services Agreement with the Bayview Hunters Point Community Advocates from November 30, 2024, to November 30, 2025, and to increase the total not-to-exceed dollar amount of the agreement by \$160,034, from \$240,000 to \$400,034. The changes will support the development of the Bayview Hunters Point/Southeast San Francisco's Assembly Bill 617 Community Emissions Reduction Plan.*

11. Authorization to Amend the Professional Services Contract with the Marie Harrison Community Foundation for the Marie Harrison Environmental Justice Scholarship

*The Board of Directors will consider authorizing the Executive Officer/APCO to extend the end date of the Professional Services Contract with the Marie Harrison Community Foundation from December 31, 2024, to February 28, 2026, and to increase the total not-to-exceed dollar amount of the agreement by \$84,000, from \$145,000 to \$229,000, for continued support and on-going administration of the Marie Harrison Environmental Justice Scholarship.*



12. Grant Awards for Projects Over \$500,000 for Electric Charging Stations for Medium- and Heavy-Duty Vehicles and Equipment

*The Board of Directors will consider approving the award of incentive funding to projects that will install electric charging stations for medium- and heavy-duty vehicles and equipment and authorizing the Executive Officer/APCO to execute grant agreements for the recommended projects.*

13. Authorization to Amend the Professional Services Agreement with Robert Half, Inc. for Temporary Staffing

*The Board of Directors will consider authorizing the Executive Officer/APCO to amend the Professional Services Agreement with Robert Half Inc. to increase the total not-to-exceed dollar amount of the agreement by \$1,000,000, from \$1,000,000 to \$2,000,000, for staff augmentation to support the Air District's Strategic Plan.*

*The Finance & Administration Committee recommended approval of this item at its Special Meeting on November 6, 2024.*

14. Establishment of a New Classification of Civil Rights Officer

*The Board of Directors will consider establishing a new classification of Civil Rights Officer.*

*The Finance & Administration Committee recommended approval of this item at its Special Meeting on November 6, 2024.*

15. Authorization to Execute a Contract with Atkinson, Andelson, Loya, Ruud & Romo for HR-Related Outside Counsel Legal Services

*The Board of Directors will consider authorizing the General Counsel to execute a contract with Atkinson, Andelson, Loya, Ruud & Romo with a not-to-exceed limit on costs and fees of \$350,000 for outside counsel advice and representation for human resources legal matters, including labor negotiation, labor relations, meet and confer, arbitration and unfair labor practice charges.*

16. Report of the Advisory Council Meeting of October 30, 2024

*The Board of Directors will receive a report of the Advisory Council meeting of October 30, 2024.*

*For the full Council agenda packet and materials, click on the link below:*  
[www.baaqmd.gov/en/about-the-air-district/advisory-council/agendasreports](http://www.baaqmd.gov/en/about-the-air-district/advisory-council/agendasreports)

17. Report of the Finance and Administration Committee Special Meeting of November 6, 2024

*The Board of Directors will receive a report of the Finance and Administration Committee meeting of November 6, 2024.*

*For the full Committee agenda packet and materials, click on the link below:*

[www.baaqmd.gov/bodagendas](http://www.baaqmd.gov/bodagendas)

18. Report of the Stationary Source Committee Meeting of November 13, 2024

*The Board of Directors will receive a report of the Stationary Source Committee Meeting of November 13, 2024.*

*For the full Committee agenda packet and materials, click on the link below:*

[www.baaqmd.gov/bodagendas](http://www.baaqmd.gov/bodagendas)

19. Report of the Community Equity, Health, and Justice Committee Meeting of November 13, 2024

*The Board of Directors will receive a report of the Community Equity, Health, and Justice Committee meeting of November 13, 2024.*

*For the full Committee agenda packet and materials, click on the link below:*

[www.baaqmd.gov/bodagendas](http://www.baaqmd.gov/bodagendas)

20. Report of the Community Advisory Council Meeting of November 21, 2024

*The Board of Directors will receive a report of the Community Advisory Council Meeting of November 21, 2024.*

*For the full Council agenda packet and materials, click on the link below:*

[www.baaqmd.gov/en/about-the-air-district/community-advisory-council/agendasreports](http://www.baaqmd.gov/en/about-the-air-district/community-advisory-council/agendasreports)

### **ACTION ITEM(S)**

21. Election of New Vice-Chairperson of the Board of Directors

*The Board of Directors will receive a report of the Nominating Committee meeting to be held at 9:30 a.m. preceding the Board of Directors meeting, and will consider electing a new Board Vice-Chairperson to replace Vice-Chairperson Hopkins when she becomes Chairperson upon the departure of outgoing Chairperson Hurt.*

22. Fiscal Year Ending 2025 Mid-Year Staffing and Budget Adjustment

*The Board of Directors will consider adopting the Fiscal Year Ending 2025 Mid-Year Staffing and Budget Adjustment proposal. This item will be presented by Arsenio Mataka, Deputy Executive Officer of Equity and Community Programs, Greg Nudd, Deputy Executive Officer of Science and Policy, and Hyacinth Hinojosa, Deputy Executive Officer of Finance and Administration.*

*The Finance & Administration Committee recommended approval of this item at its Special Meeting on November 6, 2024. Since the meeting, Air District staff have made minor updates to the item that will be discussed with the Board.*

**CLOSED SESSION**

23. Conference with Legal Counsel re Existing Litigation (Government Code Sections 54956.9(a) and (d)(1))

*Pursuant to Government Code Sections 54956.9(a) and (d)(1), the Board of Directors will meet in closed session with legal counsel to discuss the following cases:*

*State of California et al. v. United States Postal Service et al., Northern District of California Case No. 3:22-cv-02583-RFL;*

*The Athletics Investment Group, LLC v. Bay Area Air Quality Management District et al., Alameda County Superior Court Case No. 22CV010930;*

*Stephen (Rex) Sanders v. Bay Area Air Quality Management District, Northern District of California Case No. 23-cv-04416-RFL;*

*Terri Levels v. Bay Area Air Quality Management District, Northern District of California Case No. 23-cv-04432-RFL;*

*Lewis Letang v. Bay Area Air Quality Management District, Northern District of California Case No. 24-cv-01316-RFL;*

*Rochele Henderson v. Bay Area Air Quality Management District, Northern District of California Case No. 24-cv-01460-RFL;*

*Veronica Eady v. Bay Area Air Quality Management District, Northern District of California Case No. 24-cv-07000-RFL; and*

*Vanessa Johnson v. Bay Area Air Quality Management District, Northern District of California Case No. 24-cv-06276-RFL.*

24. Conference with Legal Counsel re Anticipated Litigation (Government Code Sections 54956.9(a) and (d)(2))

*Pursuant to Government Code Sections 54956.9(a) and (d)(2), the Board of Directors will meet in closed session with legal counsel to discuss significant exposure to litigation: Three cases.*

## **OPEN SESSION**

### **INFORMATIONAL ITEM(S)**

25. Staff Update: Rule 9-6, Zero Nitrogen Oxides (NOx) Residential Water Heaters

*The Board of Directors will discuss an update regarding Regulation 9, Rule 6: Nitrogen Oxides (NOx) emissions from natural gas-fired water heaters less than 75,000 BTU/hr. The presentation and accompanying report were required as part of the Board's adoption of amendments to Rules 9-6 and 9-4 ("building appliance rules") in March 2023, and provide an overview of status updates regarding opportunities, challenges, and next steps for implementing these rules. The materials place an emphasis on Rule 9-6, which mandates zero NOx water heating starting January 1, 2027. The latest information was developed through the multiyear, multi-stakeholder engagement process of the Implementation Working Group (IWG), which Air District staff convened from May 2023 through August 2024, along with technical research studies and targeted discussions with other key stakeholders. This item will be presented by Amy Dao, Senior Environmental Planner in Planning and Climate Protection and Jennifer Lam, Assistant Manager in Rules and Strategic Policy Division.*

26. Election and Federal Policy Impacts

*The Board of Directors will discuss the results of the 2024 election and potential federal policy and funding impacts into the future. This item will be presented by Philip M. Fine, Executive Officer/Air Pollution Control Officer.*

## **OTHER BUSINESS**

27. Public Comment on Non-Agenda Matters

*Pursuant to Government Code Section 54954.3, members of the public who wish to speak on matters not on the agenda will be given an opportunity to address the Board of Directors. Members of the public will have two minutes each to address the Board, unless a different time limit is established by the Chair. The Board welcomes comments, including criticism, about the policies, procedures, programs, or services of the District, or of the acts or omissions of the Board. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Board meeting. The District is committed to maintaining a workplace free of unlawful harassment and is mindful that District staff regularly attend Board meetings. Discriminatory statements or conduct*

*that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is per se disruptive to a meeting and will not be tolerated.*

28. Board Member Comments

*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)*

29. Report of the Executive Officer/APCO

30. Chairperson's Report

31. Time and Place of Next Meeting

*Wednesday, January 29, 2025, at 10:00 a.m. at California State University Maritime Academy, Compass Rose Room, 200 Maritime Academy Drive, Vallejo, CA 94590. The meeting will be in-person for the Board of Directors members and members of the public will be able to either join in-person or via webcast.*

32. Adjournment

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

**CONTACT:**

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

**(415) 749-4941**  
**FAX: (415) 928-8560**  
**BAAQMD homepage:**  
[www.baaqmd.gov](http://www.baaqmd.gov)

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

**Accessibility and Non-Discrimination Policy**

The Bay Area Air 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](http://www.baaqmd.gov/accessibility) to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District's Non-Discrimination Coordinator, Suma Peesapati, at (415) 749-4967 or by email at [speesapati@baaqmd.gov](mailto:speesapati@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**

#### **DECEMBER 2024**

<b><u>TYPE OF MEETING</u></b>	<b><u>DAY</u></b>	<b><u>DATE</u></b>	<b><u>TIME</u></b>	<b><u>ROOM</u></b>
Board of Directors Nominating Committee	Wednesday	4	9:30 a.m.	1 <sup>st</sup> Floor Board Room
Board of Directors Meeting	Wednesday	4	10:00 a.m.	1 <sup>st</sup> Floor Board Room
Board of Directors Stationary Source Committee	Wednesday	11	10:00 a.m.	1 <sup>st</sup> Floor, Yerba Buena Room
Board of Directors Community Equity, Health and Justice Committee	Wednesday	11	1:00 p.m.	1 <sup>st</sup> Floor, Yerba Buena Room
Board of Directors Finance and Administration Committee	Wednesday	18	10:00 a.m.	1 <sup>st</sup> Floor Board Room
Board of Directors Policy, Grants and Technology Committee	Wednesday	18	1:00 p.m.	1 <sup>st</sup> Floor Board Room

#### **JANUARY 2025**

<b><u>TYPE OF MEETING</u></b>	<b><u>DAY</u></b>	<b><u>DATE</u></b>	<b><u>TIME</u></b>	<b><u>ROOM</u></b>
Board of Directors Community Advisory Council Meeting	Thursday	16	6:00 p.m.	1 <sup>st</sup> Floor, Yerba Buena Room
Board of Directors Retreat	Wednesday	29	10:00 a.m.	California State University Maritime Academy Compass Rose Room 200 Maritime Academy Drive Vallejo, CA 94590

HL 11/22/2024 – 2:50 p.m.

G/Board/Executive Office/Moncal

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**Memorandum**

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Approval of the Draft Minutes of the Board of Directors Meeting of November 6,  
2024

RECOMMENDED ACTION

Approve the Draft Minutes of the Board of Directors Meeting of November 6, 2024.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the Draft Minutes of the Board of Directors Meeting of November 6, 2024.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Marcy Hiratzka  
Reviewed by: Vanessa Johnson

ATTACHMENTS:

1. Draft Minutes of the Board of Directors Meeting of November 6, 2024



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

Board of Directors Regular Meeting  
Wednesday, November 6, 2024

## **DRAFT MINUTES**

*This meeting was webcast, and a video recording is available on the website of the  
Bay Area Air Quality Management District at  
[www.baaqmd.gov/bodagendas](http://www.baaqmd.gov/bodagendas)*

### **CALL TO ORDER**

1. **Opening Comments:** Board of Directors (Board) Chairperson, Davina Hurt, called the meeting to order at 10:05 a.m.

#### **Roll Call:**

Present, In-Person (Bay Area Metro Center, 375 Beale Street, 1<sup>st</sup> Floor Board Room, San Francisco, CA, 94105): Chairperson Davina Hurt; and Directors Ken Carlson, Noelia Corzo, Joelle Gallagher, Juan González III, Tyrone Jue, Katie Rice, Mark Ross, Mark Salinas, and Vicki Veenker.

Present, In-Person (Santa Rosa Junior College Campus Doyle Library, Room 148, 1501 Mendocino Ave., Santa Rosa, CA, 95401): Director Brian Barnacle.

Present, In-Person (County of Santa Clara Office of Supervisor Lee, 70 W. Hedding St., East Wing, 10<sup>th</sup> Floor, San Jose, CA 95110): Director Otto Lee.

Present, In-Person (Office of Contra Costa County Supervisor John Gioia, Conference Room, 11780 San Pablo Ave., Suite D, El Cerrito, CA 94530): Directors John Gioia, Erin Hannigan, Gabe Quinto, and Steve Young.

Present, In-Person (Office of Alameda County Supervisor David Haubert, Heritage House, 4501 Pleasanton Avenue, Pleasanton, CA 94566): Director David Haubert.

Present, In-Person (San Mateo County Board of Supervisors Offices, 500 County Center - 5<sup>th</sup> Floor, Redwood City, CA 94063): Director Ray Mueller.

Present, In-Person (City of Palo Alto City Hall, 250 Hamilton Ave., Palo Alto, CA 94301): Directors Margaret Abe-Koga and Sergio Lopez.

Absent: Vice Chairperson Lynda Hopkins; and Directors Nate Miley and Shamann Walton.

2. **PLEDGE OF ALLEGIANCE**

3. **SPECIAL ORDERS OF THE DAY**

Chair Hurt welcomed the following new employee: Galina Velikovich Assistant Counsel II, in the Legal Division. Chair Hurt also congratulated the following employees on their recent promotions: Joy Chen, Manager in the Information Services Division; Somphanat (Nunu) Phengphanh, Supervising Staff Specialist in the Office of Diversity, Equity, and Inclusion; and Chad White, Principal Staff Specialist in the Strategic Incentives Division. Chair Hurt also congratulated Bernard Salalila, Air Quality Inspector II, in the Compliance & Enforcement Division, will be retiring after 34 years at the Air District.

NOTED PRESENT: Director Rice was noted present at 10:06 a.m.

**CONSENT CALENDAR (ITEMS 4 – 22)**

4. Approval of the Draft Minutes of the Board of Directors Meeting of October 2, 2024
5. Board Communications Received from October 2, 2024 through November 5, 2024
6. Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of September 2024
7. Acceptance of Fiscal Year 2024-2025 State Incentive Funds: Carl Moyer, Funding Agricultural Reduction Measures for Emission Reductions, and Community Air Protection Incentives  
[Click here to view approved Board Resolution No. 2024-09](#)  
[Click here to view approved Board Resolution No. 2024-10](#)  
[Click here to view approved Board Resolution No. 2024-11](#)
8. Transportation Fund for Clean Air 40% Fund Policies Commencing Fiscal Year Ending 2026
9. Grants for Recommended Projects with Proposed Grant Awards Over \$500,000
10. Authorization to Amend the Agreement with the Peninsula Corridor Joint Powers Board for the Caltrain Electrification Project
11. Authorization to Extend the Term and Increase the Total Dollar Amount of the Professional Services Agreement No. 2021.180 with Kadesh & Associates, LLC
12. Authorization to Extend the Term and Increase the Total Dollar Amount of the Professional Services Agreement with ICF Incorporated, LLC
13. Authorization to Extend the Term and Increase the Total Dollar Amount of the Master Services Agreement with the Marie Harrison Community Foundation for the Bayview Hunters Point/Southeast San Francisco Assembly Bill (AB) 617 Community Emissions Reduction Plan
14. Authorization to Increase the Total Dollar Amount of the Professional Services Agreement with GRID Alternatives Bay Area
15. Authorization to Execute a Contract Amendment with Metropolitan Group, LLC for the Design and Finalization of the Community Advisory Council's (CAC) Document: *A Call to Action: Charting a New Course Towards Environmental Justice at the Bay Area Air Quality Management District*
16. Re-authorize the Climate Registry Sponsorship Contract for United Nations (UN) COP29
17. Funding to Support the Bay Area Regional Collaborative (BARC)
18. Report of the Advisory Council Meeting of September 19, 2024
19. Report of the Stationary Source Committee Meeting of October 9, 2024
20. Report of the Community Equity, Health, and Justice Committee Meeting of October 9, 2024
21. Report of the Finance and Administration Committee Meeting of October 16, 2024

22. Report of the Policy, Grants, and Technology Committee Meeting of October 16, 2024

Public Comments

No requests received.

Board Comments

None.

Board Action

Director González made a motion, seconded by Director Ross, to **approve** Consent Calendar Items 4-22, inclusive; and the motion **carried** by the following vote of the Board:

AYES:	Barnacle, Carlson, Corzo, Gallagher, Gioia, González, Hannigan, Haubert, Hurt, Jue, Lee (Items 4-7, and 9-22), Lopez, Mueller, Quinto, Rice, Ross, Veenker, Young.
NOES:	None.
ABSTAIN:	Lee (Item 8 only).
ABSENT:	Abe-Koga, Hopkins, Miley, Salinas, Walton.

**ACTION ITEM**

23. **APPOINTMENT OF NEW COMMUNITY ADVISORY COUNCIL MEMBER**

At the recommendation of the CAC and the Board’s Community Equity, Health, and Justice Committee, the Board of Directors considered appointing Cynthia Prieto-Diaz to the vacant Alameda County CAC seat.

Community Advisory Council Member Kevin Ruano Hernandez and CAC Co-Chair Mayra Pelagio gave the presentation *Community Advisory Council Recommendation for New CAC Member*, including: outcome; outline; requested action; creation of Member Selection ad Hoc Committee; prior to first meeting; outreach; and selected applicant.

Public Comments

No requests received.

Board Comments

None.

Board Action

Director González made a motion, seconded by Director Gallagher, to **appoint** Cynthia Prieto-Diaz to the vacant Alameda County Community Advisory Council seat; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Barnacle, Carlson, Corzo, Gallagher, Gioia, González, Hannigan, Haubert, Hurt, Jue, Lee, Lopez, Mueller, Quinto, Rice, Ross, Veenker, Young.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Hopkins, Miley, Salinas, Walton.

## **INFORMATIONAL ITEM**

### **24. OVERVIEW OF 2024-25 SPARE THE AIR WINTER SEASON AND SUMMARY OF 2024 SPARE THE AIR SUMMER SEASON**

Erin DeMerritt, Public Information Officer, and Dr. Tim McLarney of True North Research, gave the presentation *Overview of 2024-25 Spare the Air Winter Season and Summary of 2024 Spare the Air Summer Season*, including: outline; requested action; Winter campaign; creative and advertising; media and social media; community outreach; Summer campaign; creative and advertising; outreach and social media; Employer program; survey; annual Particulate Matter (PM)<sub>2.5</sub> trends; 24-hour PM<sub>2.5</sub> trends; 8-hour ozone trends; and other residential wood burning initiatives.

#### **Public Comments**

Public comments were given by Tony Fisher, Coalition for Clean Air.

#### **Board Comments**

The Board and staff discussed the differences in woodsmoke-related air quality trends from AB 617 communities and those from non-AB 617 communities; the desire to reiterate the health impacts of woodsmoke without maligning those who burn wood who may not realize the health impacts or those who do so as a sole source of heat; the desire to see the Spare the Air Free Transit program, which offered free Bay Area Rapid Transit (BART) rides on the first six non-holiday weekday Summer Spare the Air days, reinstated; whether the current rate of driving alone in the Bay Area is returning to pre-Covid 19 pandemic rates; whether Spare the Air 2024 Summer survey results regarding transit ridership, trip reduction, and driving habits are analyzed for consistency and accuracy, and whether survey results track with those of surveys conducted by the Metropolitan Transportation Commission (MTC); whether the Air District plans to ask larger employers if they are willing to let their employees work remotely during Spare the Air days; the extent to which the Air District partners with county transit authorities; how the Air District measures the impact and effectiveness of Spare the Air campaigns (actual transportation mode shifts and emission reductions); to what degree the survey data translates into market and behavioral changes; concern regarding the level of woodsmoke components other than PM<sub>2.5</sub>; the request that language outreach be extended to Arabic, Korean, and Hindi; the request for technical assistance for woodsmoke campaigns in Napa County; whether the survey addressed participants' awareness or (un)favorability about the Air District, as well as correlations between Spare the Air and the Air District; the suggestion that the Air District partner with social media influencers, including Board members, regarding its Spare the Air programs; the importance of measuring the cost effectiveness of the Spare the Air programs; the suggestion that the Air District utilities WeChat, an application that combines instant messaging and social media; and appreciation for Air District staff incorporating the Board's input into the Spare the Air programs.

NOTED PRESENT: Director Salinas was noted present at 11:13 a.m.

Board Action

No action taken.

**OTHER BUSINESS**

**25. PUBLIC COMMENT ON NON-AGENDA MATTERS**

No requests received.

**26. BOARD MEMBER COMMENTS**

- Several Board members voiced their thoughts regarding the primary results of the Presidential Election, which occurred on November 5, 2024. General Counsel reminded the Board that under the California Brown Act, a governing body cannot discuss or take action on any items that are not listed on the posted agenda for a meeting. Subsequently, multiple Board members requested a future Board agenda item that would address post-election results, timing of contracts that need to be executed as soon as possible, proposed federal issues and policies that could impact the Air District's work, and whether legal or enforcement action needs to be taken by the Air District, in light of the incoming administration. Dr. Philip M. Fine, Executive Officer/APCO, said that this would be agendized in February or March 2025.
- Director Young acknowledged the nearly \$82 million penalty recently imposed upon Valero Refining Co., regarding significant air pollution violations at its Benicia refinery since 2019. Over \$64 million of these funds will be returned to the local community to finance projects aimed at reducing air pollution exposure, mitigating air pollution impacts and improving public health in areas surrounding the refinery. These projects will be selected through a public process with input from residents, community organizations, elected officials and advocates representing the impacted area. The remainder of the penalty will be used to fund beneficial clean air projects in overburdened communities throughout the Bay Area, as well as to offset the costs of investigating and prosecuting the case. This penalty is the largest ever assessed in the Air District's history. [The press release can be found here.](#)
- Chair Hurt thanked Air District staff for creating the Community Benefits Program.

**27. REPORT OF THE EXECUTIVE OFFICER/ AIR POLLUTION CONTROL OFFICER (APCO)**

Dr. Fine reported the following:

- The Air District is announcing the availability of \$1.5 million through Cycle 2 of the James Cary Smith Community Grant Program for community groups, neighborhood associations and nonprofits to participate in decisions that impact their environment and health. The Air District seeks to partner with community leaders in the Bay Area to uplift local efforts that improve environmental health. Grants must be used to design and implement strategies that support the full involvement and leadership of communities most directly impacted by environmental injustices to influence policy and improve air quality.
- Chair Hurt and Dr. Fine will be attending the United Nations Climate Change Conference, COP29, in Baku, Azerbaijan, from November 11 through November 21, to showcase the Air

District's climate leadership, engage with global partners, and gather insights to strengthen local climate action.

- Additional details were given regarding the Valero settlement (mentioned in Item 26.)
- Last week, the Air District was notified that the Port of Oakland was awarded \$322 million from the Environmental Protection Agency (EPA) Clean Ports Program: Zero-Emission Technology Deployment Competition. With this funding, the Port will be providing funding to their operators to replace 475 drayage trucks and 188 pieces of cargo-handling equipment operating at the Port of Oakland with zero emission equipment and associated infrastructure by 2028. This initiative will significantly help to electrify and reduce emissions from older, highly polluting diesel equipment, identified through our emissions inventory as the primary sources of air pollution affecting adjacent neighborhoods. The Air District provided a letter committing Air District technical support for air quality monitoring efforts, participation in community and project meetings, and continued offering of grant funding to support their transition to zero emissions. This is an historic award, representing the second largest award from this program, which funded nearly \$3 billion across 55 projects this fall.
- Anticipated Agenda Topics for October Committee Meetings
  - **Stationary Source Committee Meeting - 11/13**
    - Update on Refinery Corridor Air Quality Monitoring
    - Update on Indirect Sources and Questions on Marine Source Impacts
    - Implementation of Programs related to Zero NOx Building Appliances
  - **Community Equity, Health, and Justice Committee Meeting - 11/13**
    - Assembly Bill 617 Program Update
  - **No meetings on 11/20**
  - **Board Meeting – 12/4**
    - Informational update Regarding Regulation 9, Rule 6: Nitrogen Oxides Emissions from Natural Gas-Fired Water Heaters less than 75,000 BTU/hr. Further updates and potential action items for the Board to consider in 2025 are also anticipated.

## 28. CHAIRPERSON'S REPORT

Chair Hurt announced the following:

- Chair Hurt hosted the Air District's 4<sup>th</sup> in-person "Clean Air Talk" on Saturday, November 2, 2024, at the East Palo Alto Public Library. The first three Clean Air Talks of 2024 were held in San Jose, San Carlos, and Vallejo. The conversation focused on community questions and concerns regarding air quality issues and climate change. The 5<sup>th</sup> and final Clean Air Talk for 2024 is scheduled for December 7, 2024, at noon, at the San Lorenzo Public Library.
- The Finance and Administration Committee will be meeting immediately following this Board meeting.
- She urged the Board to continue advocating for and promoting the Air District's mission of improving air quality, protecting public health, reducing historical and current environmental inequities, and mitigating the impacts of climate change, in the face of the presidential transition.

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

Wednesday, December 4, 2024, at 10:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Board of Directors members and members of the public will be able to either join in-person or via webcast.

30. **ADJOURNMENT**

The meeting was adjourned at 11:38 a.m.

Marcy Hiratzka  
Clerk of the Boards

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**Memorandum**

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Board Communications Received from November 6, 2024, through December 3,  
2024

**RECOMMENDED ACTION**

None; informational item only, no action is requested at this time.

**BACKGROUND**

None.

**DISCUSSION**

Copies of communications directed to the Board of Directors received by the Air District from November 6, 2024, through December 3, 2024, if any, will be distributed to the Board Members by way of email.

**BUDGET CONSIDERATION/FINANCIAL IMPACT**

None.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Aloha de Guzman  
Reviewed by: Vanessa Johnson



ATTACHMENTS:

None

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**Memorandum**

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Proposed Board and Committee Meeting Schedule for Calendar Year 2025

RECOMMENDED ACTION

Adopt the attached Resolution establishing a Board and Committee meeting schedule for calendar year 2025.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval is a proposed Resolution establishing a meeting schedule for the Board of Directors and its Standing Committees for 2025. Per Sections 2.6(b) and 3.3(a) of the Administrative Code, the Board is required to adopt a resolution each year establishing a meeting schedule for the upcoming year.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Vanessa Johnson and Justine Buenaflor  
Reviewed by: Dr. Philip M. Fine

ATTACHMENTS:

1. Resolution - Draft Board Resolution Adopting 2025 Board and Committee Meeting Schedule
2. 2025 Proposed Calendar Board Meeting Schedule

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**RESOLUTION NO. 2024-**

**A Resolution of the Board of Directors of the Bay Area Air Quality Management District  
Adopting Board and Committee Meeting Schedules**

RECITALS

WHEREAS, Sections 2.6(b) and 3.3(a) the Administrative Code of the Bay Area Air Quality Management District require the Board of Directors to adopt annually by resolution schedules for meetings of the Board of Directors and Board Committees; and

WHEREAS, the Board of Directors has considered and approves of the attached proposed 2025 meeting schedule.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts the attached meeting schedule for calendar year 2025.

BE IT FURTHER RESOLVED that the location for meetings of the Board of Directors and its Committees shall be the Bay Area Metro Center, 375 Beale Street, San Francisco, California, with other remote locations as provided for in the notice of each meeting pursuant to the Administrative Code and the Ralph M. Brown open meetings act; or as otherwise specified on the agenda for the meeting.

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 \_\_\_\_\_, 2024 by the following vote of the Board:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Davina Hurt  
Chair of the Board of Directors

ATTEST:

\_\_\_\_\_

<b>CALENDAR YEAR 2025 BOARD OF DIRECTORS MEETING SCHEDULE</b>		
<b>MONTH</b>	<b>DATE</b>	<b>TIME</b>
January	January 29	10:00 a.m. <b>(Special Meeting – Board of Directors Retreat)</b>
February	February 5	10:00 a.m.
March	March 5	10:00 a.m.
April	April 2	10:00 a.m.
May	May 7	9:00 a.m. <b>(Special Meeting -1<sup>st</sup> Public Hearing to Receive Testimony on FYE 2026 Proposed Budget)</b>  10:00 a.m. <b>Board of Directors Meeting</b>
June	June 4	10:00 a.m. <b>(2<sup>nd</sup> Public Hearing and Adoption of FYE 2026 Fee Regulation Amendments and Proposed Budget)</b>
July	July 2	10:00 a.m.
<b>AUGUST</b>	<b>DARK</b>	<b>DARK</b>
September	September 3	10:00 a.m.
October	October 1	10:00 a.m.
November	November 5	10:00 a.m.
December	December 3	10:00 a.m.

<b>BOARD OF DIRECTORS</b>
Time - 10:00 a.m.* <b><i>Occurs 1<sup>st</sup> Wednesday of the Month (Exceptions specified in bold below)</i></b>
<b>January 29</b> <b><i>(Board Retreat &amp; delayed due to New Year's Day holiday)</i></b>
February 5
March 5
April 2
<b>May 7 - 9 a.m.</b> <b><i>(*note meeting title)</i></b> <b><i>1<sup>st</sup> Public Hearing to receive testimony on FYE 2026 Proposed Budget</i></b>  <b>10 a.m. Board of Directors Meeting</b>

<b>Stationary Source</b>	<b>Community Equity, Health, and Justice</b>	<b>Policy, Grants, and Technology</b>	<b>Finance &amp; Administration</b>	<b>Advisory Council</b>
Time – 10:00 a.m. <b><i>Occurs 2<sup>nd</sup> Wednesday of the Month (Exceptions specified in bold below)</i></b>	Time – 1:00 p.m. <b><i>Occurs 2<sup>nd</sup> Wednesday of the Month (Exceptions specified in bold below)</i></b>	Time – 10:00 a.m. <b><i>Occurs 3<sup>rd</sup> Wednesday of the Month (Exceptions specified in bold below)</i></b>	Time – 1:00 p.m. <b><i>Occurs 3<sup>rd</sup> Wednesday of the Month (Exceptions specified in bold below)</i></b>	<i>At the Call of the Chair</i>
Not being held	Not being held	Not being held	Not being held	
<b>February 19</b> <b><i>(Delayed due to Lincoln's Birthday holiday on 2/12)</i></b>	<b>February 19</b> <b><i>(Delayed due to Lincoln's Birthday holiday on 2/12)</i></b>	<b>February 26</b> <b><i>(Delayed due to shift from Lincoln's Birthday holiday on 2/12)</i></b>	<b>February 26</b> <b><i>(Delayed due to shift from Lincoln's Birthday holiday on 2/12)</i></b>	
March 12	March 12	March 19	March 19	
April 9	April 9	April 16	April 16	
May 14	May 14	May 21	May 21	

<b>BOARD OF DIRECTORS (cont.)</b>	<b>COMMITTEES (cont.)</b>				
	<b>Stationary Source</b>	<b>Community Equity, Health, and Justice</b>	<b>Policy, Grants, and Technology</b>	<b>Finance &amp; Administration</b>	<b>Advisory Council</b>
June 4 <i>2<sup>nd</sup> Public Hearing and Adoption of FYE 2026 Proposed Regulation Amendments and Proposed Budget</i>	June 11	June 11	June 18	June 18	
July 2	July 9	July 9	July 16	July 16	
September 3	September 10	September 10	September 17	September 17	
October 1	October 8	October 8	October 15	October 15	
November 5	November 12	November 12	November 19	November 19	
December 3	December 10	December 10	December 17	December 17	

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Publication of 2025 Regulatory Agenda

RECOMMENDED ACTION

None; informational item only, no action is requested at this time.

BACKGROUND

Each year, the Air District is required by California Health and Safety Code section 40923 to publish a list of regulatory measures scheduled or tentatively scheduled for consideration during the next calendar year. If a measure is not on this list, it may not be brought before the Board of Directors unless it is necessary to:

1. Satisfy federal requirements;
2. Abate a substantial endangerment to public health or welfare;
3. Comply with state toxic air contaminant requirements;
4. Comply with California Air Resources Board requirement that the Air District adopt contingency measures due to inadequate progress towards attainment;
5. Preserve an existing rule's "original intent;" or
6. Allow for alternative compliance under an existing rule.

DISCUSSION

The list below includes all measures that may potentially come before the Board in calendar year 2025.

Regulation, Rule	Title
Reg. 1	General Provisions and Definitions
Reg. 2, Rule 1	Permits, General Requirements
Reg. 2, Rule 2	Permits, New Source Review
Reg. 2, Rule 5	Permits, New Source Review for Toxic Air Contaminants



Reg. 2, Rule 6	Major Facility Review
Reg. 3	Fees
Reg. 5	Open Burning
Reg. 6	Particulate Matter, Common Definitions and Test Method
Reg. 6, Rule 1	Particulate Matter, General Requirements
Reg. 6, Rule 3	Particulate Matter, Wood-Burning Devices
Reg. 6, Rule 4	Particulate Matter, Metal Recycling and Shredding Operations
Reg. 6, Rule 6	Particulate Matter, Prohibition of Trackout
Reg. 8, Rule 2	Organic Compounds, Miscellaneous Operations
Reg. 8, Rule 18	Organic Compounds, Equipment Leaks
Reg. 8, Rule 34	Organic Compounds, Solid Waste Disposal Sites
Reg. 8, Rule 40	Aeration of Contaminated Soil and Removal of Underground Storage Tanks
Reg. 8, Rule 47	Air Stripping and Soil Vapor Extraction Operations
Reg. 9	Inorganic Gaseous Pollutants
Reg. 9, Rule 1	Sulfur Dioxide
Reg. 9, Rule 2	Hydrogen Sulfide
Reg. 9, Rule 4	Nitrogen Oxides from Natural Gas-Fired Furnaces
Reg. 9, Rule 6	Nitrogen Oxides Emissions from Natural Gas-Fired Water Heaters
Reg. 9, Rule 8	Nitrogen Oxides and Carbon Monoxide from Stationary Internal Combustion Engines
Reg. 10	Standards of Performance for New Stationary Sources
Reg. 11, Rule 10	Hazardous Pollutants, Hexavalent Chromium Emissions from All Cooling Towers and Total Hydrocarbon Emissions from Refinery Cooling Towers
Reg. 11, Rule 18	Hazardous Pollutants, Reduction of Risks from Air Toxic Emissions at Existing Facilities
Reg. 12, Rule 11	Miscellaneous Standards of Performance, Flare Monitoring at Refineries
Reg. 12, Rule 12	Miscellaneous Standards of Performance, Flares at Refineries
Reg. 12, Rule 13	Miscellaneous Standards of Performance, Foundry and Forging Operations

Reg. 12, Rule 15	Miscellaneous Standards of Performance, Refining Emissions Tracking
Reg. 13, Rule 4	Anerobic Digestion and Publicly-Owned Treatment Works
Reg. 13, Rule 5	Industrial Hydrogen Plants
Reg. and Rule TBD	Indirect Source Rule
Reg. and Rule TBD	Refinery Community Air Monitoring Programs
MOP	Manual of Procedures, Volumes 1 through 8

All new rules and rule amendments must be adopted at a public hearing conducted by the Board of Directors of the Air District. Public comment is accepted at these hearings. Public notice of hearings is provided as required by law. In addition, Air District staff typically conducts public workshops and provides opportunities for oral and written comments before scheduling a public hearing for a rule and the Board's consideration. Information on workshops, hearings, and other rule development issues may be obtained from the Air District website.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Victor Douglas  
Reviewed by: Greg Nudd

#### ATTACHMENTS:

None

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**Memorandum**

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of  
October 2024

RECOMMENDED ACTION

None; informational item only, no action is requested at this time.

BACKGROUND

None.

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 months prior to this report.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The penalties collected are recorded in the Air District's General Fund. A portion of the penalty funds may be expended in accordance with the Community Benefits Penalty Funds Policy adopted by the Board of Directors on May 1, 2024.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Alexander G. Crockett

ATTACHMENTS:

1. Notices of Violations Issued and Settlements in Excess of \$10,000 - Oct. 2024

## **NOTICES OF VIOLATIONS ISSUED**

The following Notice(s) of Violation(s) were issued in October 2024:

<b>Alameda</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comment</b>
AJW Construction	S765259	Oakland	A62674A	10/11/24	11-2-401.5	Asbestos Violation
Bart Gas & Food	C9398	Oakland	A62677A	10/9/24	2-1-307	Permit Requirement/Condition Violation
Bart Gas & Food	C9398	Oakland	A62677B	10/9/24	8-7-302.5	Gas Dispensing Facility Violation
Berkeley Gas & Smog	S764876	Berkeley	A62675A	10/3/24	2-1-302	No Permit to Operate
DeSilva Gates Construction, LP	A0802	Sunol	A59771A	10/22/24	2-1-307	Permit Requirement/Condition Violation
Mission Foods	A9405	Hayward	A63085A	10/8/24	2-1-307	Permit Requirement/Condition Violation
Prologis	S764878	Fremont	A63148A	10/3/24	11-2-401.5	Asbestos Violation
Southern Counties Oil Company, LP	C6837	Oakland	A62676A	10/9/24	2-1-307	Permit Requirement/Condition Violation
State of California Department of Transportation	B4195	Oakland	A63856A	10/11/24	9-7-404	Boiler Emissions Violation
State of California Department of Transportation	B4195	Oakland	A63857A	10/11/24	2-1-307	Permit Requirement/Condition Violation
State of California Department of Transportation	B4195	Oakland	A63857B	10/11/24	9-7-506	Boiler Emissions Violation

State of California Department of Transportation	B4195	Oakland	A63858A	10/11/24	2-1-307	Permit Requirement/Condition Violation
Synergy Enterprises Inc.	Z3988	Hayward	A62703A	10/28/24	11-2-303.1	Asbestos Violation
Tesla, Inc.	A1438	Fremont	A63545A	10/10/24	2-6-307	Title V Requirement/Condition Violation
Tesla, Inc.	A1438	Fremont	A63546A	10/15/24	2-6-307	Title V Requirement/Condition Violation
Tesla, Inc.	A1438	Fremont	A63547A	10/16/24	2-6-307	Title V Requirement/Condition Violation
Tesla, Inc.	A1438	Fremont	A63548A	10/16/24	2-6-307	Title V Requirement/Condition Violation
Tesla, Inc.	A1438	Fremont	A63549A	10/16/24	2-6-307	Title V Requirement/Condition Violation
Tesla, Inc.	A1438	Fremont	A63550A	10/16/24	2-6-307	Title V Requirement/Condition Violation
Tesla, Inc.	A1438	Fremont	A63551A	10/16/24	2-6-307	Title V Requirement/Condition Violation
Tesla, Inc.	A1438	Fremont	A63552A	10/16/24	2-6-307	Title V Requirement/Condition Violation
Tesla, Inc.	A1438	Fremont	A64303A	10/16/24	2-6-307	Title V Requirement/Condition Violation

<b>Contra Costa</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comment</b>
Chevron Products Company	A0010	Richmond	A62533A	10/8/24	6-1-301	Visible Emissions Violation

Chevron Products Company	A0010	Richmond	A62958A	10/28/24	2-6-307	Title V Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A62959A	10/28/24	2-6-307	Title V Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A63289A	10/17/24	8-8-316	Wastewater Collection and Separation Systems Violation
Chevron Products Company	A0010	Richmond	A63290A	10/31/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A63291A	10/31/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A63942A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A63943A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A63944A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A63945A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A63946A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A63947A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A63948A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A63949A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A63950A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A63951A	10/7/24	2-1-307	Permit Requirement/Condition Violation

Chevron Products Company	A0010	Richmond	A63952A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64278A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64279A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64280A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64281A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64282A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64283A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64284A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64285A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64286A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64287A	10/8/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64288A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64289A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64290A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64291A	10/7/24	2-6-307	Title V Requirement/Condition Violation



Chevron Products Company	A0010	Richmond	A64292A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64293A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64294A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64295A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A64296A	10/7/24	2-1-307	Permit Requirement/Condition Violation
Corteva Agriscience - Pittsburgh Operations	A0031	Pittsburg	A60771A	10/30/24	2-6-307	Title V Requirement/Condition Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A57848A	10/7/24	8-5-322.5	Storage Tank Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A62981A	10/28/24	8-2-301	Miscellaneous Operations Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A62982A	10/28/24	1-522.4	Continuous Emissions Monitor Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A64404A	10/29/24	8-8-315	Wastewater Collection and Separation Systems Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A64404B	10/29/24	8-18-309	Equipment Leak Violation
Recycling Center and Transfer Station	A9902	Pittsburg	A60770A	10/17/24	2-1-301	No Authority to Construct and No Permit to Operate
Recycling Center and Transfer	A9902	Pittsburg	A60770B	10/17/24	2-1-302	No Authority to Construct and No Permit to Operate

Station						
Scott White Construction Company Inc.	S765198	Lafayette	A62441A	10/10/24	11-2-401.5	Asbestos Violation
Tesoro Refining & Marketing Company, LLC	B2758	Martinez	A61962A	10/9/24	2-1-301	No Authority to Construct and No Permit to Operate
Tesoro Refining & Marketing Company, LLC	B2758	Martinez	A61962B	10/9/24	2-1-302	No Authority to Construct and No Permit to Operate

<b>San Francisco</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comment</b>
Bauman Landscape & Construction - San Francisco Yard	S752183	San Francisco	A62901A	10/24/24	2-1-301	No Authority to Construct and No Permit to Operate
Bauman Landscape & Construction - San Francisco Yard	S752183	San Francisco	A62901B	10/24/24	2-1-302	No Authority to Construct and No Permit to Operate
Excess Recovery, Inc.	S765996	San Francisco	A62902A	10/31/24	2-1-301	No Authority to Construct and No Permit to Operate
Excess Recovery, Inc.	S765996	San Francisco	A62902B	10/31/24	2-1-302	No Authority to Construct and No Permit to Operate
Hathaway Dinwiddie	S766061	San Francisco	A63192A	10/31/24	11-2-401.5	Asbestos Violation
T & R Automotive Center dba Exxon	C2289	San Francisco	A63191A	10/22/24	8-7-302.1	Gas Dispensing Facility Violation

<b>San Mateo</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comment</b>
Exxon Daly City	D0452	Daly City	A63190A	10/16/24	8-7-302.4	Gas Dispensing Facility Violation
Scott's Demolition	S765887	San Mateo	A62931A	10/29/24	11-2-401.3	Asbestos Violation
Sullivan Valero	D0514	Daly City	A63187A	10/30/24	8-7-302.3	Gas Dispensing Facility Violation

<b>Santa Clara</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comment</b>
Arnold's Metal Finishing	B7958	Santa Clara	A64217A	10/24/24	2-1-301	No Authority to Construct and No Permit to Operate
Arnold's Metal Finishing	B7958	Santa Clara	A64217B	10/24/24	2-1-302	No Authority to Construct and No Permit to Operate
Bal Stations Inc dba Sunny Oak Valero	C3406	Campbell	A63962A	10/9/24	8-7-301.1	Gas Dispensing Facility Violation
Bubble Machine	D0203	San Jose	A63967A	10/23/24	8-7-301.5	Gas Dispensing Facility Violation
De La Cruz 76 Station	C4367	Santa Clara	A63961A	10/9/24	8-7-301.6	Gas Dispensing Facility Violation
De La Cruz 76 Station	C4367	Santa Clara	A63961B	10/9/24	8-7-302.3	Gas Dispensing Facility Violation
Ecco Builder Inc.	S764859	Campbell	A63960A	10/3/24	11-2-303.8	Asbestos Violation
George's Auto Repair	C4512	Sunnyvale	A63964A	10/21/24	2-1-307	Permit Requirement/Condition Violation
Houtan Petroleum #255661	C6997	Mountain View	A62930A	10/23/24	8-7-301.5	Gas Dispensing Facility Violation
Houtan Petroleum #255661	C6997	Mountain View	A62930B	10/23/24	8-7-302.1	Gas Dispensing Facility Violation

International Disposal Corp of CA	A9013	Milpitas	A61898A	10/21/24	8-34-305:1	Landfill Violation
International Disposal Corp of CA	A9013	Milpitas	A61898B	10/21/24	8-34-414.3	Landfill Violation
International Disposal Corp of CA	A9013	Milpitas	A61898C	10/21/24	8-34-414.4	Landfill Violation
Steven Creek 76	C8469	San Jose	A63963A	10/15/24	2-1-307	Permit Requirement/Condition Violation
Steven Creek 76	C8469	San Jose	A63965A	10/15/24	2-1-301	No Authority to Construct
Union Gas	C8295	San Jose	A63959A	10/2/24	2-1-307	Permit Requirement/Condition Violation

<b>Solano</b>						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Birds Landing Hunting Preserve	S765435	Birds Landing	A63363A	10/17/24	11-2-401.5	Asbestos Violation
Cozy Home Services	S765180	Vacaville	A62439A	10/10/24	11-2-303	Asbestos Violation
Cozy Home Services	S765180	Vacaville	A62439B	10/10/24	11-2-304	Asbestos Violation

<b>Company Address Outside of the Bay Area</b>						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
CSI Construction	S765183	Sacramento	A62440A	10/10/24	11-2-401.5	Asbestos Violation

### **SETTLEMENTS FOR \$10,000 OR MORE REACHED**

There were 3 settlements for \$10,000 or more completed in October 2024.

- 1) On October 1, 2024, the Air District reached a settlement with Tesoro Refining and Marketing Company LLC for \$5,000,000, regarding the allegations contained in the following 59 Notices of Violations:

<b>NOV #</b>	<b>Issuance Date</b>	<b>Occurrence Date</b>	<b>Regulation</b>	<b>Comments from Enforcement</b>
A58272A	5/26/21	4/28/20	2-1-301	No Authority to Construct and No Permit to Operate
A58272B	5/26/21		2-1-302	No Authority to Construct and No Permit to Operate
A58273A	5/26/21	4/28/20	2-6-309	Title V Prohibited Modifications Violation
A58274A	5/26/21	4/28/20	8-33-301	Gasoline Bulk Terminal Violation
A58274B	5/26/21	4/28/20	8-33-301	Gasoline Bulk Terminal Violation
A58274C	5/26/21	4/28/20	8-33-309	Gasoline Bulk Terminal Violation
A58275A	5/26/21	4/28/20	8-44-304.1	Marine Tank Vessels Violation
A58275B	5/26/21	4/28/20	8-44-304.2	Marine Tank Vessels Violation
A58450A	7/25/19	6/15/18	2-6-307	Title V Permit Requirement/Condition Violation
A58451A	7/25/19	9/13/18	2-6-307	Title V Permit Requirement/Condition Violation
A58451B	7/25/19	9/13/18	9-10-305	Refinery NOx or CO Violation
A58452A	7/25/19	9/12/18	6-1-302	Visible Emissions Violation
A58856A	3/25/19	11/14/18	9-1-307	SO2 Emissions Violation
A58857A	4/11/19	7/25/17	10	Code of Federal Regulation Violation
A58858A	3/25/19	8/9/18	2-6-307	Title V Permit Requirement/Condition Violation
A58860A	3/25/19	9/19/18	10	Code of Federal Regulation Violation
A58863A	3/25/19	8/14/18	8-10-501	Refinery Unit Depressurization Violation

A58863B	3/25/19	8/14/18	8-10-503	Refinery Unit Depressurization Violation
A58863C	3/25/19	8/14/18	2-6-307	Title V Permit Requirement/Condition Violation
A58864A	3/25/19	2/4/19	8-18-309	Equipment Leak Violation
A58864B	3/25/19	2/4/19	8-18-402	Equipment Leak Violation
A58866A	5/3/19	4/24/19	8-18-302.2	Equipment Leak Violation
A59328A	7/25/19	11/26/18	2-6-307	Title V Permit Requirement/Condition Violation
A59329A	7/25/19	9/19/18	9-1-307	SO2 Emissions Violation
A59331A	10/2/19	8/6/18	2-6-307	Title V Permit Requirement/Condition Violation
A59331B	10/2/19	8/6/18	1-522.6	Continuous Emissions Monitor Violation
A59332A	10/2/19	4/30/19	1-522.4	Continuous Emissions Monitor Violation
A59332B	10/2/19	4/30/19	2-6-307	Title V Permit Requirement/Condition Violation
A59333A	10/2/19	9/13/19	6-1-301	Visible Emissions Violation
A59334A	10/2/19	9/13/19	6-1-301	Visible Emissions Violation
A59336A	3/5/20	6/21/18	1-523.3	Parametric Monitor Violation
A59337A	3/5/20	11/5/18	1-523.3	Parametric Monitor Violation
A59337B	3/5/20	11/5/18	2-6-307	Title V Permit Requirement/Condition Violation
A59338A	3/5/20	11/6/18	1-523.3	Parametric Monitor Violation
A59338B	3/5/20	11/6/18	2-6-307	Title V Permit Requirement/Condition Violation
A59340A	8/14/20	2/20/20	8-18-401.2	Equipment Leak Violation
A59340B	8/14/20	2/20/20	8-18-402.1	Equipment Leak Violation
A59341A	8/14/20	2/21/20	1-522.6	Continuous Emissions Monitor Violation
A59343A	1/4/21	4/28/20	12-12-301	Refinery Flare Minimization Violation

A59344A	6/4/21	7/9/19	2-6-307	Title V Permit Requirement/Condition Violation
A60729A	12/8/21	2/26/19	6-1-302	Visible Emissions Violation
A60729B	12/8/21	2/26/19	10	Code of Federal Regulation Violation
A60730A	12/8/21	4/6/19	9-1-307	SO2 Emissions Violation
A60730B	12/8/21	4/6/19	10	Code of Federal Regulation Violation
A60731A	12/8/21	6/24/19	9-1-307	SO2 Emissions Violation
A60732A	12/8/21	9/11/19	6-1-302	Visible Emissions Violation
A60732B	12/8/21	9/11/19	10	Code of Federal Regulation Violation
A60733A	12/8/21	9/15/19	6-1-302	Visible Emissions Violation
A60733B	12/8/21	9/15/19	10	Code of Federal Regulation Violation
A60734A	12/8/21	11/14/19	2-6-307	Title V Permit Requirement/Condition Violation
A60735A	2/16/22	2/10/20	2-6-307	Title V Permit Requirement/Condition Violation
A60736A	2/16/22	4/24/20	6-1-302	Visible Emissions Violation
A60736B	2/16/22	4/24/20	10	Code of Federal Regulation Violation
A60778A	6/14/22	6/13/22	8-5-306.2	Storage Tank Violation
A60779A	6/30/22	10/12/20	8-5-304.4	Storage Tank Violation
A60780A	6/30/22	11/10/21	8-5-320.5	Storage Tank Violation
A60782A	6/29/22	12/28/21	8-5-304.4	Storage Tank Violation
A60783A	6/30/22	4/1/20	8-18-401.2	Equipment Leak Violation
A60784A	6/29/22	5/25/22	8-33-309	Gasoline Bulk Terminal Violation
A60785A	6/30/22	5/19/22	8-18-304	Equipment Leak Violation
A60789A	9/12/22	9/9/22	2-6-501	Title V Monitoring Violation
A61012A	4/12/22	10/1/20	CCR Title	California Code of Regulation Violation

			17 Section 94016	
A61013A	4/12/22	10/1/20	8-18-503.1	Equipment Leak Violation
A61014A	4/20/22	3/20/21	8-33-309	Gasoline Bulk Terminal Violation
A61015A	4/20/22	4/4/21	8-33-309	Gasoline Bulk Terminal Violation
A61016A	5/3/22	5/14/21	8-5-322.5	Storage Tank Violation
A61017A	5/3/22	6/1/21	11-10- 304.1	Refinery Hexavalent Chromium Violation
A61018A	5/3/22	11/10/21	8-5-321	Storage Tank Violation
A61019A	5/10/22	1/29/19	8-10-501	Refinery Unit Depressurization Violation
A61019B	5/10/22	1/29/19	8-10-503.3	Refinery Unit Depressurization Violation
A61020A	5/10/22	4/1/20	2-6-307	Title V Permit Requirement/Condition Violation
A61021A	5/10/22	4/1/20	9-8-503	Internal Combustion Engine Violation
A61022A	5/20/22	3/16/22	8-5-320.5	Storage Tank Violation
A61023A	6/2/22	1/22/20	10	Code of Federal Regulation Violation
A61023B	6/2/22	1/22/20	CCR Title 17 Section 94016	California Code of Regulation Violation
A61024A	6/2/22	5/4/20	10	Code of Federal Regulation Violation
A61024B	6/2/22	5/4/20	CCR Title 17 Section 94016	California Code of Regulation Violation
A61025A	6/2/22	8/3/20	10	Code of Federal Regulation Violation
A61025B	6/2/22	8/3/20	CCR Title 17 Section 94016	California Code of Regulation Violation
A61026A	6/2/22	9/2/20	10	Code of Federal Regulation Violation
A61026B	6/2/22	9/2/20	CCR Title 17 Section	California Code of Regulation Violation



			94016	
A61027A	6/14/22	6/13/22	8-5-306.2	Storage Tank Violation

- 2) On October 16, 2024, the Air District reached a settlement with Radius Recycling, Inc. (formerly Schnitzer Steel Industries Inc.) for \$575,000, regarding the allegations contained in the following 8 Notices of Violations:

<b>NOV #</b>	<b>Issuance Date</b>	<b>Occurrence Date</b>	<b>Regulation</b>	<b>Comments from Enforcement</b>
A61138A	12/1/22	4/26/22	2-1-307	Permit Requirement/Condition Violation
A61139A	12/1/22	8/23/22	2-1-307	Permit Requirement/Condition Violation
A61140A	12/1/22	10/4/22	2-1-307	Permit Requirement/Condition Violation
A61146A	4/10/23	7/14/22	2-1-307	Permit Requirement/Condition Violation
A61582A	6/16/22	10/4/21	2-1-307	Permit Requirement/Condition Violation
A62733A	1/16/24	4/25/23	2-1-307	Permit Requirement/Condition Violation
A62735A	7/25/23	2/23/23	2-1-307	Permit Requirement/Condition Violation
A62740A	9/15/23	9/7/23	2-1-307	Permit Requirement/Condition Violation

- 3) On October 25, 2024, the Air District reached a settlement with NVIDIA Corporation for \$82,000 regarding the allegations contained in the following 3 Notices of Violations:

<b>NOV #</b>	<b>Issuance Date</b>	<b>Occurrence Date</b>	<b>Regulation</b>	<b>Comments from Enforcement</b>
A64212A	6/24/24	2/17/24	2-1-307	Permit Requirement/Condition Violation
A64213A	6/24/24	12/31/23	9-7-506	Boiler Emissions Violation
A64214A	6/24/24	12/31/23	9-7-506	Boiler Emissions Violation

- 4) On October 29, 2024, the Air District reached a settlement with Valero Refining Company - California for \$81,962,602 regarding the allegations contained in the following 15 Notices of Violations. The agreement was a joint settlement with CARB under which the Air District will receive \$80,800,000 and CARB will receive \$1,162,602.

<b>NOV #</b>	<b>Issuance Date</b>	<b>Occurrence Date</b>	<b>Regulation</b>	<b>Comments from Enforcement</b>
A58465A	3/21/19	5/15/00	8-2-301	Miscellaneous Operations Violation
A59512A	10/11/21	10/1/80	8-18-402.1	Equipment Leak Violation
A59512B	10/11/21	10/1/80	8-18-401.2	Equipment Leak Violation
A59513A	1/26/22	9/10/21	1-441	Denied Access to Information Violation
A59514A	3/7/22	1/7/18	1-441	Denied Access to Information Violation
A59514B	3/7/22	1/7/18	2-1-320	Misrepresentation in Permit Application
A59526A	7/28/22	9/10/21	1-441	Denied Access to Information Violation
A59609A	12/1/20	3/2/06	8-28-406	Episodic Releases from Pressure Relief Devices at Refineries and Chemical Plants Violation
A59609B	12/1/20	3/2/06	8-28-407	Episodic Releases from Pressure Relief Devices at Refineries and Chemical Plants Violation
A59627A	6/17/21	10/1/80	8-18-402.1	Equipment Leak Violation
A59627B	6/17/21	10/1/80	8-18-401.2	Equipment Leak Violation
A60588A	1/26/23	6/26/12	8-2-301	Miscellaneous Operations Violation
A60588B	1/26/23		10	Code of Federal Regulation Violation
A60805A	9/16/22	3/13/11	8-28-304.2	Episodic Releases from Pressure Relief Devices at Refineries and Chemical Plants Violation
A60806A	9/16/22	2/15/10	8-28-401	Episodic Releases from Pressure Relief Devices at Refineries and Chemical Plants Violation
A60806B	9/16/22	2/15/10	2-6-307	Title V Requirement/Condition Violation

A62164A	5/29/24	10/1/80	2-6-307	Title V Requirement/Condition Violation
A62164B	5/29/24	10/1/80	8-18-401.2	Equipment Leak Violation
A62164C	5/29/24	10/1/80	8-18-402.1	Equipment Leak Violation
A62188A	5/1/23	3/13/11	8-28-304.2	Episodic Releases from Pressure Relief Devices at Refineries and Chemical Plants Violation
A62193A	7/7/23	1/28/23	2-1-307	Permit Requirement/Condition Violation
A62193B	7/7/23	1/28/23	8-2-301	Miscellaneous Operations Violation
A62194A	7/7/23	2/17/23	8-2-301	Miscellaneous Operations Violation
A62194B	7/7/23	2/17/23	2-1-307	Permit Requirement/Condition Violation
A62196A	9/1/23	6/3/23	8-2-301	Miscellaneous Operations Violation

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**Memorandum**

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Authorization to Amend the Master Services Agreement with the Bayview Hunters  
Point Community Advocates for the Bayview Hunters Point/Southeast San Francisco  
Community Emissions Reduction Plan

**RECOMMENDED ACTION**

Authorize the Executive Officer/APCO to execute an amendment to the Master Services Agreement with the Bayview Hunters Point Community Advocates (Contract No. 2023.060) to:

1. Increase the maximum dollar amount of the agreement by \$160,034, from \$240,000 to \$400,034; and
2. Extend the contract end date from November 30, 2024, to November 30, 2025.

The purpose of this amendment is for continued agenda planning and outreach support for the development of the Bayview Hunters Point/Southeast San Francisco's Assembly Bill 617 Community Emissions Reduction Plan.

**BACKGROUND**

The Air District's Community Health Protection Program works to reduce community exposure to air pollutants by partnering with Bay Area communities to plan and implement Assembly Bill (AB) 617 (AB 617, C. Garcia, Chapter 136, Statutes of 2017). Following the Air District's nomination, the California Air Resources Board formally designated Bayview Hunters Point/Southeast San Francisco as an AB 617 community on February 23, 2023. The Air District is co-leading this effort with two community groups, the Marie Harrison Community Foundation, and the Bayview Hunters Point Community Advocates. Together, the Air District and its Co-Leads established a Community Steering Committee (CSC) in Bayview Hunters Point/ Southeast San Francisco that will guide the development of a Community Emissions Reduction Plan (CERP).

With the \$240,000 of funds in the current Master Services Agreement (MSA), the Bayview Hunters Point Community Advocates supported the Bayview Hunters Point AB 617 community nomination, the initial development of the CSC project infrastructure, and the first ten CSC meetings between February 11, 2023, and October 31, 2024. Staff from the Bayview Hunters

Point Community Advocates conducted outreach for AB 617 site nomination, recruited community members to apply to the CSC, supported the planning and facilitation of CSC meetings, attended subcommittee meetings, and brought in technical experts to support the CSC. Over the course of those ten CSC meetings, the group has adopted a Charter that sets forth the CSC's governance processes, adopted a community boundary, participated in a mapping activity to identify pollution concerns and sensitive populations in the neighborhood, and participated in discussions on a variety of key topics, including air quality management, land use policy, and health data. In the next year, the CSC will create a roadmap to identify the next steps required for the CSC to acquire the background information necessary to develop the CERP.

## DISCUSSION

To support the CSC in their development of a CERP, Air District staff seek continued support from the Bayview Hunters Point Community Advocates for the Bayview Hunters Point/Southeast San Francisco (BVHP/SESF) AB 617 Community Steering Committee.

A summary of the contract activities includes the following:

- Planning monthly CSC Meeting agendas and reviewing content with Air District staff.
- Co-facilitating CSC Meetings and CSC subcommittee meetings.
- Checking-in with individual CSC members to ensure they have the support needed to participate in the CERP development process.
- Recruiting and selecting new CSC members to fill vacancies, as needed.
- Recruiting technical advisors with expertise to support CSC members.

## BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the amended contract amount of \$160,034 is included in Program 617 of the Fiscal Year Ending 2025 budget.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Daniel Madrigal  
Reviewed by: Suma Peespati

## ATTACHMENTS:

1. BVHP Community Advocates 2023.060
2. BVHP Community Advocates 2023.060 Amendment 1
3. BVHP Community Advocates 2023.060 Draft

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

### MASTER SERVICES CONTRACT

#### CONTRACT NO. 2023.060

1. **PARTIES** – The parties to this Contract (“Contract”) are the Bay Area Air Quality Management District (“DISTRICT”) whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and **Bayview Hunters Point Community Advocates** (“CONTRACTOR”) whose address is 2095 Jerrold Ave Suite 100, San Francisco, CA 94124.
2. **RECITALS**
  - A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Contract under California Health and Safety Code Section 40701. DISTRICT desires to contract with CONTRACTOR for Services as defined herein. DISTRICT is entering into this Contract based on CONTRACTOR’s stated qualifications to perform the Services.
  - B. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.
3. **DEFINITIONS**
  - A. “Purchase Order” shall mean the written or electronic document used by DISTRICT to track payments to CONTRACTOR under this Contract.
  - B. “Services” shall mean the services to be provided by CONTRACTOR hereunder as generally described in the General Description of Services, attached hereto as Attachment A and made a part hereof by this reference, and as specifically described in Task Orders issued pursuant to this Contract.
  - C. “Task Order” shall mean a written request by DISTRICT for specific services to be performed by CONTRACTOR.
4. **PERFORMANCE REQUIREMENTS**
  - A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.
  - B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and pay all applicable fees.
  - C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT’s Conflict of Interest Code.
  - D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Scope of Work.
  - E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.
  - F. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraphs A-E above.

5. TERM – The term of this Contract is from date of Contract execution to October 31, 2024 unless further extended by amendment of this Contract in writing, or terminated earlier. CONTRACTOR shall not submit any invoice for services performed under this Contract until the Contract is fully executed.

6. TERMINATION

- A. The DISTRICT may terminate this Contract at any time, at will, and without specifying any reason, by notifying CONTRACTOR in writing. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination, and shall be delivered in accordance with the provisions of section 13 below. Immediately upon receipt of the notice of termination, CONTRACTOR shall cease all services under this Contract, except such services as are specified in the notice of termination. CONTRACTOR shall deliver a final invoice for all remaining services performed but not billed, including any services specified in the termination notice, on or before ten (10) business days following the termination date.
- B. Either party may terminate this Contract for breach by the other party.
- i) Failure to perform any agreement or obligation contained in this Contract or failure to complete the services in a satisfactory manner shall constitute a breach of the Contract.
  - ii) The non-breaching party may terminate the Contract by delivery of a written notice of breach. The notice of breach shall specify the date of termination, which shall be no earlier than ten (10) business days from delivery of the notice of breach. In the alternative, at its sole discretion, the non-breaching party may require the breaching party to cure the breach. The notice of breach shall specify the nature of the breach and the date by which such breach must be cured.
  - iii) If CONTRACTOR fails to perform any obligation under this Contract, DISTRICT at its sole discretion, may perform, or cause the performance, of the obligation itself. In that event, DISTRICT shall deduct the costs to perform such obligation and any other costs to cure the breach from the payment otherwise due to CONTRACTOR for work performed under this Contract. DISTRICT's performance hereunder shall not be deemed a waiver or release of any obligation of, or default by, CONTRACTOR under this Contract.
  - iv) The notice of breach shall be provided in accordance with the notice requirements set forth in section 13.
  - v) The non-breaching party reserves all rights under law and equity to enforce this Contract and recover any damages.

7. INSURANCE

- A. CONTRACTOR shall maintain the following insurance:
- i) Workers' compensation and employers' liability insurance as required by California law or other applicable statutory requirements.
  - ii) Occurrence-based commercial general liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each occurrence. Such insurance shall include DISTRICT and its officers, agents, and employees as additional insureds and shall be primary with respect to any insurance maintained by DISTRICT.
  - iii) Business automobile liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles. If CONTRACTOR is a sole proprietor, CONTRACTOR may

meet this insurance requirement with personal automobile liability insurance carrying a business use endorsement or by demonstrating to the satisfaction of DISTRICT that business use is covered under the CONTRACTOR's personal automobile liability insurance. A CONTRACTOR using only rental vehicles in performing work under this Contract may meet this insurance requirement by purchasing automobile liability insurance in the required coverage amount from the rental agency.

- iv) Professional liability insurance with limits not less than one million dollars (\$1,000,000) each claim.
- B. All insurance shall be placed with insurers acceptable to DISTRICT.
- C. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. Upon request by DISTRICT, CONTRACTOR shall provide a complete copy of any required insurance policy. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.
- D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and to deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.

#### 8. INDEMNIFICATION

- A. CONTRACTOR shall indemnify and hold DISTRICT, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance of this Contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of CONTRACTOR, its officers, agents, or employees.
- B. DISTRICT shall indemnify and hold CONTRACTOR, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fee, or claims for injury or damages arising out of the performance of this Contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of DISTRICT, its officers, agents, or employees.

#### 9. AGREEMENT TO PROVIDE SERVICES

- A. CONTRACTOR hereby agrees to provide to DISTRICT, as DISTRICT may from time to time designate, such services as DISTRICT may order by Task Order, all in accordance with and subject to the terms, covenants and conditions of this Contract. DISTRICT agrees to pay for these services ordered by DISTRICT in accordance with and subject to the terms, covenants and conditions of this Contract.
- B. All Task Orders issued by DISTRICT to CONTRACTOR for services during the term of this Contract are subject to the provisions of this Contract as though fully set forth in such Task Order. In the event that the provisions of this Contract conflict with any Task Order issued by DISTRICT to CONTRACTOR, the provisions of this Contract shall govern. No other terms and conditions, including, but not limited to, those contained in CONTRACTOR's standard printed terms and conditions, on CONTRACTOR's order acknowledgment, invoices or otherwise, shall have any application to or effect upon or be deemed to constitute an amendment to or to be incorporated into this Contract, any Task Order, or any transactions occurring pursuant hereto



or thereto, unless this Contract shall be specifically amended to adopt such other terms and conditions in writing by the parties.

- C. Notwithstanding any other provision of this Contract to the contrary, DISTRICT shall have no obligation to order or purchase any services hereunder and the placement of any Task Order shall be in the sole discretion of DISTRICT. Without limiting the generality of the foregoing, the actual quantity of services to be purchased hereunder shall be determined by DISTRICT in its sole discretion and shall not exceed \$90,000. This Contract is not exclusive. CONTRACTOR expressly acknowledges and agrees that DISTRICT may purchase at its sole discretion, services that are identical or similar to the services described in this Contract from any third party.

- 10. TASK ORDERS – Each Task Order will specify the following items, as relevant: specific services requested, schedule for services, location where services are to be performed (with contact person), and cost or estimated cost of services. Each Task Order issued under this Contract shall be made part of, and be incorporated into this Contract, and shall reference this Contract on the face of each Task Order. Should any Task Order not conform to or satisfy the terms of this Contract, CONTRACTOR shall have five (5) business days after receipt to reject the Task Order. By not rejecting the Task Order within five (5) business days, CONTRACTOR will have accepted the Task Order. Acceptance by CONTRACTOR is limited to the provisions of this Contract and the Task Order. No additional or different provisions proposed by CONTRACTOR or DISTRICT shall apply. In addition, the parties agree that this Contract and accepted Task Orders constitute a contract for services and satisfy all statutory and legal formalities of a contract.

11. PRICING, INVOICES, AND PAYMENT

- A. DISTRICT shall pay CONTRACTOR for all services ordered and provided in compliance with the terms and conditions of this Contract and with Task Orders issued under this Contract.
- B. CONTRACTOR shall submit original invoices to DISTRICT in form and substance and format reasonably acceptable to DISTRICT. Each invoice, including supporting documentation, must be prepared in duplicate on CONTRACTOR's letterhead; must list DISTRICT's contract number, Purchase Order Number, and the CONTRACTOR's Social Security Number or Federal Employer Identification Number; and must be submitted to: Bay Area Air Quality Management District, 375 Beale Street, Suite 600, San Francisco, CA 94105, Attn: Contracts Manager.
- C. Except as specifically set forth in Attachment A or in Task Orders under this Contract, DISTRICT shall not be responsible for any additional costs or expenses of any nature incurred by CONTRACTOR in connection with the provision of the services, including without limitation travel expenses, clerical or administrative personnel, long distance telephone charges, etc.
- D. CONTRACTOR represents, warrants and covenants that the prices, charges and fees for services set forth in this Contract (on the whole) are at least as favorable as the prices, charges and fees CONTRACTOR charges (on the whole) to other of its customers or clients for the same or substantially similar services provided under the same or substantially similar circumstances, terms, and conditions. If CONTRACTOR agrees or contracts with other clients or customers similarly situated during the Term of this Contract, and offers or agrees to financial terms more favorable than those set forth herein (on the whole), CONTRACTOR hereby agrees that it will reduce the prices, charges and/or fees charged to DISTRICT in respect of the services hereunder to the most favorable rates received by those other clients or customers.

- 12. DISPUTE RESOLUTION – A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.

- A. Upon receipt of a notice of breach of contract, the party may submit a demand for mediation to resolve whether or not a breach occurred. The party must state the basis of the dispute and deliver the demand within ten (10) business days of the date of receipt of the notice of breach.
- B. The mediation shall take place at DISTRICT's office at 375 Beale Street, Suite 600, San Francisco, or at such other place as may be mutually agreed upon by the parties and the mediator.
- C. The parties shall make good faith efforts to hold the mediation within thirty (30) days after receipt of the demand for mediation.
- D. Each party shall bear its own mediation costs.
- E. In the event the parties are unable to resolve the dispute, either party may file an action in a court of competent jurisdiction to enforce the Contract.
- F. Maximum recovery under this section shall be limited to the total value of all Task Orders issued under this Contract. The mediation costs shall not reduce the maximum amount recoverable under this section.

13. NOTICES – All notices that are required under this Contract shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by e-mail, facsimile, or regular first class mail. In the case of e-mail and facsimile communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. E-mail and facsimile communications shall be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. PST. Otherwise, receipt of e-mail and facsimile communications shall be deemed to have occurred on the following business day. In the case of regular mail notice, notice shall be deemed to have been delivered on the mailing date and received five (5) business days after the date of mailing.

DISTRICT: Bay Area Air Quality Management District  
375 Beale Street, Suite 600  
San Francisco, CA 94105  
Attn: Daniel Madrigal

CONTRACTOR: Bayview Hunters Point Community Advocates  
2095 Jerrold Ave, Suite 100  
San Francisco, CA 94124  
Attn: Michelle Pierce

14. ADDITIONAL PROVISIONS – All attachment(s) to this Contract are expressly incorporated herein by this reference and made a part hereof as though fully set forth.

15. EMPLOYEES OF CONTRACTOR

- A. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation leave, vacation replacements, sick leave, severance pay, and pay for legal holidays.
- B. CONTRACTOR, its officers, employees, agents, or representatives shall not be considered employees or agents of DISTRICT, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by DISTRICT to its employees.

- C. CONTRACTOR shall assign those employees listed in the Task Order(s) to perform services under this Contract. CONTRACTOR shall not assign different employees to perform these services without the express written permission of DISTRICT, which DISTRICT will not unreasonably withhold.
  - D. DISTRICT reserves the right to review the credentials to perform the services for any of CONTRACTOR's employees assigned herein and to disapprove CONTRACTOR's assignments. CONTRACTOR warrants that it will not employ any subcontractor(s) without prior written approval from DISTRICT.
16. CONFIDENTIALITY – In order to carry out the purposes of this Contract, CONTRACTOR may require access to certain of DISTRICT's confidential information (including trade secrets, inventions, confidential know-how, confidential business information, and other information that DISTRICT considers confidential) (collectively, "Confidential Information"). It is expressly understood and agreed that DISTRICT may designate in a conspicuous manner Confidential Information that CONTRACTOR obtains from DISTRICT, and CONTRACTOR agrees to:
- A. Observe complete confidentiality with respect to such information, including without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
  - B. Ensure that CONTRACTOR's officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information and to assure by agreement or otherwise that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
  - C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever whether gratuitously or for valuable consideration, except as permitted under this Contract.
  - D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information or any part thereof by any person or entity other than those authorized by this section. Take at CONTRACTOR's expense, but at DISTRICT's option and in any event under DISTRICT's control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.
  - E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Contract and following expiration or termination of the Contract.
  - F. Prevent access to such materials by a person or entity not authorized under this Contract.
  - G. Establish specific procedures in order to fulfill the obligations of this section.
17. INTELLECTUAL PROPERTY RIGHTS – Title and full ownership rights to all intellectual property developed under this Contract shall at all times remain with DISTRICT, unless otherwise agreed to in writing.
18. PUBLICATION
- A. DISTRICT shall approve in writing any report or other document prepared by CONTRACTOR in connection with performance under this Contract prior to dissemination or publication of such

report or document to a third party. DISTRICT may waive in writing its requirement for prior approval.

- B. Until approved by DISTRICT, any report or other document prepared by CONTRACTOR shall include on each page a conspicuous header, footer, or watermark stating "DRAFT – Not Reviewed or Approved by BAAQMD," unless DISTRICT has waived its requirement for prior approval pursuant to paragraph A of this section.
- C. Information, data, documents, or reports developed by CONTRACTOR for DISTRICT, pursuant to this Contract, shall be part of DISTRICT's public record, unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information, provided DISTRICT approves use of such information in advance. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract.

"This report was prepared as a result of work sponsored, paid for, in whole or in part, by the Bay Area Air Quality Management District (District). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of the District. The District, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report."

- D. CONTRACTOR shall inform its officers, employees, and subcontractors involved in the performance of this Contract of the restrictions contained herein and shall require compliance with the above.
- 19. NON-DISCRIMINATION – In the performance of this Contract, CONTRACTOR shall not discriminate in its recruitment, hiring, promotion, demotion, and termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual orientation, medical condition, or physical or mental disability and shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts. CONTRACTOR shall also require each subcontractor performing services in connection with this Contract to comply with this section and shall include in each contract with such subcontractor provisions to accomplish the requirements of this section.
  - 20. PROPERTY AND SECURITY – Without limiting CONTRACTOR'S obligations with regard to security, CONTRACTOR shall comply with all the rules and regulations established by DISTRICT for access to and activity in and around DISTRICT's premises.
  - 21. ASSIGNMENT – No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.
  - 22. WAIVER – No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to

enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.

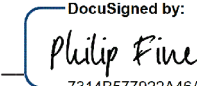
23. ATTORNEYS' FEES – In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys' fees and costs.
24. FORCE MAJEURE – Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to party's own action or inaction, then such cause shall not excuse that party from performance under this Contract.
25. SEVERABILITY – If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them will not be affected.
26. HEADINGS – Headings on the sections and paragraphs of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
27. COUNTERPARTS/FACSIMILES/SCANS – This Contract may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party's signature as an original for all purposes.
28. GOVERNING LAW – Any dispute that arises under or relates to this Contract shall be governed by California law, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Contract, including mediation, shall be San Francisco, California.
29. ENTIRE CONTRACT AND MODIFICATION – This Contract represents the final, complete, and exclusive statement of the agreement between the parties related to CONTRACTOR providing services to DISTRICT and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Contract by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Contract may only be amended by mutual agreement of the parties in writing and signed by both parties.

30. SURVIVAL OF TERMS – The provisions of sections 8 (Indemnification), 16 (Confidentiality), 17 (Intellectual Property Rights), and 18 (Publication) shall survive the expiration or termination of this Contract.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT

BAYVIEW HUNTERS POINT COMMUNITY  
ADVOCATES

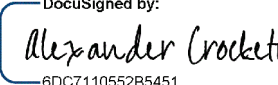
By:  Philip M. Fine  
~~Brandon E. Sanders~~  
~~Interim Chief Operating Officer~~  
Executive Officer/APCO

By:  Michelle Pierce  
Executive Director

Date: 5/26/2023

Date: 24 April 2023

Approved as to form:  
District Counsel

By:  Alexander Crockett 5/17/2023  
~~Alexander G. Crockett~~  
District Counsel



## **Attachment A**

### **General Description of Services**

Bayview Hunters Point Community Advocates (CONTRACTOR), as part of a co-lead team including Marie Harrison Community Foundation, and with support from the DISTRICT, shall lead the development and initial implementation of a 2024 Community Emissions Reduction Plan (CERP) in Bayview Hunters Point/ Southeast San Francisco that will launch in 2023 following the DISTRICT Board of Directors' and California Air Resources Board's approval via community and stakeholder engagement, facilitation, technical research, mitigation analysis, and plan writing.

CONTRACTOR, established in 1994, is a grassroots organization founded, governed, and operated by long-term members of the Bayview Hunters Point neighborhood in San Francisco. CONTRACTOR's programs combine community organizing with education, advocacy, and direct services and seek to build the neighborhood's capacity as a self-determining, fully autonomous force for social change in today's San Francisco. CONTRACTOR's primary areas of focus are the adverse health impacts experienced by neighborhood residents due to poor air, soil, and water quality; crisis-level displacement pressures; and under-employment and aim to engage and support Black people and immigrants through environmental advocacy as well as workforce and economic development. CONTRACTOR has launched several programs in recent years using culturally appropriate approaches to outreach and community engagement, including, but not limited to the Southeast Community Council, the Community Toxic Index and the Bay view Hunters Point Community Advocates Collection. CONTRACTOR also has long-time partnership and relationships with the DISTRICT, including engaging in rulemaking processes, advisory bodies, and Community Capacity Building grants. As a result, CONTRACTOR has gained deep leadership and expertise around engaging DISTRICT with regulatory rulemaking processes, enforcement, planning processes and programs.

DISTRICT staff presented recommendations for supporting the community self-nomination of Bayview Hunters Point/Southeast San Francisco as the next community to develop a community emission reduction plan to DISTRICT's Board of Directors for adoption on October 26, 2022; the DISTRICT's Board of Directors unanimously approved the recommendation.

Subsequently, DISTRICT staff supported the Co-Leads in presenting this recommendation at a public meeting hosted by the California Air Resources Board (CARB) in December 2022. On February 23, 2023, CARB nominated the Bayview Hunters Point/ Southeast San Francisco for CERP designation. The process for launching the CERP Steering Committee will begin between March – June 2023 and the formal CERP development phase under the guidance of the Steering Committee is expected to commence July 2023 with an expected completion date by Fall 2024.

CONTRACTOR, as part of a co-lead team with the Marie Harrison Community Foundation and the DISTRICT shall provide outreach and community engagement support, CERP steering committee formation and planning preparation, policy assessment and development support, and facilitation support for the launch of a Bayview Hunters Point/ Southeast San Francisco CERP.

Pursuant to Task Orders issued under this Contract, CONTRACTOR's tasks include, but are not limited to:

1. Assemble and initialize a project team to develop a collaborative partnership process and build project management infrastructure.
2. Participate in on-going, co-lead meetings with DISTRICT.

3. Perform community and policy maker engagement, education, and outreach for the CERP.
4. Develop governance structure and recruit potential members for the Community Steering Committee and Technical Advisory Body.
5. Identify, recruit potential members, and develop scopes of service for potential technical sub-contractors who will inform the Community Steering Committee and Technical Advisory Body.
6. Research and identify tools and best practices to ground truth (i.e., assess, evaluate, and document) community air pollution priorities.
7. Set up a community facing website to engage and inform community members about the CERP process.



**AMENDMENT NO. 1 TO**  
**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**CONTRACT NO. 2023.060**

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, September 29, 2023.

**RECITALS:**

1. The Bay Area Air Quality Management District ("DISTRICT") and **Bayview Hunters Point Community Advocates** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract for outreach, community engagement support, planning, and development services related to the Community Emissions Reduction Plan in Bayview Hunters Point/ Southeast San Francisco (the "Contract"), which Contract was executed on behalf of CONTRACTOR on April 24, 2023, and on behalf of DISTRICT on May 26, 2023.
2. The PARTIES seek to amend the term and the total cost of the Contract because DISTRICT seeks additional services from CONTRACTOR, and CONTRACTOR desires to provide those services.
3. In accordance with Section 29 of the Contract, DISTRICT and CONTRACTOR amend the above-entitled Contract as follows:

**TERMS AND CONDITIONS OF CONTRACT AMENDMENT:**

1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 5, "Term." The term of the Contract shall be extended so that the termination date of the Contract is now December 31, 2024.
2. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph C of Section 9, "Agreement to Provide Services," of the Contract to replace "\$90,000" with "\$240,000."
3. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT

BAYVIEW HUNTERS POINT COMMUNITY  
ADVOCATES

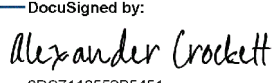
By:  Philip M. Fine  
Executive Officer/APCO

By:   
Karen Pierce  
Executive Director

Date: 12/7/2023

Date: November 29, 2023

Approved as to form:  
District Counsel

By:  Alexander G. Crockett 12/6/2023  
Alexander G. Crockett  
District Counsel

**AMENDMENT NO. 2 TO**  
**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**CONTRACT NO. 2023.060**

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, October 11, 2024.

**RECITALS:**

1. The Bay Area Air Quality Management District ("DISTRICT") and **Bayview Hunters Point Community Advocates** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract for outreach, community engagement support, planning, and development services related to the Community Emissions Reduction Plan in Bayview Hunters Point/ Southeast San Francisco (the "Contract"), which Contract was executed on behalf of CONTRACTOR on April 24, 2023, and on behalf of DISTRICT on May 26, 2023.
2. The PARTIES entered into Amendment No. 1 to the Contract, dated September 29, 2023, for reference purposes only, to amend the term and total cost of the Contract.
3. The PARTIES seek to amend the term and the total cost of the Contract because DISTRICT seeks additional services from CONTRACTOR, and CONTRACTOR desires to provide those services.
4. The PARTIES additionally seek to update the Performance Requirements to update and clarify CONTRACTOR's responsibilities under the Contract.
5. In accordance with Section 29 of the Contract, DISTRICT and CONTRACTOR amend the above-entitled Contract as follows:

**TERMS AND CONDITIONS OF CONTRACT AMENDMENT:**

1. By this Contract Amendment, DISTRICT and CONTRACTOR replace Section 4, "Performance Requirements" with the following:
  - A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.
  - B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and pay all applicable fees.

- C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT's Conflict of Interest Code.
  - D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Scope of Work.
  - E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.
  - F. CONTRACTOR agrees to complete a workplace training on preventing a hostile work environment (including illegal discrimination, harassment, and bullying). The training must either be provided by or approved by DISTRICT. Within sixty (60) days of execution of this Contract, CONTRACTOR must provide the DISTRICT a certificate of completion or other proof of completion of the training for each employee who will regularly work with DISTRICT staff and/or Community Steering Committee members. If additional employees are hired or assigned to regularly work with DISTRICT staff and/or Community Steering Committee members after this Contract is executed, CONTRACTOR shall have sixty (60) days from the date of each employee's hiring or assignment to provide that employee's certificate of completion or other proof of completion. CONTRACTOR shall send the certificates of completion or other proof of completion to HR\_Staff@baaqmd.gov.
  - G. CONTRACTOR understands and recognizes that the AB 617 community emissions reduction program development process requires a partnership between the DISTRICT, its contractors, and Community Steering Committee members. CONTRACTOR agrees to collaboratively partner with the DISTRICT to effectuate the objectives and requirements of AB 617.
  - H. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraphs A-G above.
- 2. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 5, "Term." The term of the Contract shall be extended so that the termination date of the Contract is now November 30, 2025.
  - 3. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph C of Section 9, "Agreement to Provide Services," of the Contract to replace "\$240,000" with "\$400,034."
  - 4. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT

BAYVIEW HUNTERS POINT COMMUNITY  
ADVOCATES

By: \_\_\_\_\_  
Philip M. Fine  
Executive Officer/APCO

By: \_\_\_\_\_  
Karen Pierce  
Executive Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_  
Alexander G. Crockett  
General Counsel

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**Memorandum**

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Authorization to Amend the Professional Services Contract with the Marie Harrison  
Community Foundation for the Marie Harrison Environmental Justice Scholarship

**RECOMMENDED ACTION**

Authorize the Executive Officer/APCO to execute an amendment to the Professional Services Contract with the Marie Harrison Community Foundation (Contract No. 2022.109) to:

1. Increase the total not-to-exceed dollar amount by \$84,000, from \$145,000 to \$229,000; and
2. Extend the contract end date from December 31, 2024, to February 28, 2026

The purpose of this amendment is for continued support and the on-going administration of the Marie Harrison Environmental Justice Scholarship.

**BACKGROUND**

The Marie Harrison Environmental Justice Scholarship allows the Air District to continue the legacy of Marie Harrison. Ms. Harrison spent decades working to bring environmental, health, and social justice to the Bayview Hunters Point community in San Francisco. For 20 of those years, she worked with Greenaction for Health and Environmental Justice. She then served on their Board of Directors until she passed away in May 2019. Her actions inspired environmental justice communities throughout the Bay Area and California. This scholarship supports college students who demonstrate a passion for improving environmental health and air quality in the overburdened frontline communities of the Bay Area.

Air District staff currently works with Kaleidoscope, a scholarship design and development firm with a national reach, to administer the scholarship. With Kaleidoscope, we have successfully completed two years of the scholarship, distributing \$5,000 to sixteen Bay Area youth involved in local environmental justice efforts.

## DISCUSSION

The Air District seeks to continue funding the scholarship to honor Ms. Marie Harrison for a third year and to update outreach strategies using the lessons from the previous two years. To support the third year of the Marie Harrison Environmental Justice Scholarship, Air District staff seek continued support from Marie Harrison Community Foundation through February 28, 2026. During this time, the Marie Harrison Community Foundation will conduct outreach for the scholarship, select applicants, and support students in their transition to higher learning.

A summary of the contract activities includes the following:

- Develop a strategy and conduct Bay Area-wide outreach for 2025 scholarship;
- Review and select 2025 scholarship recipients;
- Mentorship and support of scholarship recipients; and
- Scholarship administration.

## BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the amended contract amount of \$84,000 is included in the Fiscal Year Ending 2025 budget for Program 302.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Daniel Madrigal  
Reviewed by: Suma Peesapati

## ATTACHMENTS:

1. MH Scholarship MHCF 2022.109
2. MH Scholarship MHCF 2022.109 Amendment 2
3. MH Scholarship MHCF 2022.109 Amendment 3 Approved Draft

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**PROFESSIONAL SERVICES CONTRACT**

**CONTRACT NO. 2022.109**

1. **PARTIES** – The parties to this Contract ("Contract") are the Bay Area Air Quality Management District ("DISTRICT") whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and **Marie Harrison Community Foundation Inc.** ("CONTRACTOR") whose address is 528 Carter Street, Unit 104A, San Francisco, CA 94134.
2. **RECITALS**
  - A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Contract under California Health and Safety Code Section 40701. DISTRICT desires to contract with CONTRACTOR for services described in the Scope of Work, attached hereto as Attachment A and made a part hereof by this reference. DISTRICT is entering into this Contract based on CONTRACTOR's stated qualifications to perform the services.
  - B. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.
3. **PERFORMANCE REQUIREMENTS**
  - A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.
  - B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and pay all applicable fees.
  - C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT's Conflict of Interest Code.
  - D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Scope of Work.
  - E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.
  - F. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraphs A-E above.
4. **TERM** – The term of this Contract is from date of Contract execution to May 15, 2023, unless further extended by amendment of this Contract in writing, or terminated earlier. CONTRACTOR shall not submit any invoice for services performed under this Contract until the Contract is fully executed.
5. **TERMINATION**



- A. The DISTRICT may terminate this Contract at any time, at will, and without specifying any reason, by notifying CONTRACTOR in writing. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination, and shall be delivered in accordance with the provisions of section 10 below. Immediately upon receipt of the notice of termination, CONTRACTOR shall cease all work under this Contract, except such work as is specified in the notice of termination. CONTRACTOR shall deliver a final invoice for all remaining work performed but not billed, including any work specified in the termination notice, on or before ten (10) business days following the termination date.
- B. Either party may terminate this Contract for breach by the other party.
  - i) Failure to perform any agreement or obligation contained in this Contract or failure to perform the services in a satisfactory manner shall constitute a breach of the Contract.
  - ii) The non-breaching party may terminate the Contract by delivery of a written notice of breach. The notice of breach shall specify the date of termination, which shall be no earlier than ten (10) business days from delivery of the notice of breach. In the alternative, at its sole discretion, the non-breaching party may require the breaching party to cure the breach. The notice of breach shall specify the nature of the breach and the date by which such breach must be cured.
  - iii) If CONTRACTOR fails to perform any obligation under this Contract, DISTRICT at its sole discretion, may perform, or cause the performance, of the obligation itself. In that event, DISTRICT shall deduct the costs to perform such obligation and any other costs to cure the breach from the payment otherwise due to CONTRACTOR for work performed under this Contract. DISTRICT's performance hereunder shall not be deemed a waiver or release of any obligation of, or default by, CONTRACTOR under this Contract.
  - iv) The notice of breach shall be provided in accordance with the notice requirements set forth in section 10.
  - v) The non-breaching party reserves all rights under law and equity to enforce this Contract and recover any damages.

#### 6. INSURANCE

- A. CONTRACTOR shall maintain the following insurance:
  - i) Workers' compensation and employers' liability insurance as required by California law or other applicable statutory requirements.
  - ii) Occurrence-based commercial general liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each occurrence. Such insurance shall include DISTRICT and its officers, agents, and employees as additional insureds and shall be primary with respect to any insurance maintained by DISTRICT.
  - iii) Business automobile liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles. If CONTRACTOR is a sole proprietor, CONTRACTOR may meet this insurance requirement with personal automobile liability insurance carrying a business use endorsement or by demonstrating to the satisfaction of DISTRICT that business use is covered under the CONTRACTOR's personal automobile liability insurance. A CONTRACTOR using only rental vehicles in performing work under this Contract may meet this insurance requirement by purchasing automobile liability insurance in the required coverage amount from the rental



agency.

- iv) Professional liability insurance with limits not less than one million dollars (\$1,000,000) each claim.
- B. All insurance shall be placed with insurers acceptable to DISTRICT.
- C. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. Upon request by DISTRICT, CONTRACTOR shall provide a complete copy of any required insurance policy. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.
- D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and to deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.

#### 7. INDEMNIFICATION

- A. CONTRACTOR shall indemnify and hold DISTRICT, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance of this Contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of CONTRACTOR, its officers, agents, or employees.
- B. DISTRICT shall indemnify and hold CONTRACTOR, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fee, or claims for injury or damages arising out of the performance of this Contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of DISTRICT, its officers, agents, or employees.

#### 8. PAYMENT

- A. DISTRICT shall pay CONTRACTOR for services in accordance with the terms set forth in the Cost Schedule, which is attached hereto as Attachment B and incorporated herein by this reference.
- B. CONTRACTOR shall submit invoice(s) to DISTRICT for services performed. Each invoice shall specify the total cost of the services for which the invoice is submitted, shall reference tasks shown in the Scope of Work, the hours associated with same, or percentage completion thereof, and the amount of charge claimed, and, as appropriate, shall list any charges for equipment, material, supplies, travel, and subcontractors' services.
- C. DISTRICT's payment of invoices shall be subject to the following limitations and requirements:
  - i) Each invoice, including supporting documentation, shall be prepared in duplicate on CONTRACTOR's letterhead; shall list DISTRICT's contract number, the period covered by the invoice, and the CONTRACTOR's Social Security Number or Federal Employer Identification Number; and shall be submitted to: Bay Area Air Quality Management District, 375 Beale Street, Suite 600, San Francisco, CA 94105, Attn: Contracts Manager.
  - ii) DISTRICT shall not pay interest, fees, handling charges, or the cost of money on the

Contract.

iii) DISTRICT shall pay CONTRACTOR within thirty (30) calendar days after approval by DISTRICT of an itemized invoice.

D. The total amount for which DISTRICT may be held liable for the performance of services specified in this Contract shall not exceed \$85,000.

9. DISPUTE RESOLUTION – A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.

A. Upon receipt of a notice of breach of contract, the party may submit a demand for mediation to resolve whether or not a breach occurred. The party must state the basis of the dispute and deliver the demand within ten (10) business days of the date of receipt of the notice of breach.

B. The mediation shall take place at DISTRICT's office at 375 Beale Street, Suite 600, San Francisco, or at such other place as may be mutually agreed upon by the parties and the mediator.

C. The parties shall make good faith efforts to hold the mediation within thirty (30) days after receipt of the demand for mediation.

D. Each party shall bear its own mediation costs.

E. In the event the parties are unable to resolve the dispute, either party may file an action in a court of competent jurisdiction to enforce the Contract.

F. Maximum recovery under this section shall be limited to \$85,000. The mediation costs shall not reduce the maximum amount recoverable under this section.

10. NOTICES – All notices that are required under this Contract shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by e-mail, facsimile, or regular first class mail. In the case of e-mail and facsimile communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. E-mail and facsimile communications shall be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. PST. Otherwise, receipt of e-mail and facsimile communications shall be deemed to have occurred on the following business day. In the case of regular mail notice, notice shall be deemed to have been delivered on the mailing date and received five (5) business days after the date of mailing.

DISTRICT: Bay Area Air Quality Management District  
375 Beale Street, Suite 600  
San Francisco, CA 94105  
Attn: Joshua Abraham

CONTRACTOR: Marie Harrison Community Foundation  
528 Carter Street, Unit 104A  
San Francisco, CA 94134  
Attn: Arieann Harrison

11. ADDITIONAL PROVISIONS – All attachment(s) to this Contract are expressly incorporated



herein by this reference and made a part hereof as though fully set forth.

12. EMPLOYEES OF CONTRACTOR

- A. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation, vacation replacements, sick leave, severance pay, and pay for legal holidays.
- B. CONTRACTOR, its officers, employees, agents, or representatives shall not be considered employees or agents of DISTRICT, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by DISTRICT to its employees.
- C. CONTRACTOR shall assign those employees listed in the Cost Schedule to perform work under this Contract. CONTRACTOR shall not assign different employees to perform this work without the express written permission of DISTRICT, which DISTRICT will not unreasonably withhold.
- D. DISTRICT reserves the right to review the credentials to perform the work of any of CONTRACTOR's employees assigned herein and to disapprove CONTRACTOR's assignments. CONTRACTOR warrants that it will not employ any subcontractor(s) without prior written approval from DISTRICT.

13. CONFIDENTIALITY – In order to carry out the purposes of this Contract, CONTRACTOR may require access to certain of DISTRICT's confidential information (including trade secrets, inventions, confidential know-how, confidential business information, and other information that DISTRICT considers confidential) (collectively, "Confidential Information"). It is expressly understood and agreed that DISTRICT may designate in a conspicuous manner Confidential Information that CONTRACTOR obtains from DISTRICT, and CONTRACTOR agrees to:

- A. Observe complete confidentiality with respect to such information, including without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
- B. Ensure that CONTRACTOR's officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information and to assure by agreement or otherwise that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
- C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever whether gratuitously or for valuable consideration, except as permitted under this Contract.
- D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information or any part thereof by any person or entity other than those authorized by this section. Take at CONTRACTOR's expense, but at DISTRICT's option and in any event under DISTRICT's control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.
- E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Contract and following expiration or termination of the Contract.



- F. Prevent access to such materials by a person or entity not authorized under this Contract.
- G. Establish specific procedures in order to fulfill the obligations of this section.

14. INTELLECTUAL PROPERTY RIGHTS – Title and full ownership rights to all intellectual property developed under this Contract shall at all times remain with DISTRICT, unless otherwise agreed to in writing.

15. PUBLICATION

- A. DISTRICT shall approve in writing any report or other document prepared by CONTRACTOR in connection with performance under this Contract prior to dissemination or publication of such report or document to a third party. DISTRICT may waive in writing its requirement for prior approval.
- B. Until approved by DISTRICT, any report or other document prepared by CONTRACTOR shall include on each page a conspicuous header, footer, or watermark stating "DRAFT – Not Reviewed or Approved by BAAQMD," unless DISTRICT has waived its requirement for prior approval pursuant to paragraph A of this section.
- C. Information, data, documents, or reports developed by CONTRACTOR for DISTRICT, pursuant to this Contract, shall be part of DISTRICT's public record, unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information, provided DISTRICT approves use of such information in advance. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract.

"This report was prepared as a result of work sponsored, paid for, in whole or in part, by the Bay Area Air Quality Management District (District). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of the District. The District, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report."

- D. CONTRACTOR shall inform its officers, employees, and subcontractors involved in the performance of this Contract of the restrictions contained herein and shall require compliance with the above.

16. NON-DISCRIMINATION – In the performance of this Contract, CONTRACTOR shall not discriminate in its recruitment, hiring, promotion, demotion, and termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual orientation, medical condition, or physical or mental disability and shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts. CONTRACTOR shall also require each subcontractor performing work in connection with this Contract to comply with this section and shall include in each contract with such subcontractor provisions to accomplish the requirements of this section.

17. PROPERTY AND SECURITY – Without limiting CONTRACTOR'S obligations with regard to security, CONTRACTOR shall comply with all the rules and regulations established by DISTRICT for access to and activity in and around DISTRICT's premises.



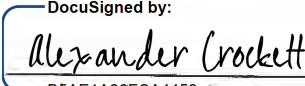
18. ASSIGNMENT – No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.
19. WAIVER – No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.
20. ATTORNEYS' FEES – In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys' fees and costs.
21. FORCE MAJEURE – Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to party's own action or inaction, then such cause shall not excuse that party from performance under this Contract.
22. SEVERABILITY – If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them will not be affected.
23. HEADINGS – Headings on the sections and paragraphs of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
24. COUNTERPARTS/FACSIMILES/SCANS – This Contract may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party's signature as an original for all purposes.

25. GOVERNING LAW – Any dispute that arises under or relates to this Contract shall be governed by California law, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Contract, including mediation, shall be San Francisco, California.
26. ENTIRE CONTRACT AND MODIFICATION – This Contract represents the final, complete, and exclusive statement of the agreement between the parties related to CONTRACTOR providing services to DISTRICT and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Contract by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Contract may only be amended by mutual agreement of the parties in writing and signed by both parties.
27. SURVIVAL OF TERMS – The provisions of sections 7 (Indemnification), 13 (Confidentiality), 14 (Intellectual Property Rights), and 15 (Publication) shall survive the expiration or termination of this Contract.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT

MARIE HARRISON COMMUNITY  
FOUNDATION INC.

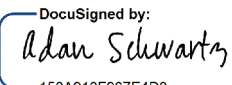
By:   
DocuSigned by:  
Alexander Crockett  
Interim Executive Officer/APCO

By:   
Ariann Harrison  
Executive Director

Date: 5/10/2022

Date: 05/13/2022

Approved as to form:  
District Counsel

By:   
DocuSigned by:  
Adam Schwartz  
Acting District Counsel  
5/10/2022

## ATTACHMENT A

### SCOPE OF WORK

#### **Overview**

DISTRICT will create a scholarship fund in honor of Ms. Marie Harrison called the *Marie Harrison Environmental Justice Scholarship*. The scholarship allows the DISTRICT to continue the legacy of Marie Harrison, who spent decades working to bring environmental, health and social justice to the Bayview Hunters Point community in San Francisco. Though Marie Harrison passed away in May 2019, her actions inspired environmental justice communities throughout the Bay Area and California. The created scholarship will support college students who demonstrate a passion for improving environmental health and air quality in the overburdened frontline communities of the Bay Area.

CONTRACTOR will partner with the DISTRICT to design, implement and support the scholarship program. CONTRACTOR will also disseminate funds to scholarship awardees and provide mentorship services to awardees during the undergraduate period study at a college or university.

#### **Task 1: Scholarship Design**

##### **Task 1.1 Development**

CONTRACTOR will work with the DISTRICT and the DISTRICT contracted firm Kaleidoscope to develop the scholarship program. CONTRACTOR will attend meetings and workshops with DISTRICT and Kaleidoscope to learn about scholarship development best practices. CONTRACTOR will also attend design sessions and criteria development meetings. The design and criteria development meetings includes the program description, selection criteria, graphics, application design and application testing. Following the design sessions and development meetings, CONTRACTOR will develop the scholarship, including awardee selection criteria, scholarship evaluation rubric and application. CONTRACTOR will provide to DISTRICT a draft scholarship design. DISTRICT will review CONTRACTOR's scholarship design and provide suggestions and feedback. Following feedback, CONTRACTOR will incorporate DISTRICT recommendations for additional, as needed, DISTRICT review.

##### *Deliverables:*

1. Meeting attendance and participation with DISTRICT and Kaleidoscope.
2. Scholarship awardee selection criteria.
3. Application design and evaluation rubric.
4. Testing of the application.
5. Providing edits and modifications to the scholarship application.

##### **Task 1.2 Focus Groups**

CONTRACTOR will collaborate with DISTRICT to design and conduct two (2) 2-hour focus groups with Bay Area high school and college students to inform the design of the scholarship program and application. Focus groups may be held virtually, in person or in a hybrid form.



*Deliverables:*

1. Documented student feedback and recommendations for the development, design and roll out of the scholarship program and application.
2. Outreach to prospective focus group attendees.
3. Recordings and/or transcripts of the focus group meeting discussions and findings.

**Task 2: Website Development and Maintenance**

CONTRACTOR will develop and maintain a scholarship website and continually update content as the Marie Harrison scholarship evolves, selects awardees, and follows their path of achievements. The website will link to the online application and to the DISTRICT website that features the scholarship program. This website site will serve as a community-oriented landing page for scholarship information.

*Deliverables:*

1. Website Development and continual content updates.
2. Awardee profile pages.
3. Links to the scholarship application portal from the scholarship website
4. Links to the DISTRICT website from the scholarship website

**Task 3: Scholarship Kick-Off Event**

CONTRACTOR will design and produce a community event in San Francisco to announce the opening of the scholarship application and celebrate the first year of the annual scholarship program. CONTRACTOR will work with the DISTRICT and local organizations to develop event content. CONTRACTOR will host the event and plan activities, materials, and presentations. Specific tasks include physical and technological meeting logistics, and working with the DISTRICT, outside vendors, and other community groups to notify the press and conduct community outreach.

*Deliverables:*

1. Kick-Off event agenda.
2. Development of materials and presentations.
3. Secure event location and technical support.
4. Outreach to community and local press.

**Task 4: Mentorship and Support of Scholarship Recipients**

CONTRACTOR will provide mentorship and support services to scholarship awardees. CONTRACTOR will work with educators and partner community-based organizations to identify support needs of the awardees and subsequently guide awardees to those services. The mentorship and support services are intended to ensure the academic and overall success of scholarship awardees as they navigate new academic environments and the inherent challenges of transition and adjustment to life away from home. CONTRACTOR will interview scholarship awardees to document the impact and effectiveness of the mentorship.

*Deliverables:*

1. List of participating individuals and community-based organizations.
2. Documents that record the pairing of scholarship awardees with individuals and/or community-based organizations and tracks the frequency of meetings.
3. Interviews with awardees that document the impact of the mentorship and support program.

**Task 5: Scholarship Administration**

CONTRACTOR shall coordinate and process scholarship payments to awardees of the Marie Harrison Scholarship Fund. The scholarship amount shall be \$5,000 per student annually. The scholarship payment is to be divided and distributed by semester or quarter, depending on the academic schedule of the awardee's college or university. CONTRACTOR will maintain a scholarship award administration program and protocol utilizing the participant tracking system to administer scholarship payments. CONTRACTOR will process and distribute scholarship awards to designated academic institutions on behalf of the awardees in a timely manner. CONTRACTOR will track all scholarship awards that have been distributed.

*Deliverables:*

1. List of scholarship awardees and the amount of scholarship payment distributed.
2. Timely delivery of scholarship payments
3. Copy of accounting ledger used to track and maintain scholarship disbursements

ATTACHMENT B

COST SCHEDULE

DISTRICT will pay CONTRACTOR on a time-and-materials basis to complete all tasks outlined in the Scope of Work. CONTRACTOR will submit monthly invoices for payment for the number of hours worked in the previous month along with approved reimbursable expenses. Payment will be made in accordance with Section 8 (“Payment”) of this Contract.

**Labor:** DISTRICT will compensate CONTRACTOR for time spent completing the tasks at the hourly rates listed in the table below, up to a maximum amount of \$42,000:

Role	Staff	Hourly Rate
Executive Director	Arieann Harrison	\$120
Administrative Support	Tonia Randell, Pinky Huree and Griffin Jones	\$75

**Scholarship Awards:** DISTRICT will pay CONTRACTOR a single lump sum payment of \$40,000 to cover scholarship awards for selected student applicants. Awards to individual students will be a maximum of \$5,000 per awardee per year, to be divided and distributed by semester or quarter.

**Reimbursable Expenses:** Expenses incurred by CONTRACTOR must be approved in writing by DISTRICT in advance. Expenses shall be billed to the DISTRICT at the actual costs they are incurred. Total cost of reimbursable expenses shall not exceed \$3,000.

**Total cost of Contract not to exceed \$85,000.**

**AMENDMENT NO. 2 TO**  
**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**CONTRACT NO. 2022.109**

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, January 23, 2024.

**RECITALS:**

1. The Bay Area Air Quality Management District ("DISTRICT") and **Marie Harrison Community Foundation Inc.** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract to create a scholarship fund in honor of Ms. Marie Harrison to support college students who demonstrate a passion for improving environmental health and air quality in overburdened communities of the Bay Area (the "Contract"), which Contract was executed on behalf of CONTRACTOR on May 3, 2022, and on behalf of DISTRICT on May 10, 2022.
2. The PARTIES entered into Amendment No 1. To the Contract, dated March 21, 2023, for reference purposes only, to extend the term of the Contract.
3. The PARTIES seek to amend the term, total cost, Scope of Work, and Cost Schedule to the Contract because the DISTRICT seeks to update the services from CONTRACTOR prescribed in the Contract and CONTRACTOR desires provide those updated services.
4. The PARTIES seek to amend the DISTRICT contact to the Contract because DISTRICT seeks to provide a current point of contact for CONTRACTOR.
5. In accordance with Section 26 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

**TERMS AND CONDITIONS OF CONTRACT AMENDMENT:**

1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 4, "Term." The term of the Contract shall be extended so that the termination date of the Contract is now December 31, 2024.
2. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph D of Section 8, "Payment," of the Contract to replace "\$85,000" with "\$145,000."
3. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph F of Section 9, "Dispute Resolution," of the Contract to replace "\$85,000" with "\$145,000."

4. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 10, "Notices" of the Contract to replace the DISTRICT point of contact "Joshua Abraham" with "Daniel Madrigal."
5. By this Contract Amendment, DISTRICT and CONTRACTOR replace Attachment A, Scope of Work, with the attached "Attachment A-1, Scope of Work" and agree that all references in the Contract to Attachment A shall be deemed to refer to Attachment A-1, Scope of Work.
6. By this Contract Amendment, DISTRICT and CONTRACTOR replace Attachment B, Cost Schedule, with the attached "Attachment B-1, Cost Schedule" and agree that all references in the Contract to Attachment B shall be deemed to refer to Attachment B-1, Cost Schedule.
7. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT

MARIE HARRISON COMMUNITY  
FOUNDATION, INC.

By: DocuSigned by:  
Philip Fine  
7314B577922A46A...  
Philip M. Fine  
Executive Officer/APCO

By:   
Ariann Harrison  
Executive Director

Date: 2/10/2024

Date: 1/28<sup>th</sup>/2024

Approved as to form:  
District Counsel

By: DocuSigned by:  
Alexander Crockett 2/10/2024  
6DC7110552B5451...  
Alexander G. Crockett  
District Counsel

## ATTACHMENT A-1

### SCOPE OF WORK

#### **Overview**

DISTRICT will create a scholarship fund in honor of Ms. Marie Harrison called the *Marie Harrison Environmental Justice Scholarship*. The scholarship allows DISTRICT to continue the legacy of Marie Harrison, who spent decades working to bring environmental, health and social justice to the Bayview Hunters Point community in San Francisco. Though Marie Harrison passed away in May 2019, her actions inspired environmental justice communities throughout the Bay Area and California. The created scholarship will support college students who demonstrate a passion for improving environmental health and air quality in the overburdened frontline communities of the Bay Area.

CONTRACTOR will partner with DISTRICT and shall utilize Kaleidoscope, the Scholarship Application management platform, to design, implement and support the scholarship program. CONTRACTOR will also disseminate funds to scholarship awardees and provide mentorship services to awardees during the undergraduate period study at a college or university.

#### **Task 1. Develop and Conduct Bay Area-wide Outreach Strategy for 2024 Scholarship**

CONTRACTOR will work with DISTRICT and shall utilize Kaleidoscope to develop an outreach strategy for the 2024 scholarship program. CONTRACTOR will attend meetings and workshops with DISTRICT and Kaleidoscope to learn about scholarship outreach best practices. CONTRACTOR will provide DISTRICT a draft scholarship outreach strategy, including potential key stakeholders that work with DISTRICT and provide communication channels for environmental justice news sharing throughout the Bay Area. DISTRICT will review CONTRACTOR's scholarship outreach strategy and provide suggestions and feedback. Following feedback, CONTRACTOR will incorporate DISTRICT recommendations for additional, as needed, DISTRICT review.

#### **Deliverables:**

1. Bay Area-wide Outreach Strategy, including list of contacts made to announce the 2024 Scholarship including, but not limited to:
  - a. Contacts with key stakeholders
  - b. Announcements at community events
  - c. Announcements to environmental justice communication channels such as listservs, regional organizing bodies, DISTRICT's Community Advisory Council

### **Task 2. Review and Select 2024 Scholarship Recipients**

CONTRACTOR will work with Kaleidoscope, the Scholarship Application management platform, and DISTRICT to review and score applicants. CONTRACTOR will use the rubric developed from the 2023 Marie Harrison Environmental Justice Scholarship. The eight highest ranked scores from the review process will be selected as recipients.

#### *Deliverables:*

1. List of applicant scores submitted to the Kaleidoscope Scholarship platform.

### **Task 3: Mentorship and Support of Scholarship Recipients**

CONTRACTOR will provide mentorship and support services to scholarship awardees. CONTRACTOR will work with educators and partner community-based organizations to identify support needs of the awardees and subsequently guide awardees to those services. The mentorship and support services are intended to ensure the academic and overall success of scholarship awardees as they navigate new academic environments and the inherent challenges of transition and adjustment to life away from home. CONTRACTOR will interview scholarship awardees to document the impact and effectiveness of the mentorship.

#### *Deliverables:*

1. List of participating individuals and community-based organizations.
2. Documents that record the pairing of scholarship awardees with individuals and/or community-based organizations and tracks the frequency of meetings.
3. Interviews with awardees that document the impact of the mentorship and support program.

### **Task 4: Scholarship Administration**

CONTRACTOR shall coordinate and process scholarship payments to awardees of the Marie Harrison Scholarship Fund. The scholarship amount shall be \$5,000 per student annually. CONTRACTOR will process and distribute scholarship awards through the Kaleidoscope platform to awardees in a timely manner. CONTRACTOR will track all scholarship awards that have been distributed.

#### *Deliverables:*

1. List of scholarship awardees and the amount of scholarship payment distributed.
2. Timely delivery of scholarship payments
3. Copy of accounting ledger used to track and maintain scholarship disbursements



## ATTACHMENT B-1

### COST SCHEDULE

DISTRICT will pay CONTRACTOR on a time-and-materials basis to complete all tasks outlined in the Scope of Work. CONTRACTOR will submit monthly invoices for payment for the number of hours worked in the previous month along with approved reimbursable expenses. Payment will be made in accordance with Section 8 ("Payment") of this Contract.

**Labor:** DISTRICT will compensate CONTRACTOR for time spent completing the tasks at the hourly rates listed in the table below, up to a maximum amount of \$62,000:

Role	Staff	Hourly Rate
Executive Director	Arieann Harrison	\$200
Administrative Director	Tonia Randell	\$125

**Scholarship Awards:** DISTRICT will pay CONTRACTOR up to \$80,000 to cover scholarship awards for selected student applicants. Awards to individual students will be a maximum of \$5,000 per awardee per year, and distributed as a lump sum payment.

**Reimbursable Expenses:** Expenses incurred by CONTRACTOR must be approved in writing by DISTRICT in advance. Expenses shall be billed to the DISTRICT at the actual costs they are incurred. Total cost of reimbursable expenses shall not exceed \$3,000.

**Total cost of Contract not to exceed \$145,000.**

**AMENDMENT NO. 3 TO**  
**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**CONTRACT NO. 2022.109**

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, October 25, 2024.

**RECITALS:**

1. The Bay Area Air Quality Management District ("DISTRICT") and **Marie Harrison Community Foundation Inc.** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract to create a scholarship fund in honor of Ms. Marie Harrison to support college students who demonstrate a passion for improving environmental health and air quality in overburdened communities of the Bay Area (the "Contract"), which Contract was executed on behalf of CONTRACTOR on May 3, 2022, and on behalf of DISTRICT on May 10, 2022.
2. The PARTIES entered into Amendment No 1. to the Contract, dated March 21, 2023, for reference purposes only, to extend the term of the Contract.
3. The PARTIES entered into Amendment No. 2 to the Contract, dated January 23, 2024, for reference purposes only, to amend the term, total cost, Scope of Work, Cost Schedule, and DISTRICT contact to the Contract.
4. The PARTIES seek to amend the term, total cost, and Cost Schedule to the Contract because the DISTRICT seeks to update the services from CONTRACTOR prescribed in the Contract and CONTRACTOR desires provide those updated services.
5. In accordance with Section 26 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

**TERMS AND CONDITIONS OF CONTRACT AMENDMENT:**

1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 4, "Term." The term of the Contract shall be extended so that the termination date of the Contract is now February 28, 2026.
2. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph D of Section 8, "Payment," of the Contract to replace "\$145,000" with "\$229,000."

3. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph F of Section 9, "Dispute Resolution," of the Contract to replace "\$145,000" with "\$229,000."
4. By this Contract Amendment, DISTRICT and CONTRACTOR replace Attachment A-1, Scope of Work, with the attached "Attachment A-2, Scope of Work" and agree that all references in the Contract to Attachment A shall be deemed to refer to Attachment A-2, Scope of Work.
5. By this Contract Amendment, DISTRICT and CONTRACTOR replace Attachment B-1, Cost Schedule, with the attached "Attachment B-2, Cost Schedule" and agree that all references in the Contract to Attachment B shall be deemed to refer to Attachment B-2, Cost Schedule.
6. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT

MARIE HARRISON COMMUNITY  
FOUNDATION, INC.

By: \_\_\_\_\_  
Philip M. Fine  
Executive Officer/APCO

By: \_\_\_\_\_  
Arieann Harrison  
Executive Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_  
Alexander G. Crockett  
General Counsel

## ATTACHMENT A-2

### SCOPE OF WORK

#### **Overview**

DISTRICT will create a scholarship fund in honor of Ms. Marie Harrison called the *Marie Harrison Environmental Justice Scholarship*. The scholarship allows DISTRICT to continue the legacy of Marie Harrison, who spent decades working to bring environmental, health and social justice to the Bayview Hunters Point community in San Francisco. Though Marie Harrison passed away in May 2019, her actions inspired environmental justice communities throughout the Bay Area and California. The created scholarship will support college students who demonstrate a passion for improving environmental health and air quality in the overburdened frontline communities of the Bay Area.

CONTRACTOR will partner with DISTRICT and shall utilize Kaleidoscope, the Scholarship Application management platform, to design, implement and support the scholarship program. CONTRACTOR will also disseminate funds to scholarship awardees and provide mentorship services to awardees during the undergraduate period study at a college or university.

#### **Task 1. Develop and Conduct Bay Area-wide Outreach Strategy for 2024 Scholarship**

CONTRACTOR will work with DISTRICT and shall utilize Kaleidoscope to develop an outreach strategy for the 2024 scholarship program. CONTRACTOR will attend meetings and workshops with DISTRICT and Kaleidoscope to learn about scholarship outreach best practices. CONTRACTOR will provide DISTRICT a draft scholarship outreach strategy, including potential key stakeholders that work with DISTRICT and provide communication channels for environmental justice news sharing throughout the Bay Area. DISTRICT will review CONTRACTOR's scholarship outreach strategy and provide suggestions and feedback. Following feedback, CONTRACTOR will incorporate DISTRICT recommendations for additional, as needed, DISTRICT review.

#### ***Deliverables:***

1. Bay Area-wide Outreach Strategy, including list of contacts made to announce the 2024 Scholarship including, but not limited to:
  - a. Contacts with key stakeholders
  - b. Announcements at community events
  - c. Announcements to environmental justice communication channels such as listservs, regional organizing bodies, DISTRICT's Community Advisory Council

### **Task 2. Review and Select 2024 Scholarship Recipients**

CONTRACTOR will work with Kaleidoscope, the Scholarship Application management platform, and DISTRICT to review and score applicants. CONTRACTOR will use the rubric developed from the 2023 Marie Harrison Environmental Justice Scholarship. The eight highest ranked scores from the review process will be selected as recipients.

#### *Deliverables:*

1. List of applicant scores submitted to the Kaleidoscope Scholarship platform.

### **Task 3: Mentorship and Support of Scholarship Recipients**

CONTRACTOR will provide mentorship and support services to scholarship awardees. CONTRACTOR will work with educators and partner community-based organizations to identify support needs of the awardees and subsequently guide awardees to those services. The mentorship and support services are intended to ensure the academic and overall success of scholarship awardees as they navigate new academic environments and the inherent challenges of transition and adjustment to life away from home. CONTRACTOR will interview scholarship awardees to document the impact and effectiveness of the mentorship.

#### *Deliverables:*

1. List of participating individuals and community-based organizations.
2. Documents that record the pairing of scholarship awardees with individuals and/or community-based organizations and tracks the frequency of meetings.
3. Interviews with awardees that document the impact of the mentorship and support program.

### **Task 4: Scholarship Administration**

CONTRACTOR shall coordinate and process scholarship payments to awardees of the Marie Harrison Scholarship Fund. The scholarship amount shall be \$5,000 per student annually. CONTRACTOR will process and distribute scholarship awards through the Kaleidoscope platform to awardees in a timely manner. CONTRACTOR will track all scholarship awards that have been distributed.

#### *Deliverables:*

1. List of scholarship awardees and the amount of scholarship payment distributed.
2. Timely delivery of scholarship payments
3. Copy of accounting ledger used to track and maintain scholarship disbursements

## ATTACHMENT B-2

### COST SCHEDULE

DISTRICT will pay CONTRACTOR on a time-and-materials basis to complete all tasks outlined in the Scope of Work. CONTRACTOR will submit monthly invoices for payment for the number of hours worked in the previous month along with approved reimbursable expenses. Payment will be made in accordance with Section 8 ("Payment") of this Contract.

**Labor:** DISTRICT will compensate CONTRACTOR for time spent completing the tasks at the hourly rates listed in the table below, up to a maximum amount of \$86,000:

Role	Staff	Hourly Rate
Executive Director	Arieann Harrison	\$200
Administrative Director	Tonia Randell	\$125

**Scholarship Awards:** DISTRICT will pay CONTRACTOR up to \$140,000 to cover scholarship awards for selected student applicants. Awards to individual students will be a maximum of \$5,000 per awardee per year, and distributed as a lump sum payment.

**Reimbursable Expenses:** Expenses incurred by CONTRACTOR must be approved in writing by DISTRICT in advance. Expenses shall be billed to the DISTRICT at the actual costs they are incurred. Total cost of reimbursable expenses shall not exceed \$3,000.

**Total cost of Contract not to exceed \$229,000.**

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**Memorandum**

To: Chairperson Davina Hurt, and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Grant Awards for Projects Over \$500,000 for Electric Charging Stations for  
Medium- and Heavy-Duty Vehicles and Equipment

**RECOMMENDED ACTION**

Recommend the Board of Directors:

1. Approve the award of incentive funding for projects that will install electric charging stations for medium- and heavy-duty vehicles and equipment as shown in Attachment 1; and
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.

**BACKGROUND**

The Bay Area Air Quality Management District (Air District) receives funding from a variety of sources to implement grant programs that are designed to reduce air pollution generated by mobile sources. The funding sources discussed in this report include the:

- Carl Moyer Program (CMP)
- Mobile Source Incentive Fund (MSIF)
- Community Air Protection (CAP) Incentives Program
- Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program
- Transportation Fund for Clean Air (TFCA)

These funding sources each have their own requirements and are utilized to implement voluntary incentive grant programs to expedite emissions reductions of criteria air pollutants and toxic air contaminants from mobile sources, especially in overburdened communities, and support the transition of fleets to zero-emission. For additional background information on these funding sources please see Attachment 2.



The Air District generally receives new revenue from these sources annually. Attachment 3 shows a summary of the Air District's active funding source revenue for Fiscal Year Ending (FYE) 2025, which includes funding from the CMP, MSIF, CAP, FARMER, and TFCA. Funding from each cycle must be awarded and liquidated (paid out) within two to four years of the date of award/receipt, depending on the funding source. As new projects are recommended for award, staff work to obligate (encumber) the oldest source/cycle of funding for which a specific project is eligible. For this reason, a portion of the oldest funding shown in Attachment 3 may have been awarded to projects in the previous fiscal year, and some of the newer funding may remain unallocated during the current year and will be awarded in future years.

### **Project Selection**

Applications for grant funding received by the Air District are reviewed and evaluated using the eligibility criteria requirements of the respective governing policies and guidelines established by each funding source, e.g., California Air Resource Board (CARB) or the Board of Directors (Board). For most mobile source replacement projects, the maximum amount that can be awarded to each piece of equipment is capped by several factors including approved cost-effectiveness limits that consider equipment-specific factors, such as how much the equipment will be operated and amount of pollution emitted by the existing equipment that will be replaced.

On June 5, 2024, the Board approved the process and selection criteria for a competitive solicitation for funding electric charging infrastructure for medium- and heavy-duty vehicles and equipment that prioritizes funding for projects that meet all CARB requirements, are "shovel ready", and reserved at least 80% of funds to benefit priority communities. Staff also discussed awarding up to \$35 million (M) through this solicitation from a combination of Air District administered funding sources (CMP, MSIF, CAP Incentives, and TFCA revenues). The CARB-approved guidelines for infrastructure and certain other project types (e.g., voucher-based projects) do not have a methodology for estimating emissions reductions and therefore are exempt from cost-effectiveness limits, although these project types must still comply with all other program and project specific requirements. For infrastructure projects, award limits are typically capped at 50% of eligible costs. However, higher limits are allowed for projects with certain attributes, such having solar or wind power, proximity to sensitive receptors, such as schools and senior centers, and being located in, or benefiting, a priority community.

On April 6, 2022, the Board authorized the Air Pollution Control Office (APCO)/Executive Officer to approve projects with awards up to \$500,000. For projects where the proposed awards is greater than \$500,000, staff bring these recommended projects to the Board for consideration and at least quarterly, staff provides updates to the Policy, Grants, and Technology Committee and/or Board of Directors on the status of the CMP, TFCA, CAP, MSIF and FARMER incentive funding for the current fiscal year, including a list of all approved projects and allocated funds.

This report provides a discussion of grant funding available, and projects recommended during FYE 2025 which began on July 1, 2024.

## DISCUSSION

For FYE 2025, the Air District has approximately \$130.3 M from new and prior year funds from the CMP, MSIF, CAP, FARMER, and TFCA programs available for award to eligible projects. On June 10, 2024, staff opened a competitive solicitation for funding electric charging infrastructure for medium- and heavy-duty vehicles and equipment and the application deadline was August 1, 2024. Twenty-three applications were received by the deadline and projects were evaluated using the Board-approved criteria and CARB-approved guidelines. Of the projects evaluated, nineteen were determined to be eligible with nearly \$50 M in proposed awards.

Staff is recommending approval of the award of up to \$49,361,000 for all eligible projects listed in the rank list shown in Attachment 1, using the \$35 M reserved and additional funds left over from previous fiscal years.

- 99% of the proposed awards are for projects that will reduce emissions in Priority Communities and 74% benefit Assembly Bill (AB) 617 communities of West Oakland, Richmond-San Pablo, East Oakland, and Bayview Hunters Point/Southeast San Francisco.
- The proposed 19 projects will install 229 Direct Current (DC) fast charging ports, 174 Level 2 charging ports, and one 1 wireless charging infrastructure.

Attachment 1 also shows details for each of the 19 recommended projects, including the name of the applicant, type of equipment served by the project (Project Category), a description of the proposed equipment, proposed cost and award amounts, the community and county served by the project, technical information about the amount of energy that can be delivered by the project, the amount of grant funding proposed for award divided by the total amount of kilowatts (kW) available for charging, and the use case. The use case indicates what type of vehicles or equipment the infrastructure will support such as medium-duty or heavy-duty fleets (e.g., vans, buses, or trucks), or if the charging stations will be publicly available for use for heavy-duty trucks and buses vehicles, i.e., “depot charging”.

Attachment 4 lists all eligible projects that have been either recommended or approved by the Air District between July 1, 2024, and October 30, 2024, including information about project equipment, award amounts, project locations, estimated emissions reductions, and whether the project will benefit air quality in priority communities. This table also shows funding allocated (reserved) for Air District Sponsored programs, including the Vehicle Buy-Back Program.

As of October 30, 2024, over \$69.3 M has been awarded, allocated, or recommended, of which over \$13.9 M was allocated to “regional” projects that benefit all communities or where the benefit has not yet been determined. Of the remaining \$55.3 M, over 91% of these funds have been awarded or allocated to projects that reduce emissions in priority areas, including AB 617 communities, disadvantaged Senate Bill (SB) 535 communities and low-income AB 1550 communities.

In addition to the infrastructure program that closed on August 1, 2024, Air District staff also opened a Heavy-duty Vehicle and Equipment Replacement Program in October 2024 that accepts applications on a first-come first-served basis and applications will be accepted through February 2025, unless funds are exhausted before this date.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

The Air District distributes CMP, MSIF, CAP Incentives, and TFCA funding to project sponsors on a reimbursement basis. The recommended projects listed on Attachment 1 will be awarded up to a total of \$49,361,000 that will be paid for by one or more of these state and local incentive fund sources upon project completion, expected within the next one to three years. Funding for administrative costs to implement these programs, including evaluating, contracting, and monitoring projects for multiple years, is provided by each funding source.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Daniel Langmaid and Linda Hui

Reviewed by: Minda Berbeco, Alona Davis, and Karen Schkolnick

#### ATTACHMENTS:

1. Project Rank List from the 2024 Competitive Infrastructure Solicitation
2. Background on Sources of Funding
3. Sources of Active Incentive Program Revenue (FYE 2025)
4. All projects - Awarded, Allocated, and Recommended (July 1, 2024 to October 30, 2024)

# ATTACHMENT 1

## Project Rank List from the 2024 Competitive Infrastructure Solicitation Projects are Listed in Order of Ranking

(Funding Sources: Carl Moyer Program, Transportation Fund for Clean Air, Mobile Source Incentive Fund, and Community Air Protection Program)

Project #	Applicant Name	Project Category	Project Description	Proposed Contract Award	Total Project Cost	County	AB 617 Community Benefit*	Use Case**	Total Minimum kW Output (all ports combined)	Grant \$/kW
26MOY23	On Lok Senior Health Services	On-road Infrastructure	Install DC fast charging infrastructure with 10 ports	\$ 311,000	\$ 622,672	Santa Clara	None	MDV Fleet Charging	600	\$ 518.33
26MOY5	Recology Sonoma Marin	On-road Infrastructure	Install level 2 charging infrastructure with 7 ports	\$ 57,000	\$ 110,452	Sonoma	DAC/LIC	HDV Fleet Charging	80.50	\$ 708.07
26MOY3	SHM Loch Lomond, LLC	Marine Infrastructure	Install DC fast charging infrastructure with 6 ports	\$ 155,000	\$ 309,654	Marin	None	Charging Depot	200	\$ 775.00
26MOY9	San Francisco Bay Area Rapid Transit District	On-road Infrastructure	Install DC fast charging infrastructure with 4 ports	\$ 202,000	\$ 337,829	Alameda	DAC/LIC	HDV Fleet Charging	250	\$ 808.00
26MOY6 <sup>1</sup>	RPEV Infrastructure Holdings, LLC	On-road Infrastructure	Install DC fast charging infrastructure with 16 ports and level 2 charging infrastructure with 30 ports	\$ 3,111,000	\$ 5,147,800	Contra Costa	Richmond-San Pablo	Charging Depot	3,776	\$ 823.89
26MOY17	San Francisco-Marin Food Bank	On-road Infrastructure	Install DC fast charging infrastructure with 12 ports	\$ 366,000	\$ 610,499	San Francisco	Bayview- Hunters Point	HDV Fleet Charging	420	\$ 871.43
26MOY4	Eastern Contra Costa Transit Authority	On-road Infrastructure	Install DC fast charging infrastructure with 8 ports	\$ 519,000	\$ 876,053	Contra Costa	DAC/LIC	Bus Fleet Charging	454	\$ 1,143.17
26MOY14	Union Sanitary District	On-road Infrastructure	Install level 2 charging infrastructure with 34 ports	\$ 308,000	\$ 514,338	Alameda	DAC/LIC	HDV Fleet Charging	246.50	\$ 1,249.49
26MOY24	Kilroy Realty, L.P.	Marine Infrastructure	Install DC fast charging infrastructure with 8 ports	\$ 647,000	\$ 1,078,338	San Mateo	DAC/LIC	Boat/Vessel Fleet Charging	480	\$ 1,347.92
26MOY2	Young & Foolish LLC	On-road Infrastructure	Install DC fast charging infrastructure with 2 ports and level 2 charging infrastructure with 15 ports	\$ 592,000	\$ 697,478	Alameda	DAC/LIC	MDV Fleet Charging	431.90	\$ 1,370.69
26MOY20	Prologis Mobility	On-road Infrastructure	Install DC fast charging infrastructure with 64 ports	\$ 13,473,000	\$ 16,842,135	Alameda	East Oakland	Charging Depot	9,600	\$ 1,403.44
26MOY16	TEC of California, Inc	On-road Infrastructure	Install DC fast charging infrastructure with 2 ports and level 2 charging infrastructure with 6 ports	\$ 208,000	\$ 347,300	Alameda	West Oakland	MDV Fleet Charging	117.60	\$ 1,768.71
26MOY15	FM Adeline, LLC	On-road Infrastructure	Install DC fast charging infrastructure with 30 ports	\$ 3,890,000	\$ 7,919,162	Alameda	West Oakland	Charging Depot	2,000	\$ 1,945.00
26SBP12	West County Transportation Agency	School Bus Infrastructure	Install DC fast charging infrastructure with 5 ports	\$ 603,000	\$ 603,434	Sonoma	DAC/LIC	Bus Fleet Charging	300	\$ 2,010.00
26MOY10	Presidio Trust	On-road Infrastructure	Install DC fast charging infrastructure with 6 ports	\$ 625,000	\$ 1,254,820	SF	LIC	Bus Fleet Charging	300	\$ 2,083.33

Project #	Applicant Name	Project Category	Project Description	Proposed Contract Award	Total Project Cost	County	AB 617 Community Benefit*	Use Case**	Total Minimum kW Output (all ports combined)	Grant \$/kW
26MOY7	United Natural Foods West, Inc	On-road Infrastructure	Install DC fast charging infrastructure with 34 ports	\$ 4,435,000	\$ 11,100,000	Santa Clara	DAC/LIC	HDV Fleet Charging	1,800	\$ 2,463.89
26MOY13 <sup>2</sup>	Angel Island Tiburon Ferry, Inc	Marine Infrastructure	Install wireless charging infrastructure for one vessel space	\$ 960,000	\$ 1,920,559	Marin	DAC	Boat/Vessel Fleet Charging	300	\$ 3,200.00
26MOY8	City of Brentwood	On-road Infrastructure	Install DC fast charging infrastructure with 2 ports and level 2 charging infrastructure with 32 ports	\$ 3,218,000	\$ 4,952,265	Contra Costa	LIC	MDV Fleet Charging	734.40	\$ 4,381.81
26MOY18 <sup>3</sup>	West Oakland Charging Partners LLC	On-road Infrastructure	Install DC fast charging infrastructure with 20 ports and level 2 charging infrastructure with 50 ports	\$ 15,681,000	\$ 21,274,450	Alameda	West Oakland	Charging Depot	2,900	\$ 5,407.24
<b>19 Projects</b>				<b>Totals</b>	\$ 49,361,000	\$ 76,519,237				

\* Project benefits one or more AB 617 communities including West Oakland, East Oakland, Richmond-San Pablo, or Bayview Hunters Point/Southeast San Francisco, or disadvantaged communities or low-income communities as defined by [California Climate Investments Priority Populations 2024 and CalEnviroScreen 4](#).

\*\* Use Case may include Medium-Duty Vehicle (MDV) or Heavy-Duty Vehicle (HDV) Fleet Charging

1 Pending property ownership by December 30, 2024.

2 Pending CARB approval.

3 Pending lease agreement.

## **Attachment 2**

### **Background on Sources of Incentive Funding for Mobile Sources**

#### **Carl Moyer Memorial Air Quality Standards Attainment Program (CMP) and Mobile Source Incentive Fund**

The Bay Area Air Quality Management District (Air District) has participated in the CMP in cooperation with the California Air Resources Board (CARB), since the program began in fiscal year 1998-1999. The CMP provides grants to public and private entities to reduce emissions of nitrogen oxides (NO<sub>x</sub>), reactive organic gases (ROG), and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Projects eligible under the CMP guidelines include heavy-duty diesel engine applications such as on-road trucks and buses, off-road construction, agricultural equipment, marine vessels, locomotives, stationary agricultural pump engines, and refueling or recharging infrastructure that supports the deployment of new zero-emission vehicles and equipment. Per Assembly Bill (AB) 1390, at least 50% of these funds must be awarded to projects that benefit communities with the most significant exposure to air contaminants or localized air contaminants.

AB 923 (Firebaugh), enacted in 2004 (codified as Health and Safety Code Section 44225), authorized local air districts to increase motor-vehicle-registration surcharges by up to \$2 additional per vehicle and use the revenue to fund projects eligible under the CMP guidelines. AB 923 revenue is deposited in the Air District's **Mobile Source Incentive Fund (MSIF)**.

#### **Community Air Protection (CAP) Incentives Program**

In 2017, AB 617 directed CARB, in conjunction with local air districts to establish a new community-focused action framework to improve air quality and reduce exposure to criteria air pollutants and toxic air contaminants in communities most impacted by air pollution. The AB 617 initiative calls for the development of community-identified strategies to address air quality issues in impacted communities, including community-level monitoring, uniform emission reporting across the state, stronger regulation of pollution sources, and incentives for reducing air pollution and public health impacts from mobile and stationary sources.

Beginning in fiscal year ending (FYE) 2018, the California Legislature approved funding from the State's Greenhouse Gas Reduction Fund (GGRF), which is used to reduce criteria pollutants, toxic air contaminants, and greenhouse gases for the CAP Incentives program. CAP Incentives funds may be used to fund projects eligible under the CMP and on-road truck replacements under the Proposition 1B Goods Movement Emission Reduction Program. Following additional approvals from CARB, CAP Incentive funds may also potentially be used to fund other types of projects that have been identified and prioritized by communities with an approved Community Emissions Reduction Program, pursuant to the Health and Safety Code (HSC) Section 44391.2. At least 80% of CAP Incentives funds must be allocated to projects that benefit disadvantaged communities (SB 535), and low-income communities (AB 1550).

### **Funding Agricultural Replacement Measures for Emission Reductions (FARMER)**

In February 2018, CARB developed the FARMER Program Guidelines that outline requirements for eligible agricultural equipment replacement projects evaluated under the CMP guidelines, including harvesting equipment, pump engines, tractors, and other equipment used in agricultural operations. Subsequent updates to the FARMER guidelines expanded eligible projects to include zero-emission demonstration projects and added flexibility for funding zero-emission equipment. Under the California State Budget, funds have been appropriated to CARB for each new cycle of the FARMER program for the continued reduction of criteria, toxic, and greenhouse gas emissions from the agricultural sector.

### **Transportation Fund for Clean Air (TFCA)**

In 1991, the California State Legislature authorized the 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 and requirements for the TFCA are set forth in HSC Sections 44241 and 44242. Sixty percent of TFCA monies are awarded by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air program) and to a program referred to as the Regional Fund. The legislation also requires the remaining forty percent to be allocated by formula to the nine designated Bay Area transportation agencies, who in turn award these monies to eligible projects within their county. Each year, the Air District's Board of Directors (Board) allocates funding and adopts policies and evaluation criteria that govern the expenditure of TFCA monies. On April 5, 2023, the Board authorized funding allocations of the sixty-percent portion of the TFCA revenue for use in FYE 2024, and cost-effectiveness limits for Air District-sponsored programs that will be implemented during FYE 2024. On May 17, 2023, the Board adopted policies and evaluation criteria that will govern use of the 60% portion during FYE 2024. This report discusses only the 60% Funds, which is the portion that is awarded directly by the Air District.

### Attachment 3

#### Sources of Active Incentive Program Revenue (FYE 2025)<sup>1</sup>

Funding Source Cycle <sup>2</sup>	\$ for Projects and Programs (in Millions)	Award Date	Source
CMP Year 24	\$ 26.7*	3/16/2022	CARB
CMP Year 24 State Reserve	\$ 4.5	6/3/2022	CARB
CMP Year 25	\$ 13.6	2/22/2023	CARB
CMP Year 25 State Reserve	\$ 2.8	5/19/2023	CARB
CMP Year 26	\$ 13.4	11/21/2023	CARB
CMP Year 26 State Reserve	\$ 0.8	4/30/2024	CARB
CAP Incentives Year 6	\$ 32.7*	12/27/2022	CARB
CAP Incentives Year 7	\$ 31.9	11/20/2023	CARB
FARMER Year 5	\$ 2.4*	12/14/2022	CARB
FARMER Year 6	\$ 1.2	11/13/2023	CARB
TFCA 60% Funds FYE 2025	\$ 32.0**	Accrues monthly	\$4 DMV fees
Mobile Source Incentive Fund FYE 2025	\$ 10	Accrues monthly	\$2 DMV fees
<b>Total Incentive Revenues</b>	<b>\$172</b>		

<sup>1</sup> This is not a complete listing of all sources of incentive funds managed by the Air District but covers the sources that are discussed in this report.

<sup>2</sup> Includes Carl Moyer Program (CMP), Community Air Protection (CAP) Incentives, Funding Agricultural Replacement Measures for Emissions Reduction (FARMER), and Transportation Fund for Clean Air (TFCA).

\* This active revenue source was partially obligated to projects in previous fiscal years and only a portion of the amount shown is available for award to projects in FYE 2025.

\*\* Amount includes \$11.65 million in new TFCA funds that will accrue over the fiscal year and \$20.35 million in carryover funds from previous fiscal years.



## ATTACHMENT 4

### All Projects

#### Awarded, Allocated and Recommended between 7/1/24 and 10/30/24

Funding Sources: Carl Moyer Program, Transportation Fund for Clean Air, Mobile Source Incentive Fund, FARMER, and Community Air Protection Incentives

(Data in this table are updated quarterly. Funds awarded or allocated after the date range above will be reflected in the next quarterly update.)

Project #	Applicant Name	Project Category	Project Description	Proposed Contract Award	Number of Engines	Emission Reductions (tons per year)			County	Board/APCO Approval Date	Benefits Priority Area(s)	Projected Funding Source(s)
						NOx	ROG	PM				
25R01	BAAQMD	Trip Reduction	Enhanced Mobile Source & Commuter Benefits Enforcement	\$ 150,000	N/A	TBD <sup>1</sup>	TBD <sup>1</sup>	TBD <sup>1</sup>	Regional	6/5/2024 <sup>2</sup>	N/A	1
25R02	BAAQMD	Light Duty (LD) Vehicles	Vehicle Buy Back Program	\$ 11,300,000	N/A	TBD <sup>1</sup>	TBD <sup>1</sup>	TBD <sup>1</sup>	Regional	6/5/2024 <sup>2</sup>	N/A	1
25R03	BAAQMD	Trip Reduction	Spare The Air/ Intermittent Control/ Flex Your Commute Programs	\$ 2,500,000	N/A	TBD <sup>1</sup>	TBD <sup>1</sup>	TBD <sup>1</sup>	Regional	6/5/2024 <sup>2</sup>	N/A	1
250	Dennis Maas	Ag/ off-road	Replace Tier-0 tractor/crawler with Tier-4 tractor/crawler	\$ 177,700	1	0.303	0.029	0.015	Sonoma	7/3/24	No	2
25MOY63	UC Farms, Inc.	Ag/ off-road	Replace three Tier-0 agricultural tractors with Tier-4 diesel powered agricultural tractors	\$ 285,000	3	1.839	0.215	0.125	Santa Clara	7/22/24	Yes	2
25MOY97	Twins Cherries	Ag/ off-road	Replace one Tier-0 agricultural tractor with a Tier-4 diesel powered agricultural tractor	\$ 26,900	1	0.049	0.007	0.004	Contra Costa	7/22/24	Yes	2
25MOY90	Trefethen Farming LLC	Ag/ off-road	Replace one Tier-0 agricultural tractor with a Tier-4 diesel powered agricultural tractor	\$ 74,000	1	0.266	0.035	0.024	Napa	7/22/24	No	2
25MOY68	Groth Vineyards and Winery LLC	Ag/ off-road	Replace one Tier-0 agricultural tractor/loader with a Tier-4 diesel powered agricultural tractor/loader	\$ 39,900	1	0.020	0.020	0.005	Napa	7/22/24	No	2
25MOY80	Gill Ag Investments	Ag/ off-road	Replace one Tier-0 agricultural tractor with a Tier-4 diesel powered agricultural tractor	\$ 109,500	1	0.333	0.043	0.025	Solano	7/24/24	No	2
25MOY84	Neve Bros Inc	Ag/ off-road	Replace one Tier-1 agricultural tractor with a Tier-4 diesel powered agricultural tractor	\$ 36,900	1	0.036	0.009	0.006	Sonoma	7/26/24	No	2
25MOY50	Bob Balestra	Ag/ off-road	Replace one Tier-0 agricultural tractor with a Tier-4 diesel powered agricultural tractor and one Tier-0 agricultural Tractor w/ fork attachment with a Tier-4 diesel powered agricultural rough terrain forklift.	\$ 129,600	1	0.107	0.039	0.015	Solano	7/26/24	No	2
25MOY60	Cortina Vineyard Management	Ag/ off-road	Replace one Tier-2 agricultural tractor with a Tier-4 diesel powered agricultural tractor and two Tier-1 agricultural tractor/crawlers with a Tier-4 diesel powered agricultural tractor/crawlers	\$ 209,100	3	0.178	0.034	0.029	Napa	7/26/24	No	2
25MOY44	Robert Bianchi	Ag/ off-road	Replace one Tier-0 agricultural excavator with a Tier-4 diesel powered agricultural excavator	\$ 80,500	1	0.045	0.038	0.010	Santa Clara	7/29/24	No	2
25MOY132	De La Montanya Vineyards	Ag/ off-road	Replace one Tier-1 diesel agricultural tractor with a Tier-4 diesel powered agricultural tractor	\$ 24,200	1	0.015	0.010	0.003	Sonoma	7/29/24	No	2
25MOY145	Capp Family Vineyards, Inc	Ag/ off-road	Replace one Tier-0 agricultural backhoe with a Tier-4 diesel powered agricultural excavator	\$ 67,400	1	0.097	0.014	0.010	Napa	7/29/24	No	2
25MOY69	Atlas Vineyard Management, LLC	Ag/ off-road	Replace two Tier-2 diesel agricultural tractors with Tier-4 diesel powered agricultural tractor/crawlers, Tier-1 diesel agricultural tractor with a Tier-4 diesel powered agricultural tractor, and Tier-2 diesel agricultural tractor with a Tier-4 diesel powered agricultural tractor	\$ 308,600	4	0.721	0.070	0.062	Napa	8/1/24	No	2
25MOY103	Capp Family Vineyards, Inc	Ag/ off-road	Replace one Tier-1 diesel agricultural tractor with a Tier-4 diesel powered agricultural tractor	\$ 59,500	1	0.070	0.018	0.015	Solano	8/6/24	No	2

## ATTACHMENT 4

### All Projects

#### Awarded, Allocated and Recommended between 7/1/24 and 10/30/24

Funding Sources: Carl Moyer Program, Transportation Fund for Clean Air, Mobile Source Incentive Fund, FARMER, and Community Air Protection Incentives

(Data in this table are updated quarterly. Funds awarded or allocated after the date range above will be reflected in the next quarterly update.)

Project #	Applicant Name	Project Category	Project Description	Proposed Contract Award	Number of Engines	Emission Reductions (tons per year)			County	Board/APCO Approval Date	Benefits Priority Area(s)	Projected Funding Source
						NOx	ROG	PM				
25MOY139	Oakville Ranch Vineyards LP	Ag/ off-road	Replace one Tier-2 diesel agricultural tractor/crawler with a Tier-4 diesel powered agricultural tractor/crawler	\$ 69,600	1	0.103	0.006	0.006	Napa	8/9/24	No	2
25MOY59	Venu Gopala Naga Varma, Penumatsa	Ag/ off-road	Replace one Tier-0 agricultural loader with a Tier-4 diesel powered agricultural loader	\$ 42,200	1	0.021	0.021	0.005	Contra Costa	8/9/24	Yes	2
25MOY43	The Trust for Hidden Villa	Ag/ off-road	Replace one Tier-2 agricultural tractor/loader with a Tier-4 diesel powered agricultural tractor/loader and Tier-0 agricultural tractor/loader with a Tier-4 diesel powered agricultural tractor/loader	\$ 39,500	2	0.031	0.010	0.004	Santa Clara	8/9/24	No	2
25MOY116	Foley Family Farms, LLC	Ag/ off-road	Replace three Tier-0 agricultural tractors with Tier-4 diesel powered agricultural tractors	\$ 179,700	3	0.400	0.065	0.042	Sonoma	8/12/24	No	2
25MOY128	Peduncle Wine Company	Ag/ off-road	Replace one Tier-2 diesel agricultural tractor with a Tier-4 diesel powered agricultural tractor	\$ 72,200	1	0.130	0.008	0.008	Sonoma	8/12/24	No	2
25MOY96	Isley Brothers Farming, LLC	Ag/ off-road	Replace one Tier-0 agricultural forklift with a Tier-4 diesel powered agricultural forklift	\$ 73,100	1	0.091	0.014	0.010	Napa	8/16/24	No	2
25MOY58	Levin Richmond Terminal Corporation	Port Cargo Handling Equipment	Replace one Tier-4 off-road diesel loader with an electric loader and replace one Tier-2 off-road diesel sweeper with an electric sweeper, plus charging infrastructure.	\$ 696,600	2	0.484	0.042	0.024	Contra Costa	11/6/24	Yes	2
25MOY46	Jaswant S. Bains	Ag/ off-road	Replace one Tier-0 agricultural backhoe with a Tier-4 diesel powered agricultural backhoe, one Tier-0 agricultural skid steer loader with a Tier-4 diesel powered agricultural skid steer loader, and one Tier-1 agricultural forklift, and one Tier-0 agricultural tractor with a Tier-4 diesel powered agricultural tractor	\$ 252,700	3	0.279	0.058	0.029	Solano	7/23/24	No	2
25MOY102	Four Seasons Vineyard Management	Ag/ off-road	Replace one Tier-0 agricultural rough terrain forklift with a Tier-4 diesel powered agricultural rough terrain forklift, one Tier-0 agricultural skid steer loader with a Tier-4 diesel powered agricultural skid steer loader, and one Tier-1 agricultural telehandler with a Tier-4 diesel powered agricultural telehandler	\$ 226,500	3	0.253	0.034	0.023	Sonoma	8/22/24	No	2
25MOY47	Corona Vineyard Management LLC	Ag/ off-road	Replace one Tier-1 diesel agricultural tractor with a Tier-4 diesel powered agricultural tractor, one Tier-1 diesel agricultural tractor/crawler with a Tier-4 diesel powered agricultural tractor, and one Tier-1 diesel agricultural tractor with a Tier-4 diesel powered agricultural tractor, one Tier-0 diesel agricultural tractor/crawler with a Tier-4 diesel powered agricultural tractor/crawler	\$ 176,900	3	0.321	0.083	0.046	Napa	8/23/24	No	2
25MOY54	T and M Agricultural Services LLC	Ag/ off-road	Replace seven Tier-0 diesel agricultural tractors with Tier-4 diesel powered agricultural tractors and Replace one Tier-0 diesel agricultural forklift with a Tier-4 diesel powered agricultural forklift	\$ 291,500	8	0.233	0.232	0.060	Napa	8/23/24	No	2
25MOY148	VineCru Farming Company Inc.	Ag/ off-road	Replace one Tier-2 diesel agricultural compact tracked loader with a Tier-4 diesel powered agricultural compact tracked loader, one Tier-2 diesel agricultural tractor/loader with a Tier-4 diesel powered agricultural tractor/loader, one Tier-2 diesel agricultural tractor/crawler with a Tier-4 diesel powered agricultural tractor/crawler, one Tier-2 diesel agricultural tractor/crawler with a Tier-4 diesel powered agricultural tractor/crawler, one Tier-2 diesel agricultural tractor/crawler with a Tier-4 diesel powered agricultural tractor/crawler, one Tier-1 diesel agricultural tractor with a Tier-4 diesel powered agricultural tractor, and one Tier-1 diesel agricultural tractor with a Tier-4 diesel powered agricultural tractor	\$ 395,800	6	0.563	0.093	0.079	Sonoma	8/26/24	No	2
25MOY100	Emanuel Correia	Ag/ off-road	Replace one Tier-0 agricultural tractor with a Tier-4 diesel powered agricultural tractor/loader	\$ 35,800	1	0.062	0.011	0.008	Sonoma	8/30/24	No	2
25MOY87	Eric Thomas	Ag/ off-road	Replace one Tier-0 agricultural tractor/loader with a Tier-4 diesel powered agricultural tractor/loader and one Tier-2 agricultural skid steer loader with a Tier-4 diesel powered agricultural skid steer loader	\$ 116,700	2	0.134	0.040	0.015	Contra Costa	8/30/24	No	2
25MOY77	Seavey Vineyard Limited Partnership	Ag/ off-road	Replace one Tier-1 agricultural tractor/crawler and one Tier-0 agricultural tractor/crawler with a Tier-4 diesel powered agricultural tractor/crawler, replace one Tier-0 agricultural tractor with a Tier-4 diesel powered agricultural tractor, and replace one Tier-1 agricultural tractor with a Tier-4 diesel powered agricultural tractor	\$ 152,100	4	0.140	0.027	0.019	Napa	9/5/24	No	2
25MOY83	Andrews Vineyards, LLC	Ag/ off-road	Replace one Tier-0 agricultural tractor with a Tier-4 diesel powered agricultural tractor	\$ 70,650	1	0.183	0.029	0.017	Solano	5/20/24	No	2
25MOY72	Clark Vineyard Management Inc.	Ag/ off-road	Replace one Tier-1 agricultural tractor with a Tier-4 diesel powered agricultural tractor and two Tier-3 agricultural tractor/crawlers with a Tier-4 diesel powered agricultural tractor/crawler	\$ 228,700	3	0.350	0.058	0.030	Napa	9/10/24	No	2

## ATTACHMENT 4

### All Projects

#### Awarded, Allocated and Recommended between 7/1/24 and 10/30/24

Funding Sources: Carl Moyer Program, Transportation Fund for Clean Air, Mobile Source Incentive Fund, FARMER, and Community Air Protection Incentives

(Data in this table are updated quarterly. Funds awarded or allocated after the date range above will be reflected in the next quarterly update.)

Project #	Applicant Name	Project Category	Project Description	Proposed Contract Award	Number of Engines	Emission Reductions (tons per year)			County	Board/APCO Approval Date	Benefits Priority Area(s)	Projected Funding Source(s)
						NOx	ROG	PM				
25MOY61	Stag's Leap Wine Cellars, LLC	Ag/ off-road	Replace one Tier-0 diesel powered agricultural tractor with a Tier-4 diesel powered agricultural tractor, one Tier-1 diesel powered agricultural tractor/crawler with a Tier-4 diesel powered agricultural tractor/crawler, one Tier-2 diesel powered agricultural tractor/crawler with a Tier-4 diesel powered agricultural tractor/crawler, and one Tier-2 diesel powered agricultural tractor/crawler.	\$ 294,900	4	0.389	0.054	0.043	Napa	9/12/24	No	2
25MOY86	Oakland Pallet Co., Inc.	Ag/ off-road	Replace one Tier-2 diesel powered excavator with one zero-emission electric excavator	\$ 290,500	1	0.234	0.020	0.015	Alameda	9/13/24	Yes	2
25MOY91	A & B Partners LLC	Off-road	Replace one Tier-2 diesel powered off-road yard truck with one zero-emission electric off-road yard truck	\$ 245,700	1	0.083	0.012	0.004	Alameda	9/19/24	Yes	2
25MOY27	Claudia Hernandez DBA: R&R Herbs	Ag/ off-road	Replace one Tier-0 agricultural tractor with a Tier-4 diesel powered agricultural tractor	\$ 64,400	1	0.230	0.030	0.021	San Mateo	7/5/24	No	2
25MOY124	Lucky Diamond LLC	Ag/ off-road	Replace one Tier-0 agricultural skip loader with a Tier-4 diesel powered agricultural skip loader, replace one Tier-1 agricultural excavator with a Tier-4 diesel powered agricultural excavator, and replace one Tier-0 agricultural tractor with a Tier-4 diesel powered agricultural tractor/loader	\$ 361,800	3	0.430	0.054	0.035	Sonoma	9/27/24	No	2
26MOY23	On Lok Senior Health Services	On-road Infrastructure	Install DC fast charging infrastructure with 10 ports	\$ 311,000	-	-	-	-	Santa Clara	TBD	No	1, 2
26MOY5	Recology Sonoma Marin	On-road Infrastructure	Install level 2 charging infrastructure with 7 ports	\$ 57,000	-	-	-	-	Sonoma	TBD	Yes	1, 2
26MOY3	SHM Loch Lomond, LLC	Marine Infrastructure	Install DC fast charging infrastructure with 6 ports	\$ 155,000	-	-	-	-	Marin	TBD	No	2
26MOY9	San Francisco Bay Area Rapid Transit District	On-road Infrastructure	Install DC fast charging infrastructure with 4 ports	\$ 202,000	-	-	-	-	Alameda	TBD	Yes	1, 2
26MOY6	RPEV Infrastructure Holdings, LLC	On-road Infrastructure	Install DC fast charging infrastructure with 16 ports and level 2 charging infrastructure with 30 ports	\$ 3,111,000	-	-	-	-	Contra Costa	TBD	Yes	1, 2
26MOY17	San Francisco-Marin Food Bank	On-road Infrastructure	Install DC fast charging infrastructure with 12 ports	\$ 366,000	-	-	-	-	San Francisco	TBD	Yes	1, 2
26MOY4	Eastern Contra Costa Transit Authority	On-road Infrastructure	Install DC fast charging infrastructure with 8 ports	\$ 519,000	-	-	-	-	Contra Costa	TBD	Yes	1, 2
26MOY14	Union Sanitary District	On-road Infrastructure	Install level 2 charging infrastructure with 34 ports	\$ 308,000	-	-	-	-	Alameda	TBD	Yes	1, 2
26MOY24	Kilroy Realty, L.P.	Marine Infrastructure	Install DC fast charging infrastructure with 8 ports	\$ 647,000	-	-	-	-	San Mateo	TBD	Yes	2
26MOY2	Young & Foolish LLC	On-road Infrastructure	Install DC fast charging infrastructure with 2 ports and level 2 charging infrastructure with 15 ports	\$ 592,000	-	-	-	-	Alameda	TBD	Yes	1, 2
26MOY20	Prologis Mobility	On-road Infrastructure	Install DC fast charging infrastructure with 64 ports	\$ 13,473,000	-	-	-	-	Alameda	TBD	Yes	1, 2
26MOY16	TEC of California, Inc	On-road Infrastructure	Install DC fast charging infrastructure with 2 ports and level 2 charging infrastructure with 6 ports	\$ 208,000	-	-	-	-	Alameda	TBD	Yes	1, 2

## ATTACHMENT 4

### All Projects

#### Awarded, Allocated and Recommended between 7/1/24 and 10/30/24

Funding Sources: Carl Moyer Program, Transportation Fund for Clean Air, Mobile Source Incentive Fund, FARMER, and Community Air Protection Incentives

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Project #	Applicant Name	Project Category	Project Description	Proposed Contract Award	Number of Engines	Emission Reductions (tons per year)			County	Board/APCO Approval Date	Benefits Priority Area(s)	Projected Funding Source <sup>1</sup>
						NOx	ROG	PM				
26MOY15	FM Adeline, LLC	On-road Infrastructure	Install DC fast charging infrastructure with 30 ports	\$ 3,890,000	-	-	-	-	Alameda	TBD	Yes	1, 2
26SBP12	West County Transportation Agency	School Bus Infrastructure	Install DC fast charging infrastructure with 5 ports	\$ 603,000	-	-	-	-	Sonoma	TBD	Yes	1, 2
26MOY10	Presidio Trust	On-road Infrastructure	Install DC fast charging infrastructure with 6 ports	\$ 625,000	-	-	-	-	San Francisco	TBD	Yes	1, 2
26MOY7	United Natural Foods West, Inc	On-road Infrastructure	Install DC fast charging infrastructure with 34 ports	\$ 4,435,000	-	-	-	-	Santa Clara	TBD	Yes	1, 2
26MOY13	Angel Island Tiburon Ferry, Inc	Marine Infrastructure	Install wireless charging infrastructure for one vessel space	\$ 960,000	-	-	-	-	Marin	TBD	Yes	2
26MOY8	City of Brentwood	On-road Infrastructure	Install DC fast charging infrastructure with 2 ports and level 2 charging infrastructure with 32 ports	\$ 3,218,000	-	-	-	-	Contra Costa	TBD	Yes	1, 2
26MOY18	West Oakland Charging Partners LLC	On-road Infrastructure	Install DC fast charging infrastructure with 20 ports and level 2 charging infrastructure with 50 ports	\$ 15,681,000	-	-	-	-	Alameda	TBD	Yes	1, 2
58	<b>Projects</b>		<b>Totals</b>	\$ 69,317,350	76	9.2	1.6	0.9				

<sup>1</sup> Projected Funding Source includes (1) Transportation Fund for Clean Air; (2) CMP/MSIF, FARMER and Community Air Protection Program. At the time of award, the funding source(s) is assigned based on funding availability and project eligibility. However, the actual funding source used to pay out a project may be different from the Projected Funding Source due to a variety of factors such as delays in project implementation or other funding sources becoming available.

<sup>2</sup> Funds have been allocated to these programs and projects and results will be determined at the end of project period

<sup>2</sup> Date when BOD approved the program budget for FYE 2025

Note: Projects that were previously awarded, but then withdrawn by the grantee, are not shown.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**Memorandum**

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Authorization to Amend the Professional Services Agreement with Robert Half, Inc.  
for Temporary Staffing

**RECOMMENDED ACTION**

Authorize the Executive Officer/APCO to amend the Professional Agreement with Robert Half Inc. to increase the total not-to-exceed dollar amount of the agreement by \$1,000,000, from \$1,000,000 to \$2,000,000, for staff augmentation to support the Air District's Strategic Plan.

The Finance & Administration Committee recommended approval of this item at its Special Meeting on November 6, 2024.

**BACKGROUND**

The professional services contract with Robert Half, Inc., for an amount of \$1,000,000 over a 3-year period was approved by the Board of Directors on July 19, 2023. Robert Half, Inc. provides expertise services in sourcing, screening, and placing temporary staffing within condensed timeframes. With the newly approved 5-year strategic plan, the Air District will need additional resources and staff to create the infrastructure to build a technology platform and project manage the progress of the strategic plan's accomplishments.

**DISCUSSION**

The funding request to support temporary staffing is crucial for successfully implementing the Strategic Plan across the Engineering and Enforcement programs. As we work to align departmental goals with the broader organizational objectives, temporary staff will provide the flexibility needed to execute critical initiatives, such as enhancing data-driven decision-making, improving project management processes, and modernizing the program's technology infrastructure and software. By bringing in additional resources, we can ensure timely support for these programs, enabling them to adopt the technological improvements and workflow optimizations outlined in the Strategic Plan without overburdening existing staff.

This staffing request aligns directly with the organization's Strategic Plan, particularly in advancing operational excellence and technological modernization. The Corrective Action Plan, a four-year plan, requires additional project management resources to ensure we stay on track with key milestones and deadlines. Temporary staff will maintain momentum, ensure proper project oversight, and facilitate coordination between departments. Their support will help us achieve the corrective actions outlined in the plan and deliver on the strategic goals set for Engineering and Enforcement within the broader framework of our organizational objectives.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

Funds for the contract amendment are included in the divisional programs for Fiscal Year Ending 2025 and will be budgeted in the Fiscal Year Ending 2026.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Joseph Huynh  
Reviewed by: Lisa Baker

#### ATTACHMENTS:

1. Robert Half 2023.142 Draft Amendment 1
2. Robert Half Executed Contract

## **FIRST AMENDMENT TO RH CUSTOMER AGREEMENT**

This First Amendment to RH Customer Agreement (“**First Amendment**”) is entered into as of the last date of signature below by and between, Robert Half Inc., doing business through its finance & accounting, administrative & customer support, technology, marketing & creative, management resources, and legal practice groups (“**RH**” or “**CONTRACTOR**”), and Bay Area Air Quality Management District (“**DISTRICT**” or “**BAAQMD**”). This First Amendment is effective as of the last date of signature below (the “**First Amendment Date**”).

### RECITALS

WHEREAS, the parties entered into that certain RH Customer Agreement effective August 1, 2023 through July 31, 2026; respectively signed by the parties on August 15, 2023 and August 22, 2023 (the “**Agreement**”);

WHEREAS, the parties desire to amend the Agreement to correct District’s company name;

WHEREAS the parties desire to amend the Agreement to update the amount stated in Section 1.6;

WHEREAS, the parties desire to amend the Agreement to increase the amount stated in Section 2.22 and 2.24;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which each party acknowledges the parties hereby agree as follows:

1. By this First Amendment, replace all references to “Bay Area Air Quality Management” in the Agreement with “Bay Area Air Quality Management District.”
2. In Paragraph d of Section 1.6 “General Principles of Our Relationship” – revise the insurance requirement amounts by updating the aggregate total; i.e. delete the section in its entirety and replace with the following:

CONTRACTOR shall maintain the following insurance:

- i) Workers’ compensation and employers’ liability insurance as required by California law or other applicable statutory requirements.
  - ii) Occurrence-based commercial general liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each occurrence and at least two million (\$2,000,000) in aggregate. Such insurance shall include DISTRICT and its officers, agents, and employees as additional insureds and shall be primary with respect to any insurance maintained by DISTRICT.
  - iii) Business automobile liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each accident and at least two million (\$2,000,000) in aggregate. Such insurance shall include coverage for owned, hired, and non-owned vehicles.
  - iv) Professional liability insurance with limits not less than five million dollars (\$5,000,000) for each claim.
3. In Paragraph F of Section 2.22. “DISPUTE RESOLUTION” – revise the maximum recovery amount by increasing the figure by \$1,000,000; i.e. delete the section in its entirety and replace with the following:

“Maximum recovery under this section shall be two million dollars (\$2,000,000). The mediation costs shall not reduce the maximum amount recoverable under this section.
  4. In Section 2.24 “NOT TO EXCEED” – revise the NTE amount by increasing the figure by \$1,000,000; i.e. delete the section in its entirety and replace with the following:

“Total cost of Contract not to exceed \$2,000,000. Notwithstanding anything to the contrary in this Agreement, RH may at any time, in its sole discretion, discontinue performance of the services once the Not-to-Exceed Amount has been attained (even if RH continued to provide services after the Not-to-Exceed Amount was reached).”

5. This First Amendment is effective as of the First Amendment Date, and no changes or modifications hereto shall be effective unless the same shall be in writing and signed by the parties. In the event of any inconsistency between the terms of the Agreement and the terms of this First Amendment, the terms of this First Amendment will supersede and control. In all other respects, the terms of the Agreement are ratified and confirmed.

The parties to this First Amendment each indicate their acceptance of the terms herein by the signature of a duly authorized and empowered signatory.

IN WITNESS WHEREOF, the parties have set their hands and seals.

**Robert Half Inc.**

By: \_\_\_\_\_

Print: Surbhi Pir

Title: Regional President

Date: \_\_\_\_\_

**Bay Area Air Quality Management District**

By: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

DRAFT



## RH Customer Agreement

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This RH Customer Agreement (the "Agreement" or "Contract") governs transactions by which you retain the services of Robert Half Inc., doing business through its finance & accounting, administrative & customer support, technology, marketing & creative, management resources, and legal practice groups ("RH" or "CONTRACTOR"), to assist Bay Area Air Quality Management ("BAAQMD" or "DISTRICT") in meeting its contract talent needs.

### Part 1 - General

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#### 1.1 Definitions

"Professional" means the individual assigned to you by RH.

"Branch" means the RH branch located at the address identified under the Robert Half Inc. signature line of this Agreement.

"Services" means the provision of services by the Professional to you.

#### 1.2 Agreement Structure

Additional terms for the Services are included in Exhibit A, which are attached to this Agreement and by this reference incorporated herein. RH also provides additional terms for Services in documents called "job arrangement letters," which are also incorporated into this Agreement by this reference. All transactions under this Agreement will have a job arrangement letter, which will be sent to BAAQMD when RH provides Services to BAAQMD. If there is a conflict among the terms in the various documents, those of this Agreement prevail over those of a job arrangement letter.

In order to initiate Services, BAAQMD will provide RH with written notice describing the Services BAAQMD needs, including the date of service, the location of service, and a maximum cost. RH will promptly reply to such request and indicate whether RH will or will not provide the requested Services. If RH elects to provide the requested Services, RH will send BAAQMD a job arrangement letter. BAAQMD may accept the terms in a job arrangement letter by signing and returning the job arrangement letter. RH shall not perform any work for BAAQMD until it receives a job arrangement letter signed by BAAQMD.

#### 1.3 Charges and Payment

Amounts are due and payable as RH specifies in Exhibit A, including the fees payable for directly hiring Professionals and the fees payable if a Professional works overtime, e.g., in excess of 40 hours per week. BAAQMD agrees to pay accordingly, including any late payment fee.

### INDEMNIFICATION

- A. CONTRACTOR shall indemnify and hold DISTRICT, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance of this Contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of CONTRACTOR, its officers, agents, or employees.
- B. DISTRICT shall indemnify and hold CONTRACTOR, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fee, or claims for injury or damages arising out of the performance of this Contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of DISTRICT, its officers, agents, or employees.

#### 1.4 Changes to the Agreement Terms

This Agreement represents the final, complete, and exclusive statement of the agreement between the parties related to RH providing services to BAAQMD, and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. For a change to this Agreement to be valid, it must be in writing and signed by both parties.

#### 1.5 Limitation of Liability

Circumstances may arise where, because of a default on RH's part or other liability, BAAQMD is entitled to recover damages from RH. Regardless of the basis on which BAAQMD is entitled to claim damages from RH (including fundamental breach, negligence, misrepresentation, or other contract or tort claim), RH's liability, if any, will (in the aggregate for all claims, causes of action or damages) be limited to any actual direct damages up to an amount equal to up to 2x the fees actually paid to RH for the Services that are the subject of the claim. It is understood that BAAQMD is responsible for implementing and maintaining usual, customary and appropriate internal accounting procedures and controls, internal controls and other appropriate procedures and controls (including information technology, proprietary information, creative designs and trade secret safeguards) for your company and RH shall not be responsible for any losses, liabilities or claims arising from the lack of such controls or procedures.

#### Items for Which RH is Not Liable

Under no circumstances is RH liable for any special, incidental, exemplary, indirect, lost profits, or consequential damages (including, but not limited to, lost business, revenue, goodwill, or anticipated savings), even if informed of the possibility.

## 1.6 General Principles of Our Relationship

- a. RH shall maintain workers' compensation insurance and commercial liability insurance.
- b. RH will be responsible, to the extent applicable, for any workers' compensation insurance, federal, state and local withholding and unemployment taxes, social security, state disability insurance or other payroll charges for the Professionals.
- c. In the event that any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement remain in full force and effect.
- d. CONTRACTOR shall maintain the following insurance:
  - i) Workers' compensation and employers' liability insurance as required by California law or other applicable statutory requirements.
  - ii) Occurrence-based commercial general liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each occurrence. Such insurance shall include DISTRICT and its officers, agents, and employees as additional insureds and shall be primary with respect to any insurance maintained by DISTRICT.
  - iii) Business automobile liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles.
  - iv) Professional liability insurance with limits not less than five million dollars (\$5,000,000) for each claim.
- e. All insurance shall be placed with insurers acceptable to DISTRICT.
- f. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.
- g. If CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and to deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.
- h. Both parties shall comply with all applicable laws during the Term of this Agreement.

## 1.7 Agreement Term

The Term of this Agreement will run from August 1, 2023, through July 31, 2026, unless terminated earlier. Either party may terminate this Agreement on thirty days' written notice to the other.

Either party may terminate this Agreement if the other does not comply with any of its terms, provided the one who is not complying is given written notice and reasonable time to comply.

The DISTRICT may terminate this Contract at any time, at will, and without specifying any reason, by notifying CONTRACTOR in writing. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination, and shall be delivered in accordance with the provisions of section 2.9 below. Immediately upon receipt of the notice of termination, CONTRACTOR shall cease all work under this Contract, except such work as is specified in the notice of termination. CONTRACTOR shall deliver a final invoice for all remaining work performed but not billed, including any work specified in the termination notice, on or before ten (10) business days following the termination date.

Either party may terminate this Contract for breach by the other party.

- i) Failure to perform any agreement or obligation contained in this Contract or failure to perform the services in a satisfactory manner shall constitute a breach of the Contract.
- ii) The non-breaching party may terminate the Contract by delivery of a written notice of breach. The notice of breach shall specify the date of termination, which shall be no earlier than ten (10) business days from delivery of the notice of breach. In the alternative, at its sole discretion, the non-breaching party may require the breaching party to cure the breach. The notice of breach shall specify the nature of the breach and the date by which such breach must be cured.
- iii) Notwithstanding any language in this Agreement to the contrary (including any references to fixed-price, deliverables, acceptance of deliverables, or milestones), RH shall be compensated on a time and materials basis only. RH provides contract talent solutions and does not provide deliverables.
- iv) The notice of breach shall be provided in accordance with the notice requirements set forth in section 10.
- v) The non-breaching party reserves all rights under law and equity to enforce this Contract and recover any damages.

The terms of section 1.3, including the payment obligations set forth in Section 1.3 above, remain in effect until fulfilled, even if the agreement is terminated, and apply to each party's respective successors and assignees.

## Part 2 - Services

### 2.1 Pre-Assignment Screening

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If Professional holds a license to practice law from the bar association of any U.S. state, or holds a certification from the National Association of Legal Assistants or National Federation of Paralegal Associations as indicated on his or her application, RH will have a third party vendor request confirmation of that licensure or certification. RH has not engaged in any verification process other than the checks described in this paragraph (e.g., RH has not screened for drug use, administered a medical exam or conducted a criminal background or credit check.). To the extent permitted by applicable law, RH will have a third party vendor (a) perform a Social Security Number verification; (b) perform a seven-year criminal background investigation for all (i) state felony convictions and pending charges, and (ii) state misdemeanor convictions and pending charges involving crimes of dishonesty or violence, in each county where our professional has resided or worked in the U.S. in the last seven years as stated on his or her application; however, where such criminal background investigation is either impracticable, unavailable or would result in a delay of assignment (as determined by the third party vendor), the third party vendor will endeavor to complete a seven-year statewide criminal background investigation, if available; and (c) perform a seven-year criminal background investigation by having the third party perform a search of its private database of U.S. national criminal records searching for felony convictions and misdemeanor convictions for crimes of dishonesty or violence. BAAQMD understands and agrees that the third party vendor's database of U.S. national criminal records (i) is maintained by the third party vendor and not a governmental entity, (ii) is an incomplete aggregation of criminal records, and (iii) will not reveal or identify all criminal convictions. If any of the checks are not possible to complete due to delays and/or unavailability of one or more sources, BAAQMD acknowledges that the checks will not be completed for our professional in time for his or her start date due to such delays or unavailability of sources. BAAQMD will permit our professional to start an assignment with BAAQMD on the start date while attempting to complete the checks, to the extent allowed by law. If BAAQMD requests a copy of the results of any checks conducted on RH's our professionals, BAAQMD agrees to keep such results strictly confidential and to use such results in accordance with applicable laws and solely for employment purposes.

## **2.2 Scope of Assignment**

You shall supervise Professionals providing services to you. RH shall not be responsible or liable for any losses, liabilities, damages or claims arising out of BAAQMD's failure to supervise the RH assigned professionals providing services to BAAQMD, but RH will otherwise be responsible for Professionals' actions. You shall not permit or require Professionals (i) to perform services outside of the scope of his or her assignment; (ii) to sign contracts or statements (including SEC documents); (iii) to make any management decisions; (iv) to use computers, or other electronic devices, software or network equipment owned or licensed by Professional; (v) to make any final decisions regarding system design, software development or the acquisition of hardware or software; or (vi) to make transfers of tangible personal property. Neither BAAQMD nor RH shall be responsible for any criminal act or other willful misconduct by Professionals outside the scope of their services, even if related to such services.

BAAQMD recognizes that RH is not a law firm, is not licensed to practice law and has not been retained to provide legal advice or services. In order to satisfy the requirements of the various state bars and similar organizations that regulate the practice of law, BAAQMD agrees that RH's placement of licensed attorneys (as project attorneys or in a non-attorney role) ("Project Attorneys") with BAAQMD is subject to the following terms and conditions: a. Project Attorneys shall not directly represent any party, person, entity or organization, sign contracts, pleadings, affidavits or declarations, correspondence with court officials, terms sheets or settlement agreements, appear as the primary attorney of record in any court or legal proceeding or render legal opinions on behalf of RH, BAAQMD or any other party while on the engagement. b. Each Project Attorney will be under the control and supervision of a BAAQMD employee who is licensed or otherwise authorized to practice law in the state where the Project Attorney is providing services. Project Attorney must have the requisite knowledge and skill level, furnish all necessary resources to the Project Attorney and take all appropriate steps to protect client confidential information without any participation by RH. c. BAAQMD will consult with each proposed Project Attorney prior to any assignment to determine that any previous services performed by the Project Attorney will not create a conflict of interest, risk disclosure of client confidential information or present any other ethical problem. If BAAQMD determines that such a conflict of interest or other ethical problem exists, BAAQMD will inform RH immediately, and RH will provide a replacement attorney with no charge for the time spent by the original Project Attorney participating in this preliminary ethical determination. d. The hourly fees paid to RH under this Agreement are solely for locating, recruiting, interviewing and placing Project Attorneys, and no portion of such amount is deemed to represent legal fees paid to RH.

## **2.3 Cash Handling and Other Financial Transactions and Activities**

No Professional will be allowed to sign, endorse, wire, transport or otherwise convey cash, securities, checks, or any negotiable instruments or valuables, or conduct financial transactions or other related activities.

## **2.4 Workplace Safety**

It is understood that you have full responsibility for: (i) providing safe working conditions as required by law, including compliance with all public health and occupational safety regulations and guidelines applicable to your business, and (ii) ensuring that safety plans exist for, and safety related training is provided to Professionals working on your premises. To ensure the safety of potentially vulnerable individuals, you agree to tell Professionals they are not permitted, while at 375 Beale St, San Francisco, CA 94105, to have unsupervised or unmonitored contact with (a) minors or (b) adults who are under your care, custody or supervision because of mental health impairments. If any assignment under this Agreement is for work to be performed under a government contract or subcontract, you will notify RH immediately (1) of any obligations in the government contract or subcontract relating to wages, and (2) if

RH is legally required to initiate E-Verify verification procedures for any Professional. RH reserves the right to re-assign any Professional, with advance notice to BAAQMD.

## 2.5 Operation of Vehicle and Equipment

RH does not authorize our Professionals to operate machinery (other than office machines) or vehicles.

## 2.6 Remote Work

You may request that RH permit its Professionals to provide services to BAAQMD remotely (i.e., from a location other than BAAQMD's or your customer's premises) using BAAQMD's or RH's laptop and/or other computer or telecommunications equipment (the "Equipment"). BAAQMD acknowledges and agrees that RH shall provide only blank devices and, as such, shall have no control over, and BAAQMD shall be solely responsible for, (i) the logical and physical performance, reliability and security of the Equipment or related devices, network accessibility and availability, software, services, tools and e-mail accounts (collectively, "Computer Systems") used by the Professional, and (ii) the security, integrity, and backing up of the data and other information stored therein or transmitted thereby. Professional shall not save or store any BAAQMD files or other data on the Computer Systems provided by RH (including, but not limited to, any virtual desktop infrastructure solution). RH shall not be liable for any loss, damage, expense, harm, business interruption or inconvenience resulting from the use of such Computer Systems.

## 2.7 Claims

RH will not be responsible for any claim related to the engagement, including, but not limited to, any Services performed during such engagement, unless you reported such claim in writing to RH within ninety (90) days after termination of the applicable assignment.

## 2.8 Confidentiality

The Professionals will execute any confidentiality agreement that you may require. BAAQMD agrees to be responsible for obtaining the Professional's signature. To the extent allowed by law, BAAQMD agrees to hold in confidence Professional's social security number and other legally protected personal information, and you agree to implement and maintain reasonable security procedures and practices to protect such information from unauthorized access, use, modification or disclosure.

Carrying out the purposes of this Agreement may require access to certain of BAAQMD's confidential information (including trade secrets, inventions, confidential know-how, confidential business information, and other information that DISTRICT considers confidential) (collectively, "Confidential Information"). It is expressly understood and agreed that BAAQMD may designate in a conspicuous manner Confidential Information that Professional or RH obtains from BAAQMD, and RH and Professional will, to the extent actually obtained:

- A. Observe complete confidentiality with respect to such information, including without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to Professional requiring access in fulfillment of the services provided under this Agreement.
- B. Ensure that RH's officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information and to assure by agreement or otherwise that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
- C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever whether gratuitously or for valuable consideration, except as permitted under this Agreement.
- D. Notify BAAQMD promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information or any part thereof by any person or entity other than those authorized by this section. Take at RH's expense, but at BAAQMD's option and in any event under BAAQMD's control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of RH or Professional.
- E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Agreement and following expiration or termination of the Agreement.
- F. Prevent access to such materials by a person or entity not authorized under this Agreement.
- G. Establish specific procedures in order to fulfill the obligations of this section.

This section shall not apply to (1) information that is in the public domain; (2) information that was known to the receiving party before receipt of the information from the disclosing party; or, (3) information received from a third party having the right to lawfully possess and disclose such information without breaching any promise of confidentiality. In addition, no receiving party shall be in violation of this Agreement if required to disclose such information by a court of competent jurisdiction or governmental agency with power to force disclosure. However, upon receipt of a subpoena or other order to produce Confidential Information, the receiving party shall promptly notify the disclosing party in writing of such disclosure requirement, and allow that other Party the opportunity to seek to prevent the disclosure, at their sole discretion.

## 2.9. NOTICES



All notices that are required under this Agreement shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by e-mail, facsimile, or regular first class mail. In the case of e-mail and facsimile communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. E-mail and facsimile communications shall be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. Pacific Time. Otherwise, receipt of e-mail and facsimile communications shall be deemed to have occurred on the following business day. In the case of regular mail notice, notice shall be deemed to have been delivered on the mailing date and received five (5) business days after the date of mailing.

DISTRICT: Bay Area Air Quality Management District  
375 Beale St, Suite 600  
San Francisco, CA 94105  
Attn: Judy Yu

CONTRACTOR: Robert Half International Inc.  
2613 Camino Ramon  
San Ramon, CA 94583  
Attn: Attention: Client Contracts Dept.  
With a copy to: 50 California St., 10th Floor, San Francisco, CA 94111-4624

This Agreement is only applicable to, and the only Robert Half branch and practice groups obligated under this Agreement are, the finance & accounting, administrative & customer support, technology, marketing & creative, management resources, and legal practice groups of the Branch. This Agreement and its job arrangement letter(s) are the complete agreement regarding these transactions and replace any prior oral or written communications between the Branch and you regarding these transactions.

**2.10** RH shall be responsible for the cost of regular pay to its employees, as well as cost of vacation leave, vacation replacements, sick leave, severance pay, and pay for legal holidays. RH, its officers, employees, agents, or representatives shall not be considered employees or agents of BAAQMD, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by DISTRICT to its employees.

**2.11 INTELLECTUAL PROPERTY RIGHTS** – Title and full ownership rights to all intellectual property developed under this Contract shall at all times remain with DISTRICT, unless otherwise agreed to in writing.

**2.12 PUBLICATION**

- A. DISTRICT shall approve in writing any report or other document prepared by CONTRACTOR in connection with performance under this Contract prior to dissemination or publication of such report or document to a third party. DISTRICT may waive in writing its requirement for prior approval.
- B. Until approved by DISTRICT, any report or other document prepared by CONTRACTOR shall include on each page a conspicuous header, footer, or watermark stating "DRAFT – Not Reviewed or Approved by BAAQMD," unless DISTRICT has waived its requirement for prior approval pursuant to paragraph A of this section.
- C. Information, data, documents, or reports developed by CONTRACTOR's Professionals for DISTRICT, pursuant to this Contract, shall be part of DISTRICT's public record, unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information, provided DISTRICT approves use of such information in advance. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract.

"This report was prepared as a result of work sponsored, paid for, in whole or in part, by the Bay Area Air Quality Management District (District). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of the District. The District, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report."

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- D. CONTRACTOR shall inform its officers, employees, and subcontractors involved in the performance of this Contract of the restrictions contained herein and shall require compliance with the above.

- 2.13 NON-DISCRIMINATION** – In the performance of this Contract, CONTRACTOR shall not discriminate in its recruitment, hiring, promotion, demotion, and termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual orientation, medical condition, or physical or mental disability and shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts. CONTRACTOR shall also require each subcontractor performing work in connection with this Contract to comply with this section and shall include in each contract with such subcontractor provisions to accomplish the requirements of this section. Robert Half International Inc. is an Equal Opportunity Employer. Notwithstanding anything to the contrary herein, DISTRICT acknowledges that CONTRACTOR does not: (i) track or request race, gender, veteran or disability status of the assigned Professionals; or (ii) meet any applicant tracking or recordkeeping requirements.
- 2.14 PROPERTY AND SECURITY** – Without limiting CONTRACTOR'S obligations with regard to security, CONTRACTOR will require its Professionals to comply with all the rules and regulations established by DISTRICT for access to and activity in and around DISTRICT's premises. RH employees shall not enter DISTRICT'S premises without agreeing to comply.
- 2.15 ASSIGNMENT** – No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.
- 2.16 WAIVER** – No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.
- 2.17 ATTORNEYS' FEES** – In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys' fees and costs.
- 2.18 FORCE MAJEURE** – Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to party's own action or inaction, then such cause shall not excuse that party from performance under this Contract.
- 2.19 SEVERABILITY** – If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them will not be affected.
- 2.20 HEADINGS** – Headings on the sections and paragraphs of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
- 2.21 COUNTERPARTS/DOCUSIGN/SCANS** – This Contract may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a DocuSign or scanned copy of any party's signature as an original for all purposes.
- 2.22 DISPUTE RESOLUTION** – A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.
- A. Upon receipt of a notice of breach of contract, the party may submit a demand for mediation to resolve whether or not a breach occurred. The party must state the basis of the dispute and deliver the demand within ten (10) business days of the date of receipt of the notice of breach.
- B. The mediation shall take place at DISTRICT's office at 375 Beale Street, Suite 600, San Francisco, or at ©Robert Half Inc., 2023. All rights reserved. Robert Half Inc. is an Equal Opportunity Employer M/F/D/V

such other place as may be mutually agreed upon by the parties and the mediator.

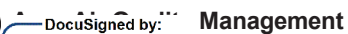
- C. The parties shall make good faith efforts to hold the mediation within sixty (60) days after receipt of the demand for mediation.
- D. Each party shall bear its own mediation costs.
- E. In the event the parties are unable to resolve the dispute, either party may file an action in a court of competent jurisdiction in accordance with section 2.23 to enforce the Contract.
- F. Maximum recovery under this section shall be one million dollars (\$1,000,000) The mediation costs shall not reduce the maximum amount recoverable under this section.


**2.23 GOVERNING LAW** – Any dispute that arises under or relates to this Contract shall be governed by California law, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Contract, including mediation, shall be San Francisco, California.

**2.24 NOT TO EXCEED** – Total cost of Contract not to exceed \$1,000,000.

By signing below, both parties agree to the terms of this Agreement.

Agreed to:

Bay  Management

By  \_\_\_\_\_  
7314B577922A46A...  
Authorized Signature

Name (type or print): Philip M. Fine

Date: 8/22/2023

Customer address: 375 Beale St., Ste 600, San Francisco, CA 94105

Agreed to:

Robert Half Inc.

By  \_\_\_\_\_  
Authorized Signature

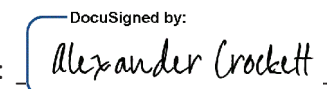
Name (type or print): Abe Klatt

Date: 8/15/2023

Branch address: 50 California St., 10th Floor, San Francisco, CA 94111-4624

Approved as to form:

District Counsel

By  8/21/2023  
6DC7110552B5451...  
Alexander G. Crockett  
District Counsel

After signing, please return a copy of This Agreement to the RH "Branch address" shown above.

## Exhibit A

Professionals are assigned to you under the following additional terms:

1. **Guarantee** - RH guarantees BAAQMD's satisfaction with the Services of the Professional by extending to BAAQMD (i) a one-day (8 hours) guarantee for placements made through the finance & accounting, administrative & customer support, or legal practice group, (ii) a two-day (16 hours) guarantee for placements made through the management resources or marketing & creative practice group or (iii) a five-day (40 hours) guarantee for placements made through the technology practice group (the "Guarantee Period"). If, for any reason, the Professional is not satisfactory to BAAQMD, RH will not charge for the hours worked during the Guarantee Period, provided that BAAQMD allow RH to replace the Professional. Unless RH is contacted by BAAQMD before the end of the Guarantee Period, BAAQMD agrees that the Professional is satisfactory for the purposes of this guarantee.
2. **Bill Rates and Time Sheet** - Hourly rates for all assignments will be agreed on a case-by-case basis. Professional will present a time sheet or an electronic time record to BAAQMD for verification and approval at the end of each week. RH will bill BAAQMD weekly for the total hours worked; RH's invoices are due 30 days after receipt, including applicable sales and service taxes, all of which are payable by BAAQMD. Additionally, RH may, at RH's option, charge interest on any overdue amounts at a rate of the lesser of 1½% per month or the highest rate allowed by applicable law from the date the amount first became due. RH may charge you a fee for the provision of equipment or technology if you request that Professional use equipment or technology provided by RH.
3. **Overtime** - If applicable, overtime will be billed at 1.50 times the normal billing rate. Federal law defines overtime as hours in excess of 40 hours per week. State laws vary. If California law requires a different overtime pay, that overtime pay rate shall be what is billed.
4. **Hiring the Professional** - After you evaluate the performance and potential of a Professional on the job, you may wish to employ this person directly. In such event, you agree to pay a conversion fee. The conversion fee is payable if you hire the Professional, regardless of the employment classification, on either a full-time, temporary (including temporary assignments through another agency) or consulting basis within twelve months after the last day of the assignment.

The conversion fee will be owed and invoiced upon your hiring of the Professional, and payment is due upon receipt of the invoice. RH will calculate any and all conversion fees using the full-time equivalent salary of the Professional.

The conversion fee will equal twenty-five percent (25%) of the aggregate annual compensation, including bonuses for any Professionals placed within the first 6 months of an assignment. After a Professional from the management resources, finance & accounting, contract talent, administrative & customer support, technology, marketing & creative, or legal practice groups has been billed and paid for 6 months on assignment with you, no conversion fee shall be owed.



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Establishment of a New Classification of Civil Rights Officer

RECOMMENDED ACTION

Recommend the Board of Directors establish a new classification of Civil Rights Officer in the Management Unit at Salary Range 156M.

The Finance & Administration Committee recommended approval of this item at its Special Meeting on November 6, 2024.

BACKGROUND

Pursuant to the Administrative Code Division III Section 5, the Air District periodically reviews, updates, and creates classifications to effectively administer the recruitment and selection program and address the organizational structure of the Air District.

DISCUSSION

Air District staff are proposing an organizational restructuring of the agency's Equity and Community Programs to align with the Air District's *2024-2029 Strategic Plan*. One proposal is to establish the Office of Civil Rights to ensure compliance with key civil rights laws, including Title VI of the Civil Rights Act of 1964 and California Government Code Section 11135. In addition to ensuring compliance within the Air District's programs and policies, the office will affirmatively raise Title VI and Government Code Section 11135 issues with agencies that receive state and federal funds. By taking this affirmative approach, the office will work to identify and correct disproportionate, adverse impacts on communities based on race, color, national origin, or other protected classes.

The creation of the new classification of Civil Rights Officer allows staff to perform this level of focused and specialized program work. The Civil Rights Officer specifically serves as a key advisor and is responsible for overseeing the Civil Rights and Title VI programs and initiatives and ensuring environmental protection benefits are shared by all Air District communities and in compliance with civil rights laws, regulations, and policies.

Attached is the classification specification.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. This recommendation creates a new classification and does not increase the number of funded positions.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Hyacinth Hinojosa and Lisa Baker  
Reviewed by: Arsenio Mataka and Alexander Crockett

ATTACHMENTS:

1. Civil Rights Officer Classification Specification



BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT

## **CLASSIFICATION SPECIFICATION**

**Classification Specification Name:** Civil Rights Officer

**Class Codes:** 2M112

**Salary Grade:** 156M

**Bargaining Unit:** Management

**Established Date:**

**Revision Date:**

### **CLASSIFICATION SUMMARY**

Under executive direction, responsible for developing, implementing, and overseeing the Air District's Civil Rights and Title VI programs and initiatives, ensuring environmental protection benefits are shared by all Air District community members, and compliance with civil rights laws, regulations, and policies.

This includes ensuring that all individuals, regardless of race, color, national origin, disability, or other protected class, have equal access to the organization's services, programs, and environmental protections. The incumbent leads initiatives to ensure the benefits of environmental protection are equitably distributed across all communities, with a focus on underserved populations.

### **DISTINGUISHING CHARACTERISTICS**

The incumbent in this class serves as a key advisor and resource to Air District leadership in developing and implementing strategic initiatives, language and disability access programs, and other proactive civil rights focused programs. The incumbent collaborates with external agencies to ensure all citizens in communities supported by the Air District have equal access to clean air and environmental protection. The incumbent ensures internal policies and procedures provide compliance with program regulatory requirements and conducts proactive

audits to improve the Air District's support of protected classes. The Civil Rights Officer is distinguished from the Deputy Executive Officer in that the latter is responsible for multiple divisions of the Air District.

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

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

### **EXAMPLES OF DUTIES**

*The following duties are typical for jobs in the class. They are for illustrative purposes only and do not reflect the full scope of job duties. Please refer to the position description for more detail.*

Develops, implements, and monitors the organization's Title VI program, ensuring compliance with civil rights laws and preventing discrimination in service delivery and program access.

Advises executive leadership on strategies and policies to ensure the organization's services and programs are equitable, accessible, and compliant with Civil Rights laws, regulations and policies.

Conducts investigations and audits of civil rights discrimination complaints and advises leadership regarding findings. Makes recommendations to modify processes, policies, procedures, and training to mitigate future complaints.

Tracks and analyzes legislative developments related to civil rights, particularly Title VI, and recommends updates to organizational policies and procedures to ensure ongoing compliance.

Reviews, evaluates, and recommends effective nondiscriminatory policies and procedures which comply with local, state, and federal laws, rules, and regulations.

Creates and implements training for Air District leaders and staff on the civil rights laws, Title VI programs, and their applicability to the work that is performed by the Air District.

Collects, analyzes, and reports on data related to civil rights compliance, discrimination complaints, and Title VI program performance. Presents findings and recommendations to the executive team, board, and external stakeholders.

Leads outreach efforts to underserved and minority communities to ensure their access to environmental protections and organizational services. Develops language access and disability accommodation programs to remove barriers to participation.

Represents the Air District in meetings with governmental agencies, community groups, and other organizations on civil rights and Title VI matters. Collaborates with external partners to enhance the Air District's compliance efforts.

Maintains accurate and confidential records, prepares clear and concise reports, correspondence, and other written materials.

Oversees staff responsible for civil rights program administration, including audits, training, and outreach. Provides direction and support to ensure successful completion of assigned tasks, projects, and goals.

Performs other related duties as assigned.

## **MINIMUM QUALIFICATIONS**

### **EDUCATION AND EXPERIENCE:**

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

Bachelor's degree in human resources, public administration, business administration, law, or a closely related field, and five years of experience.

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

### **LICENSES AND CERTIFICATIONS:**

Some positions in this classification may require possession of a valid California driver's license or ability to obtain one.

### **OTHER REQUIREMENTS**

None.

## **KNOWLEDGE AND SKILLS**

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

### **Knowledge of:**

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

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

Civil rights program administration and compliance audits.

Applicable Title VI and other civil rights state and federal laws, rules, and regulations (e.g., ADA, Section 504).

Research and statistical methods and techniques.

Program management, including planning, implementation, and evaluation of civil rights compliance programs.

Methods for conducting investigations and compliance audits.

Principles of organizational equity, inclusion, and diversity.

Techniques for effective public engagement and communication, particularly with underserved communities

### **Skills in:**

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

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

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

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

Analyzing complex regulatory requirements and administrative problems, evaluating alternative solutions, translating them into actionable policies, and adopting effective courses of action.

Developing and implementing civil rights and Title VI compliance programs.

Investigating complaints of discrimination and recommending corrective actions.

Collaborating, establishing, and maintaining effective working relationships with those contacted in the course of the work.

Effective written, verbal, and listening communication skills with internal and external stakeholders.

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

Exercising sound independent judgment.

## **PHYSICAL DEMANDS AND WORKING CONDITIONS**

### **Physical demands:**

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

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

### **Working conditions:**

- Work is primarily performed in a typical office environment.
- Occasional travel to conferences, community meetings, and trainings.

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

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**Memorandum**

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Alexander Crockett  
General Counsel

Date: December 4, 2024

Re: Authorization to Execute a Contract with Atkinson, Andelson, Loya, Ruud & Romo  
for HR-Related Outside Counsel Legal Services

**RECOMMENDED ACTION**

Authorize the General Counsel to execute a contract with Atkinson, Andelson, Loya, Ruud & Romo with a not-to-exceed limit on costs and fees of \$350,000 for outside counsel representation for human resources legal matters, including labor negotiation, labor relations, meet and confer, arbitration and unfair labor practice charges.

**BACKGROUND**

The purpose of this legal services agreement is to have Atkinson, Andelson, Loya, Ruud & Romo (AALRR) represent the Air District's 2025 labor negotiations, labor relations, and meet and confer, arbitration and unfair labor practice charges. AALRR will work closely with the Human Resources Office and Legal Division, and other departments as needed, to support the Air District in labor relations activities. This includes providing strategic advice, leading and representing the Air District in negotiations with the Employees Association regarding the current Memorandum of Understanding, and participating in meet-and-confer sessions. The firm will consult on mandatory bargaining topics, advise senior management, analyze negotiation materials, document negotiation sessions, and provide regular progress briefings to the Board of Directors and executive staff. Additionally, the firm will represent the Air District in any necessary fact-finding sessions and address unfair labor practice charges.

**DISCUSSION**

The Air District conducted a "Request for Qualifications" process (RFQ #2023-035) to pre-qualify outside legal firms with expertise in human resources legal issues in 2023. Staff reached out to the 9 firms that were pre-qualified to provide services in this area - Atkinson, Andelson, Loya Ruud & Romo, LCW Legal, Renne Public Law Group, Hanson Bridgett, Jones Mayer, Kronick Moskowitz Tiedemann & Girard, Quarles & Brady LLP, Best Best & Krieger LLP, and Sloan Sakai - for written quotes and proposals.



The proposals were reviewed and scored by staff based on the criteria - Legal RFQ score, cost estimate, and experience. The scores are below:

<b>Law Firm</b>	<b>Legal RFQ Rank pts.</b>	<b>Cost pts.</b>	<b>Experience pts.</b>	<b>Total</b>
Atkinson, Andelson, Loya Ruud & Romo	23	24	30	<b>77</b>
Liebert Cassidy Whitmore	23	24	29	<b>76</b>
Renne Public Law Group	22	25	28	<b>75</b>
Best Best & Krieger LLP	23	23	29	<b>75</b>
Sloan Sakai	22	23	29	<b>74</b>
Hanson Bridgett	22	23	29	<b>74</b>
Quarles & Brady LLP	21	24	29	<b>74</b>
Kronick Moskovitz Tiedemann & Girard	17	25	29	<b>71</b>
Jones Mayer	19	17	7	<b>42</b>

Atkinson, Andelson, Loya, Ruud & Romo's overall score, which factors in the Legal RFQ score, cost, and overall experience, determined their selection for the 2025 labor negotiation, mediation, arbitration, and unfair labor practice charges facing the Air District.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

There are sufficient funds in the FYE 2025 budget, program 111, to cover the costs that may be incurred under this amendment to the contract not to exceed \$350,000.

Respectfully submitted,

Alexander Crockett  
General Counsel

Prepared by: Joseph Huynh  
Reviewed by: Lisa Baker

#### ATTACHMENTS:

1. AALRR Engagement Letter to BAAQMD

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

2151 RIVER PLAZA DRIVE, SUITE 300  
SACRAMENTO, CALIFORNIA 95833-4130  
(916) 923-1200

FAX (916) 923-1222  
WWW.AALRR.COM

CERRITOS  
(562) 653-3200

FRESNO  
(559) 225-6700

IRVINE  
(949) 453-4260

MARIN  
(628) 234-6200

PASADENA  
(626) 583-8600

PLEASANTON  
(925) 227-9200

RIVERSIDE  
(951) 683-1122

SAN DIEGO  
(858) 485-9526

Laura.lzon@aalrr.com

November 20, 2024

***VIA EMAIL: ACROCKETT@BAAQMD.GOV***

Alexander Crockett  
General Counsel  
Bay Area Air Quality Management District  
375 Beale Street, Suite 600  
San Francisco, CA 94105

**Re: Legal Services Agreement**

Dear Mr. Crockett:

The purpose of this letter is to confirm the terms and conditions of the representation of Bay Area Air Quality Management District (the "Client" or "you") by Atkinson, Andelson, Loya, Ruud & Romo (the "Firm," "we," or "us") in connection with the following matters: (1) 2025 EA Negotiations for a successor Memorandum of Understanding (MOU) and other EA-related negotiation/meet and confer matters; (2) EA RFI PERB Case (PERB Case No. SF-CE-2243-M); (3) Mediation Services; (4) Arbitration Services; and (5) Other Unfair Labor Charges (the "Matters"). The Firm agrees that its total invoices for such representation will not exceed \$350,000 unless it is authorized to do so in writing by the Client. These same terms and conditions will apply to any other matter that the Firm agrees to handle for you at your request unless you and the Firm enter into a separate written agreement regarding such other matter.

These terms and conditions will not take effect, and we will have no obligation to provide legal services until you return a signed copy of this representation agreement and pay the initial deposit, if any, called for in this agreement.

**Scope of the Firm's Representation.**

Our services will not extend to any of your other legal affairs or other aspects of your activities unless you and the Firm agree to such representation. You understand and agree that the Firm's receipt or use of confidential or other information from you or others in the course of this representation will not give rise to any expectation by you that the Firm will render any other advice or services.

Alexander Crockett  
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**Assignment of Firm Personnel.** I, Laura A. Izon, will be primarily responsible for the supervision of the 2025 EA Negotiations for a successor MOU and other EA-related negotiation/meet and confer matters. Irma Rodriguez Moisa and Eric T. Riss will be primarily responsible for the supervision of the PERB Matter(s). As and when necessary, I will draw upon the talent and expertise of other attorneys and paralegals along with legal assistants to handle or assist with the Matters.

**Term.** The term of this agreement is from December 1, 2024 to November 30, 2026, unless further extended by amendment of this agreement in writing and signed by both parties, or terminated earlier.

**Communication by Firm.** The Firm will keep you regularly and currently informed of the status of the Matters and will consult with you when appropriate. Copies of significant correspondence and documents will be sent to the person designated by you from time to time for that purpose. In the event that you need to reach the Firm and the person sought is unavailable, please leave a message for the person concerned, disclosing the nature and urgency of the call. It is the Firm's policy that all calls will be returned promptly and in any event no later than within one business day of receipt of the call. If you have not received a return call within that time, please call again.

**Client Cooperation.** You understand and agree that, in order for the Firm to represent you effectively, it is necessary for you to assist and cooperate with the Firm during this engagement. You agree to (1) make yourselves (including your employees, if applicable) available to discuss issues as they arise in this matter; (2) attend and participate in meetings, preparation sessions and court proceedings, review drafts of documents, and perform other activities in connection with the representation; and (3) provide complete and accurate information and documents to us on a timely basis. Your non-cooperation will be grounds for the Firm's withdrawal from representing you. It is essential that you and the Firm maintain open communications.

**Protection of Client Confidences – High Tech Communication Devices.** The Firm stays constantly aware of its important obligation to preserve the secrets and confidences of its clients which it holds in precious trust for them. To that end it is important that you and the Firm agree from the outset what kinds of communications technology the Firm should employ in the course of this engagement. For instance, the exchange of documents and other information using email or other types of electronic communications involves some risk that information will be retrieved by third parties with no right to see it. Even the use of facsimile machines can cause problems if documents are sent to numbers where the documents sit in open view.

Therefore, you should only provide the Firm with cellular numbers, facsimile numbers and email addresses which are acceptable to you for receiving confidential communications from the Firm. If you have any mailing addresses, cellular numbers, facsimile numbers, and email addresses that the Firm should not use for confidential communications, please advise us of these in writing. You agree that the Firm may use any of your cellular numbers, facsimile numbers and email addresses

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other than those which you specify in writing that the Firm should not use. You can use the Technology Questionnaire form at the end of this letter for this purpose.

During the course of our representation of you, it may be necessary to wire transfer funds to the Firm. We will always provide the Firm's banking information in an encrypted email. Do not rely upon any future purported email from the Firm that changes the wire transfer information without confirming that change through a telephone call directly with a Firm attorney.

**Fees and Expenses.** The Firm's fees are generally based on the actual time spent on the Matter by the Firm's attorneys, paralegals and legal assistants. Each has an hourly rate at which his or her time is charged. That rate is set by the Firm, taking into consideration the individual's professional expertise and other relevant factors. Generally, these rates are revised in November of each year. The current hourly rates are \$250 to \$990 per hour for the Firm's attorneys and \$215 to \$290 for the Firm's paralegals. Ms. Izon's and Ms. Rodriguez Moisa's 2025 public sector hourly rate is \$435 and Mr. Riss's 2025 public sector hourly rate is \$415. Attorneys' time will be recorded in hours and tenths of hours (six minute units) with a minimum entry of one tenth of an hour. Rates for legal assistants and others who perform services for you will be reflected on the invoices issued to you. It is contemplated that the Firm will, and the Firm reserves the right to, adjust its hourly rates upward in the future, but not more than once annually.

The amount of the fees based on the actual time spent is not necessarily the amount that will be billed to you, but may be adjusted based on the nature of the work performed or the results achieved. Each month before bills are issued, a review is performed to assess the nature and quality of the services performed for you. In cases where there is a significant disparity between the value of the services rendered or results achieved and the fees based on the time spent, the fees may be adjusted, as appropriate under the circumstances, to reflect that value.

In addition to our fees, Client will also be responsible for paying a 5% administrative charge calculated and based on fees billed to cover costs and expenses incurred in our handling of the matter such as photocopies, local travel charges and parking, fax charges, telephone charges and other similar charges. In addition to the administrative charge, Client will be responsible for reimbursing Firm for other out-of-pocket charges such as court and filing fees, deposition charges, messenger fees, witness fees, investigator fees and similar charges.

The Firm will not be obligated to advance costs on your behalf. However, for the purposes of convenience and in order to expedite matters, the Firm reserves the right to advance costs on your behalf with your prior approval in the event a particular cost item exceeds \$2,000.00 in amount and without your prior approval in the event a particular cost item totals \$2,000.00 or less.

The Firm will prepare a monthly statement containing a detailed description of the services performed and the costs advanced by the Firm during each month and will mail such statement to you on or about the 15th of the following month. Payment of the full amount due, as reflected on

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General Counsel  
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the monthly statement, will be due from you to the Firm by the end of that following month, unless other arrangements are made. In the event where you have funds deposited in the Firm's Client Trust Account at the time a monthly billing statement is prepared, funds will be transferred from the Firm's Client Trust Account to the Firm's General Account to the extent of the balance due on the monthly statement and a credit for such payment will be reflected on the monthly statement. Any balance of fees or costs advanced remaining unpaid after the due date will be subject to a 1% per month service charge.

Client agrees to review the Firm's monthly statements promptly upon receipt and to notify the Firm, in writing, with respect to any disagreement with the monthly statement. Failure to communicate written disagreement with the Firm's monthly statement within sixty (60) days of Client's receipt thereof shall be deemed to signify Client's agreement that the monthly billing statement accurately reflects: (i) the legal services performed; and (ii) the proper charge for those legal services.

**Initial Deposit to be Applied to Fees and Costs Incurred.** When the Firm accepts new clients or material for new matters from existing clients, our policy is to request a deposit against the fees and costs expected to be incurred in the first couple months after the Firm is engaged. This is a refundable deposit; any amount not owed for fees and costs incurred will be refunded upon request. The Firm is not requesting a deposit from you at this time. The Firm reserves the right to request additional refundable deposits at appropriate intervals during the Firm's representation of you. Additional deposits will be placed in the Firm's Client Trust Account. You hereby authorize the Firm to withdraw funds held in the Client Trust Account from time to time as fees and costs are incurred.

**Conflicts with Other Clients.** The Firm has a number of attorneys. The Firm may currently or in the future represent one or more other clients in matters involving Client. The Firm undertakes this engagement on the condition that the Firm may represent another client in a matter in which the Firm does not represent Client, even if the interests of the other client are adverse to those of Client (including appearance on behalf of another client adverse to Client in litigation or arbitration), provided the other matter is not substantially related to the Firm's representation of Client and in the course of representing Client attorneys of the Firm have not obtained confidential information of Client material to the representation of the other client ("Permitted Adverse Representation"). Client's consent to this arrangement is required because of its possible adverse effects on performance of the Firm's duties as attorneys to remain loyal and available to those other clients and to render legal services with vigor and competence. Also, if an attorney does not continue an engagement or must withdraw therefrom, the client may incur delay, prejudice or additional cost such as acquainting new counsel for the matter. Client agrees not to seek to disqualify the Firm from representing such other client in any Permitted Adverse Representation.

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**Termination of Representation.** You may terminate this representation at any time, subject to the payment of any fees and costs incurred prior to such termination. The Firm may withdraw from this representation for good cause, on reasonable notice, without your consent. Good cause includes but is not limited to: (1) your failure to cooperate with us as provided above; (2) your failure to pay any bill when due or to replenish the deposit when requested as provided above; or (3) any fact or circumstance that would render our continuing representation unlawful or unethical. Any termination of our representation of you would be subject to such approval as may be required from any court in which the Firm is appearing on your behalf.

**Binding Agreement.** This letter represents the entire agreement between you and the Firm with respect to this Matter and any other matter which we agree to perform on your request unless such matter is covered by a separate written agreement between you and us. By signing below, you acknowledge that you have carefully reviewed and understand the content of this letter and agree to be bound by all of its terms and conditions. Furthermore, you acknowledge that the Firm has made no representations or guarantees to you regarding the outcome, or the time necessary to resolve, the Matter. No change or waiver of any of the provisions of this letter will be binding on either you or the Firm unless the change is in writing and signed by both you and the Firm.

**Dispute Resolution.** If any dispute arises out of, or related to, a claimed breach of this Agreement, the professional services rendered by attorneys, or any other disagreement of any nature, type, or description, regardless of the facts or the legal theories which may be involved, including attorney malpractice, breach of fiduciary duty, misrepresentation, or conflict of interest, the parties shall attempt to resolve the dispute by good faith negotiation. If good faith negotiation does not resolve the dispute, the parties shall attempt to resolve the dispute through mediation prior to commencing any legal action. Each side will bear its own costs and attorney fees.

**Document Retention Policy.** The Firm will retain its files on each matter handled for you for five (5) years after the Matter is closed. The Firm will then destroy those files unless you have previously asked the Firm in writing to deliver those files to you. However, the Firm will not destroy the following types of files without giving thirty days' written notice to you: (1) estate and succession planning files and (2) corporate, limited liability company or partnership organization and records files.

**Consent to Firm Communication.** As a part of the Firm's commitment to client service, we will send you periodic alerts on case developments and legislative changes. In addition, we will send you notice on Breakfast Briefings, Conferences, and other training opportunities designed to help you with your daily legal concerns. The Firm will send these and other additional service notices to you via regular mail and/or electronic mail at the e-mail address which you designate on the Technology Questionnaire, contract, or use in your daily communications with us. We believe that these e-mail notices are a quick and convenient way for us to keep you apprised of legal changes which affect your business.

Alexander Crockett  
General Counsel  
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**Termination of Attorney-Client Relationship.** The attorney-client relationship between you and the Firm will cease at the conclusion of the Matter. There are instances when the Firm has been engaged to provide ongoing general business, tax and estate planning advice to clients. If the Firm is not asked by the Client to provide advice for a period of one (1) year from the last date the Firm provided such ongoing advice, both you and the Firm agree that the attorney-client relationship is terminated on the last date the Firm provided advice, without further action or notice by either party. All other terms and conditions of this letter will remain in full force and effect, including the obligation to pay all unpaid fees and costs and the obligation to arbitrate any disputes as provided below. If you request additional legal services and the Firm agrees to perform those services after such termination, the terms and conditions of this letter will apply with respect to such services unless you and the Firm enter into a new written engagement agreement with respect to such services.

**Attorneys' Lien.** Client grants the Firm a lien for all amounts owed to the Firm on any sum or sums recovered (whether by litigation, arbitration, settlement or otherwise) in connection with our representation of Client. The Firm is authorized by Client to use this lien to satisfy any obligation owed to the Firm by Client under this letter agreement. The lien will attach to any recovery Client may obtain, whether by arbitration, award, judgment, settlement or otherwise. The effect of such a lien is that the Firm may be able to compel payment of fees and costs from any such funds even if the Firm's representation of Client has been terminated before the conclusion of the Matter. Because the lien may affect Client's property rights, it may be desirable for Client to seek the advice of an independent attorney before agreeing to such a lien. Irrespective of whether or not Client seeks such independent advice, the lien will be effective upon Client's signing of this letter agreement.

**Governing Law.** Any dispute arising under or relating to this Agreement shall be governed by California law, excluding any laws directing the application to another jurisdiction. Venue for resolution of any dispute relating to this Agreement, including mediation, shall be San Francisco, California. In the event any action is filed in connection with the enforcement or interpretation of this Agreement, each party shall bear its own attorneys' fees and costs.

If the above accurately reflects our mutual agreement, please confirm that by signing and returning a copy of this letter to me. Please do not hesitate to call me to discuss any questions you may have regarding this agreement. In addition, you have the right to consult other counsel to resolve your concerns. In conformance with the Firm's policy, we cannot commence work upon this engagement until we have received a copy of this letter countersigned by you.

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

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Thank you for giving us the opportunity to assist you with your legal matters. We look forward to working with you on this Matter.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO



Laura A. Izon

LAI:aih

**ACCEPTANCE AND CONSENT BY CLIENT**

The undersigned is the Client or an authorized officer or agent of Client and has reviewed and hereby agrees and consents to the above terms and conditions of Client's engagement of the Firm.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



## CLIENT INFORMATION AND TECHNOLOGY QUESTIONNAIRE

1. If the client is a corporation or LLC, please list the name of all officers and directors or members. List the employees who will be our primary contact, if not an officer or member:

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2. Does the client or any of the individuals listed above own any other business or subsidiaries?

☐ Yes ☐ No - If yes, list the name of the business(es):

---

3. If a partnership, list the names of all partners. If a partner is a corporation or another type of entity, list the name of that entity and its shareholders, officers/directors, managers or members.

---

4. Does the client or any of the individuals listed in 3 above own any other business?  
☐ Yes ☐ No - If yes, list the name of the business(es):

---

The Firm **May Use** the following cellular phones, facsimile numbers and email addresses for the purposes of transmitting confidential information<sup>1</sup>:

Cellular telephone number(s):	<hr/>	<hr/>
Facsimile number(s)	<hr/>	<hr/>
Email Address(es):	<hr/>	<hr/>

The Firm **Should Not Use** the following cellular phones, facsimile numbers and email addresses for the purposes of transmitting confidential information. Note that if you use an email address when communicating with us, you consent to our use of that number to reply to you even if you have indicated below that we should not use that email address.

Cellular telephone number(s):	<hr/>	<hr/>
Facsimile number(s)	<hr/>	<hr/>
Email Address(es):	<hr/>	<hr/>

Are there other communications and confidentiality issues which we should be aware of in connection with this engagement? ☐ Yes ☐ No - If yes is checked, please explain:

---

Dated: 

---

 Signature: 

---

Name of Signer: 

---

Client Name: 

---

---

<sup>1</sup> Please understand that by agreeing to the use of any means of communication other than in-person private meetings or two-way (as opposed to multiparty) land line telephone conversations, you will be giving your consent to, and accepting any risks of disclosure of, confidential information to third parties that may be attendant upon the use of those means of communication.

BOARD MEETING DATE: December 4, 2024

REPORT: Advisory Council

SYNOPSIS: The Advisory Council (Council) held a meeting on Wednesday, October 30, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:

Receive and file.

Dr. Gina Solomon, Chair  
Advisory Council

GS:mh and dh

---

## **CALL TO ORDER**

### **Roll Call:**

Present: Chairperson Dr. Gina Solomon; Vice Chairperson Dr. Phil Martien; and Members Professor Ann Marie Grover Carlton, Dr. Stephanie Holm, Professor Michael Kleinman, Garima Raheja, Dr. Michael Schmeltz, and Board Liaison Davina Hurt.

Absent: None.

### **Call to Order**

Council Chair Solomon called the meeting to order at 9:30 a.m.

*For additional details of the Advisory Council Meeting, please refer to the webcast, [which can be found here](#). Please use the webcast's index to view specific agenda items.*

## **CONSENT CALENDAR**

### **2. APPROVAL OF THE DRAFT MINUTES OF THE ADVISORY COUNCIL MEETING MINUTES OF SEPTEMBER 19, 2024**

#### **Public Comments**

No requests received.

#### **Council Comments**

None.

### Council Action

Professor Kleinman made a motion, seconded by Council Vice Chair Martien, to **approve** the Draft Minutes of the Advisory Council Meeting Minutes of September 19, 2024; and the motion **carried** by the following vote of the Council:

AYES:	Carlton, Holm, Hurt, Kleinman, Martien, Raheja, Schmeltz, Solomon.
NOES:	None.
ABSTAIN:	None.
ABSENT:	None.

### INFORMATIONAL ITEMS

#### 3. OVERVIEW OF AIR DISTRICT STRATEGIC PLAN

Greg Nudd, Deputy Executive Officer of Science and Policy, gave the staff presentation *2024-2029 Strategic Plan*, including: outline; why a Strategic Plan; why focus on Environmental Justice (EJ); Plan development engagement; Plan framework; Goal 1: Achieve Impact; Goal 2: Advance EJ; Goal 3: Foster Cohesion and Inclusion; Goal 4: Be Effective, Accountable, and Customer-Oriented; Strategy 1.1: Change Approach to Air Quality and nexus to other Plan strategies; Strategy 2.11: Cumulative Impacts and nexus to other Plan strategies; Cumulative Impacts commitment 2.11.2; and next steps.

The Strategic Plan was developed through a collaborative process with community leaders, Air District employees, the Board of Directors, and Community Advisory Council (CAC) members, representatives from regulated industries, and government and non-government partners. The result was one of the most forward-thinking, ambitious strategic plans ever to be adopted by a local air district in the state - one centered on fairness, respect, diversity, equity and inclusivity. Air District staff will provide an overview of the strategies within the plan, and the nexus between the Advisory Council's work.

#### Public Comments

No requests received.

#### Council Comments

Councilmember Raheja raised concerns about wildfire exposure and asked if the Air District planned to collaborate with PG&E or the Forest Service to mitigate risks. Mr. Nudd explained that the current strategy involves securing funding for resilience centers and home filtration and noted that requirements for prescribed burns have recently been streamlined.

Council Vice-Chair Martien commended the Strategic Plan for clearly setting priorities, which he believed would help focus the Advisory Council's work on cumulative impacts.

Prof. Schmeltz asked whether the Air District had enough workforce capacity to support a shift from a complaint-driven enforcement model to more targeted inspections, as well as to meet the Strategic Plan's objectives more generally. Mr. Nudd acknowledged that additional resources would likely be necessary. However, he clarified that reorienting enforcement priorities would involve using existing resources more efficiently, rather than expanding them. He further explained that many other aspects of the Strategic Plan also aim to improve efficiency, with most new funding needs centered on community partnerships and on-the-ground community work needed to develop a complete picture.

Board Chair Hurt emphasized the Board's dedication to prioritizing science and environmental justice, and noted that environmental justice requires extensive community engagement. She described the Strategic Plan as expansive and foundational, with long-term impacts extending beyond the next five years, and added that the Board is looking forward to hearing the Advisory Council's assessment of its completeness from a science perspective and a community perspective.

Prof. Schmeltz drew attention to the topic of scientific integrity, and whether that should be understood as part of building community trust, citing the example of the Centers for Disease Control and Prevention (CDC's) office dedicated to improving public understanding while maintaining scientific standards. Mr. Nudd underscored that transparency is key to trust. The methods currently used to assess risk, he explained, are scientifically based, but are black-box unless one has professional expertise and familiarity with the associated tools; since it is unreasonable to expect that from community members, building trust requires transparent communication, extensive individual-level engagement, and demonstrating understanding through reflective listening, which is an ongoing effort requiring continuous improvement.

Council Chair Solomon introduced Mr. Arsenio Mataka, the new Deputy Executive Officer for Equity and Community Programs. Mr. Mataka expressed appreciation for the Council's contributions and shared his experience working with the CDC on decision-making tools like the Heat and Health Index and the Environmental Justice Index. He emphasized that public input processes are compatible with scientific rigor, and cited the California Office of Environmental Health Hazard Assessment's screening methodology, CalEnviroScreen, as an example of building on public input without affecting the integrity of the work. He stressed that community trust is crucial, as even well-designed tools are ineffective without it.

Dr. Holm emphasized the importance of sustainability in community engagement, recommending starting with smaller, more manageable efforts to ensure long-term success. She pointed out that there are many examples of agencies and academics initiating large-scale outreach efforts they could not sustain.

Following up on the issue of prioritization and enforcement, Council Chair Solomon asked about the process for redefining inspection priorities and how the Advisory Council might be involved, noting that cumulative impacts might reasonably be included in the criteria for prioritization. Dr. Meredith Bauer, Deputy Executive Officer of Engineering and Compliance, explained that staff are in the early stages of rethinking inspection targeting, and that this will evolve along with the Advisory Council's thinking. She described the current vision as involving geographic overlays

based on air quality, emissions, and exposure indicators with Overburdened Community designations and source types. Dr. Bauer also mentioned the potential inclusion of health risk data related to air toxics and other relevant data. She envisioned creating a localized map highlighting community health risks to guide inspections, that would help to minimize impacts over time. Currently, she said, staff are beginning with Overburdened Community designations and emissions-related data to identify likely high-exposure areas. Dr. Bauer also stressed the need to consider areas where inspections may not be occurring, given the limited number of inspectors. Even if the data indicates a lack of known sources, she asked, how should that be considered, and how will it be perceived by the community?

Council Chair Solomon thanked staff and advised careful use of the term “health risk,” noting that there are potential hazards to focusing on risk in the specific context of looking at overburdened communities.

#### Council Action

No action taken.

#### **4. NATIONAL ACADEMIES OF SCIENCE, ENGINEERING, AND MEDICINE PROJECT: STATE-OF-THE-SCIENCE AND THE FUTURE OF CUMULATIVE IMPACT ASSESSMENT**

Dr. David Holstius, Senior Advanced Projects Advisor in the Assessment, Inventory, and Modeling Division, gave the staff presentation *National Academies Project on Cumulative Impact Assessment*, including: outline; organizations; charge questions; process and timeline; committee; community liaisons; and workshops presenters.

#### Public Comments

No requests received.

#### Council Comments

Council Chair Solomon asked Dr. Holstius about the theme of making environments more health-promoting, as in Dr. Sacoby Wilson’s panel discussion on “salutogenesis.” Dr. Holstius explained that salutogenesis focuses on factors contributing to health and resilience, rather than disease, and offered to bring this topic back into the foreground, noting the Advisory Council's discussions of resilience and vulnerability at previous meetings. Council Chair Solomon suggested potentially returning to the matter after public comment.

Council Vice-Chair Martien expressed appreciation for Dr. Boyd’s recorded presentation, which challenged traditional risk assessment frameworks and highlighted the need for adaptive, action-oriented models. He noted that Dr. Boyd’s emphasis on the historically contingent nature of risk assessment opened up consideration of alternative approaches. Council Vice-Chair Martien also praised contributions from Dr. Nicky Sheats, who advocated for a “bias for action” and avoiding

unnecessary reinvention, citing New Jersey's efforts, which were previously related to the Council by Dr. Judy Cutino, as a practical model.

Council Chair Solomon highlighted the impressive roster of the National Academies committee, including Bay Area experts such as Dr. Rachel Morello-Frosch, Dr. Lauren Zeise, and Dr. Tracy Woodruff. She suggested potentially inviting them or the committee chair, Dr. Weihsueh Chiu, as guest speakers. Council Chair Solomon also proposed engaging community liaisons from the project to provide diverse perspectives, with Council members taking responsibility for coordinating these talks.

Recalling Dr. Holstius' summary of Dr. Bill Rish's presentation, and considering the Air District's wide-ranging jurisdiction, Prof. Schmeltz wondered whether there had been any exploration of an optimal spatial resolution for cumulative impact assessment, given that the Air District's jurisdiction could be divided into smaller, distinct subdomains. Dr. Holstius responded that Dr. Rish's point about there being no "one-size-fits-all" solution would likely apply even within the scope of the Air District, and stressed the Air District's interest in the Advisory Council's advice for crafting a flexible framework that could accommodate variation. Regarding spatial scale, Dr. Holstius reminded the Council of discussions at the last meeting, particularly in relation to CalEnviroScreen, and the Environmental Protection Agency (EPA's) Environmental Benefits Mapping and Analysis Program (BenMAP), noting that appropriate spatial scales depend on the type of data: for instance, count-based rates of asthma-related hospitalizations lose reliability at the block level, while other forms of evidence, such as community-based testimony, can yield valuable insights at that same level. He suggested exploring metrics that may be better suited to different spatial bases, such as school-based metrics for targeted programs, or, recalling Dr. Janet Currie's presentation, innovative approaches that go beyond agencies' traditional reliance on administrative data. Mr. Nudd added that staff value ways by which analyses can be simplified to drive action, even if that means sacrificing some nuance. He said that this called to mind a mix of policy methods aligned with specific interventions under consideration.

Dr. Holstius mentioned that the next National Academies workshop would feature a community roundtable, and noted that while the Selected References list had so far emphasized academic work, staff recently added a practical guide by the Union of Concerned Scientists focused on community advocacy and science. This recalled earlier discussion about balancing and integrating science and community perspectives, as well as the need to tailor approaches, since the new material spoke to communities about how to petition and advocate for change at different levels through various processes.

On the topic of appropriate geographies and spatial scales, Mr. Mataka suggested consulting Dr. Rachel Morello-Frosch, given her expertise in this area. He pointed out that the Environmental Justice Screening Methodology (EJSM), one of the first tools developed to assess cumulative environmental impacts and a precursor to CalEnviroScreen, would have confronted some of these challenges, and was operationalized at a Census block-group level. Mr. Mataka noted that traditional planning efforts do not typically align with Census tract boundaries. He also observed that many people are more accustomed to using platforms like Redfin or Zillow, which define neighborhoods differently. Rethinking the unit of geographic analysis, he suggested, could not

only enhance communication but also improve the overall accessibility and utility of cumulative impacts mapping tools for end users.

#### Council Action

No action taken.

#### **5. PRESENTATION ON CUMULATIVE IMPACT ASSESSMENT FROM DR. WILLIAM BOYD (UNIVERSITY OF CALIFORNIA LOS ANGELES)**

Dr. William Boyd, University of California Los Angeles School of Law, gave the presentation *Risk Assessment and the Challenge of Cumulative Impact: Some Lessons from Regulatory History*, including: roadmap; 1958 “Delaney Clause” amending 1938 Federal Food, Drug, and Cosmetic Act; between 1958 and 1978, significant advances in detection capabilities and analytical techniques reveal vast new world of environmental hazards; expanding universe of carcinogens; Occupational Safety and Health Administration (OSHA) Generic Cancer Policy, 1977; Supreme Court Benzene Decision, 1980; 1983: National Research Council publishes Risk Assessment in the Federal Government (“The Red Book”); 1983: William Ruckelshaus returns to EPA and embraces risk assessment as way to restore public trust; risk assessment At EPA, 1980s-2010s; multiple independent reviews by the Nuclear Regulatory Commission (NRC), Government Accountability Office (GAO), and others point to major problems with practice of risk assessment; cumulative risk and the challenge of complexity; structural vulnerability and EJ; going forward: some lessons from regulatory history; and further reading.

#### Public Comments

Public comments were given by Elaine Lee. Ms. Lee asked, when the science and data do not agree with the complaint count, in terms of where the worst issues are, and when the people who make the complaints want to be heard, how should the two be balanced, in terms of making sure people are heard, but also following the science and the data? This question, said Ms. Lee, was related both to Dr. Boyd’s presentation and to remarks by a previous speaker.

#### Council Comments

Councilmember Raheja thanked Dr. Boyd and asked whether he could recommend any research on effective hazard-based trigger approaches that have been successful for communities and acceptable to agencies. Dr. Boyd referred to the discussion of hazard-based approaches in his article “De-Risking Environmental Law” and cited Section 112 of the Clean Air Act (CAA) as a key example of effective statutory language for regulating hazardous air pollutants (HAPs). Dr. Boyd recalled that for the first 20 years under the CAA, EPA struggled with how to regulate HAPs and how to do risk assessments, achieving little progress. Then, in 1990 Congress delivered a list of 189 HAPs to EPA for regulation, signaling that it was undesirable for the agency to spend years analyzing risks before implementing regulations, and that while there is debate over whether Maximum Achievable Control Technology (MACT) standards are an ideal solution, Congress clearly prioritized action over extended risk assessment. For additional examples of statutes, Dr. Boyd suggested considering the endangerment findings under the

mobile source provisions, the basic standards in the NAAQS (National Ambient Air Quality Standards) program, and the "reasonable certainty of no harm" standard in the Food Quality Protection Act. He noted that although the Toxic Substances Control Act (TSCA) focuses on "unreasonable risk", its language could arguably be interpreted to address compounding hazards, although this could be considered a bit of a stretch. Many environmental statutes, Dr. Boyd concluded, include statutory language that is not tied to risk and could be compatible with hazard-based triggers for action.

Council Chair Solomon appreciated the question from Ms. Lee, noting that it prompted consideration of the various perspectives that the Council wants to incorporate. In the principles adopted by the Advisory Council at a previous meeting, Council Chair Solomon remarked, the Council considered community perspectives and community input to be one of the foundational issues to be considered, and one of the data sources that should be relied on, as an approach is developed. Therefore, Council Chair Solomon said, it is important to ask what should be done when these perspectives diverge, emphasizing that this certainly does happen.

Prof. Kleinman referenced Dr. Boyd's point that quantitative risk assessment can inhibit public participation, inviting Dr. Boyd to elaborate. Dr. Boyd explained that the history of quantitative risk assessment itself, as well as the criticisms from EJ advocates and frontline communities, highlights some of its limitations in this regard. He described it as a highly technocratic exercise that is extremely sophisticated and complex, and requires a deep understanding of multiple disciplines; it also demands significant time and resources. For those reasons, Dr. Boyd indicated, it becomes disconnected from communities and the problems that they are confronting. He suggested that cumulative impact assessment might offer a way for those communities to be at the table with regulatory agencies. However, he stressed that it should not simply add to the work of quantitative risk assessment. Dr. Boyd emphasized the importance of the Air District's efforts to engage communities in developing new approaches, and recognized that building the necessary trust takes time.

Reflecting on the history and evolution of risk assessment methodology, Council Vice Chair Martien shared that he had spent thirty years as a modeler at the Air District, though his work did not solely involve health risk assessments. He remarked that he had long perceived conflicts inherent in a process that often leads to a significant backlog and does not easily accommodate the more qualitative discussions of impact that arise when staff engage with communities. He expressed his desire to find a balance with the best of both worlds, keeping the tools that might still be worthwhile. As an example, Council Vice Chair Martien noted that involving community members in modeling efforts for exposure assessments under the Assembly Bill (AB) 617 program has seemed genuinely helpful at times. However, he pointed out that methods aimed at exclusively analyzing a single pollutant from a single source at a specific facility, do not seem like the right recipe. He wondered about the potential for blending approaches and, turning to Dr. Boyd, asked for his thoughts on how to move forward. Specifically, he asked whether a purely hazard-based approach to triggers seemed feasible, given that it seemed there were many existing barriers to making such a shift immediately, and wondered whether a hybrid path was possible. Responding to Council Vice Chair Martien, Dr. Boyd clarified that he was not advocating for discarding regulatory tools and methods developed over the years in favor of what existed before. He recalled that in the 1970s, both OSHA and the EPA were searching for simpler, more



effective regulatory methods and offered that, to him, the essence of the right approach lies in a commitment to avoid becoming bogged down in analysis, and to move quickly and iterate as one learns more. He acknowledged that an adaptive approach using initial hazard-based triggers could introduce uncertainty and challenges, particularly regarding the need for predictability for the regulated community. However, he suggested that creative strategies could address this. For example, agencies might develop an index to assess chemicals that are widespread and persistent in the environment, especially when animal or human studies indicate potential hazards; such an index could be combined with exposure screens, non-chemical stressors, and other aspects of cumulative impacts to guide regulatory decisions; at that point, additional background work could help refine and move forward some kind of health-protective regulations based on available knowledge. Dr. Boyd surmised that the difficulty of this would likely vary by statute, but observed that there seemed to be more regulatory flexibility in the context of air quality than in other areas. He highlighted the EPA's requirement under the TSCA to affirm the safety of new chemicals before they enter the market as a positive example of moving toward a hazard-based trigger for action and not requiring detailed risk and exposure assessments before regulating. Dr. Boyd admitted that while he did not have a recipe for reform, he felt that the history of risk assessment, and its record to date, warranted the exploration of alternatives. He concluded a blended approach could be appealing, as long as it avoided creating lengthy delays and imposing the burdens of those delays on communities.

Turning to the specific case of the Air District, Council Chair Solomon pointed out that the agency is not obligated to use quantitative risk assessment in the same way as some other regulatory bodies. Furthermore, Council Chair Solomon emphasized, the Air District is fundamentally focused on reducing exposure to air pollutants. She explained that risk assessment typically combines hazard, dose-response, and exposure to characterize risk, and that in some contexts, focusing solely on hazard can be highly effective—Proposition 65 being a notable example. Council Chair Solomon acknowledged that focusing on exposure can be challenging due to its high variability, but she suggested that it may be the most relevant focus for the Advisory Council. She noted that exposure assessment lends itself to certain things, such as setting benchmarks and trend-based goals, that could be developed around a set of issues not overly tied to lots of risk numbers, which she agreed would be infeasible and bog things down.

Prof. Carlton raised the question of whether there was precedent or potential for applying the Good Neighbor provision and Prevention of Significant Deterioration (PSD), considerations not just spatially but also temporally. Commenting that her focus was on ambient air quality and climate, she emphasized the importance of protecting people both now and in the future, and explained that she wondered how areas with the worst air quality and additional stressors like heat might shift over a five-year timescale. Mr. Nudd responded that this was a very interesting question, and that he would need to review and think about the regulatory framework. He explained that when developing an attainment plan, staff typically model conditions a few years into the future, using control-strategy simulations to determine relative effectiveness. He wondered whether climate changes over a five-year timeframe would make those assessments significantly less reliable, but he agreed that the long-term sufficiency of control strategies should be considered. Mr. Nudd offered that he was not aware of any statutory prohibitions on considering this, only that it would be innovative and require Board support for additional effort needed to model scenarios well into the future.

Prof. Schmeltz referred to previous discussion of how regulatory agencies often face legal and political liabilities, which can slow them down. He emphasized that their tendency toward risk aversion is understandable. However, he expressed curiosity about how an agency like the Air District might become more flexible and nimbler, even while managing these liabilities. Prof. Schmeltz then turned to recent federal developments, specifically mentioning the major questions doctrine that Dr. Boyd had discussed. He wondered whether such shifts, including implications from cases like *Chevron*, might influence the Air District's decision-making, given its statutory authority over air quality and its highly technical work.

Mr. Nudd responded that Dr. Boyd's presentation related to several practices and policies at the Air District. First, Mr. Nudd explained, Regulation 11, Rule 18 sets a targeted risk level, which depends on a facility-wide risk assessment. If the assessment reveals that the facility exceeds the trigger level, it must develop a plan to reduce risks. This idea is attractive from a regulatory perspective, Mr. Nudd explained, because the agency is not obligated to demonstrate the feasibility of specific controls. Instead, the responsibility falls on the facilities, which have a better understanding of their operations. However, Mr. Nudd continued, the analytical burden of performing those risk assessments has proven to be significant, leading to substantial delays in completing them - an outcome consistent with Dr. Boyd's predictions. Taking a step back, Mr. Nudd remarked, a hazard-based approach would look different; one would get more into the MACT approach that EPA has taken under their authority. He noted that this approach introduces its own set of political and regulatory challenges, particularly in defining terms like "achievable" and "feasible." Moreover, what is economically feasible for a refinery may not be for a smaller operation, such as a restaurant, even though such establishments can still produce considerable toxic emissions.

Mr. Brian Case, Assistant Counsel for the Air District, added that there is a growing body of literature on the implications of events at the federal level, much of which indicates that such decisions should not be regarded in too extreme of a fashion, and that deference is not dead; staff are taking a hard look at the matter, despite there being no easy answers.

With the Council Chair's permission, Dr. Boyd elaborated on the implications of the major questions doctrine and the *Loper Bright* case, noting that the end of *Chevron* deference imposes significant constraints on how agencies like the EPA operate under their key statutes. However, he suggested that revisiting the statutory language itself might reveal more flexibility than might be assumed, and that local regulators may need to think about how to address problems by using that statutory language in new ways. With risk assessment, Dr. Boyd contended, it is clear that things are very much driven by internal EPA guidance, and that much of this has been outside the scope of statutory interpretation. He further contended that while one could claim the benzene case was a strong signal to EPA, it was really about OSHA, and it was unclear to him why EPA took it to mean that EPA also had to conduct quantitative risk assessments.

Board Chair Hurt referred back to Ms. Lee's public comment about balancing community voices with data-driven decision-making. She outlined the Air District's multi-layered approach to ensuring that community voices are heard: first, the complaint system serves as an initial layer; next, staff have a commitment to review and assess these complaints, forming a second layer; finally, the Air District must define clear criteria and processes for communicating what is

happening, creating a third layer. Even when the data indicate something different, she said, it is through this process that the public can be heard.

Board Chair Hurt expressed curiosity about how consideration of, and respect for, diverse cultures and lifestyles might fit into the methodology or conversation behind health risk assessments, and how they are different for different people and different cultures. Dr. Boyd responded that it was a challenging question, and that in the context of quantitative risk assessment as it has been practiced over the last forty years, he was unaware of any efforts to include such factors -which was not to say that they had not come up in some assessments. Dr. Boyd expressed that in his view, and in terms of how EPA is articulating it, part of the goal of cumulative risk assessment was precisely to accommodate a whole set of qualitative concerns about lifestyles, the way that communities are engaging with their environments, and the larger context of non-chemical stressors. However, he had not encountered anyone with a simple and easy way to combine those with a lot of the quantitative analysis that is still operating in the background.

Councilmember Raheja praised the discussion's emphasis on having a "bias for action" and the focus on timely implementation of the Air District's adopted Strategic Plan. She saw this as implicit in the Strategic Plan, and wondered if there might be a way for the Air District to more explicitly codify it or clearly communicate it as a core value to the public. Council Chair Solomon supported the point, and suggested that the challenge is how to structure something so that the drive to action is built-in without being difficult to justify. Mr. Nudd added that feedback from groups like the Air District's Community Advisory Council (CAC) and AB 617 Richmond-North Richmond-San Pablo Community Steering Committee has made it clear that the community wants more than just statements in a Strategic Plan: they want staff to have concrete plans of what is to be done, when, and by whom. Furthermore, they want the Air District to report back, detailing what has been accomplished and explaining any unmet objectives. Establishing accountability structures to meet these expectations is a priority, Mr. Nudd explained, and in this context, he encouraged the Advisory Council to consider the appropriate level of analysis necessary for policy interventions.

Prof. Kleinman observed that efforts to clean up the air or improve the environment are closely tied to quality-of-life considerations, emphasizing the importance of not creating new problems in the process. He highlighted the diversity of social and ethnic groups in the region and used the simple example of a backyard barbecue. While neighbors downwind might object to the smoke, he said, prohibiting the activity could diminish others' quality of life. Turning to the difference between approaches grounded in assessments of risk, rather than hazard, he indicated that at the EPA level, standards are set strategically using risk assessment, where the goal is a level of exposure that is safe for most people; whereas, the Air District is working at a tactical level, where a hazard-based approach may be much more beneficial. Prof. Kleinman elaborated that, when the Air District considers different areas, and takes into account the cumulative exposures in those areas, and what is important for the populations there, it may be possible to use a hazard-based approach to develop something that is acceptable to all stakeholders and not necessarily reduce their quality of life. However, he suggested, this does not need to look the same for every community, and a mix of approaches may be necessary to maintain public health and a strong quality of life.

Building on Board Chair Hurt's comments, Prof. Schmeltz mentioned a recent series of webinars hosted by the Health Effects Institute focused on cumulative impact assessment. He specifically recalled a session involving a Canadian tribe, where the approach was described as "cumulative effects management," emphasizing an integrative process within the community. To translate that to the Bay Area, he suggested, could come down to agency capacities, but at the same time it seemed to ask a lot of community, considering what they could expect in return. It seemed, Prof. Schmeltz remarked, that given sufficient established capacity and an ability to sustain the engagement long-term, the idea of cumulative effects management sounded promising, to engage with what is important to the community. However, he pointed out that those priorities might not always center on air quality. Prof. Schmeltz wondered how to proceed if air quality were not the community's primary concern, but still a contributor to cumulative effects.

Board Chair Hurt encouraged the Council to think expansively, expressing appreciation for the consideration of potential capacity shortfalls, but emphasizing that the Council should set workforce limitations aside as matters that the Board could address, or staff could balance. She indicated a desire to hear more about the cumulative effects management approach mentioned by Prof. Schmeltz: how it might be realized in the Bay Area, and what it might look like given the particulars of the Bay Area.

Returning to the discussion of cultural diversity, Councilmember Raheja suggested that some low-hanging fruit might be found in evaluating the extent to which the services and outreach offered by the Air District, including public advisories, and the complaint mechanisms discussed previously, were available in different languages. Dr. Holm added that a group at Berkeley has shown that consideration of disability, statewide, is not as good as it could be, and communications for the Deaf community should also be considered. Mr. Mataka responded that those comments were top of mind for staff, who, as part of the Strategic Plan, and through items to come before the Board, were requesting support for systematically building, implementing, and restructuring consideration of civil rights, inclusive of disability and language access.

Councilmember Raheja added that people without addresses were another population potentially being left out of communications, and analyses, and wondered how that might be considered. Mr. Mataka responded by relating an example of recent outreach by staff; he explained that there is a requirement to issue a 30-day public notice within 1,000 feet but there was a project where, despite there being no permanent residential addresses within that distance, several unhoused individuals were known to reside nearby, effectively permanently. To reach this population, Mr. Mataka explained, staff simplified the public notice and hand-delivered or posted notices. While no unhoused people attended the noticed meeting, it created an opportunity to share more about the potential exposures borne by those sleeping or living next to the project site. Mr. Mataka explained that his team, along with Dr. Bauer's, were working to appropriately institutionalize such a practice, given that it cannot be replicated everywhere but there are clearly places where it should.

#### Council Action

No action taken.

## ACTION ITEM

### **6. 2025 ADVISORY COUNCIL WORK PLAN**

The Council considered adopting a Workplan Outline for meetings in 2025. Council Vice Chair Martien gave introductory remarks, as he drafted the outline.

#### Public Comments

No requests received.

#### Council Comments

Board Chair Hurt expressed appreciation for the creation of focus areas, and inquired about process: whether it would involve ad-hoc committees, and whether it was up to the Advisory Council as to how to work with staff. Council Vice-Chair Martien clarified that the Advisory Council needed to decide these important questions, and that the result would be captured in a specific section of the work plan. Board Chair Hurt affirmed that all of the necessary discussions would be difficult to accommodate in the current format, and that a small committee format would likely be preferable. Council Vice Chair Martien and Council Chair Solomon agreed.

Council Chair Solomon added that time was also limited, and suggested that the next step [after public comment] should be to start prioritizing and developing a plan for moving forward. Seeing no public commenters, Council Chair Solomon invited staff to share their reactions to the proposed outline: in particular, whether any focus areas seemed like they might especially benefit from Advisory Council guidance.

Mr. Nudd expressed support for the outline's breadth and coverage. He emphasized that an important starting point would be to discuss the appropriate levels of analysis needed for different policy applications. He suggested beginning with a framework that defines a minimum level of analysis - one that is sufficient yet actionable and aligns with the "bias for action" principle. He mentioned that the Union of Concerned Scientists (UCS) reference brought up by Dr. Holstius could be a valuable resource in this context. Additionally, Mr. Nudd recommended considering how to involve members of the CAC in shaping the work plan. He shared that when he briefed the Environmental Justice Action Subcommittee of the CAC, there was significant interest in participating. However, he emphasized the need to carefully consider the scope, structure, and time commitments required for their involvement. He highlighted that participants should have access to the necessary information to engage meaningfully and make informed decisions about whether they could commit to the time and effort needed.

Council Chair Solomon directed staff to turn to the Methods and Principles portion of the work plan, noted that she did not have any suggested edits, and asked for reactions from Council members. Prof. Carlton inquired whether the phrase "bias for action" was intentional. Council Chair Solomon clarified that it was intended to express that when in doubt, it is better to take protective health action. Board Chair Hurt expressed reservation about the word "bias" and wondered if there was an alternative. Dr. Holm proposed "in the case of uncertainty, lean

towards protection.” Council Vice Chair Martien clarified that that was the intent, and that at a meeting of the National Academies group, the point was made that it was preferable to tend toward action rather than tend toward over-analysis. Still, he agreed that “bias” might not be ideal language. Dr. Solomon suggested that a sub-group could work on improving the language, noting that while it may need work, there had been general consensus in earlier discussion about the merit of the concept.

Council Chair Solomon next drew attention to the sections concerned with Roles and Process, noting that to date there had been one member volunteering for the effort. Council Chair Solomon thanked Council Vice Chair Martien for taking on the work, and inquired whether any other members would be willing to participate, up to a total of three, with an understanding that the asks would be kept reasonably limited and manageable. Dr. Holm offered to participate, noting that she had meant to self-nominate earlier. Prof. Carlton also self-nominated.

Turning to the Focus Areas in the draft work plan outline, Council Chair Solomon remarked that all the items were interesting and had been discussed previously, but the list felt overly long. Councilmember Raheja reminded the group of Council Vice Chair Martien’s earlier point that 2025 is only one year, and the Advisory Council typically meets only every few months. She suggested focusing on one or two key items, potentially dividing members into two sub-committees, so that assignments could be distributed to allow for substantial work to be completed between full Council meetings, rather than attempting to cover all six focus areas superficially. She also proposed that ongoing work might be continued by the next iteration of the Advisory Council.

Council Chair Solomon inquired whether Mr. Mataka had heard from communities about topics they might consider high priority, noting that her own experience suggested that permitting, and enforcement, might be such topics. Mr. Mataka indicated that permitting would be a no-regrets choice, and that it would be inadvisable not to include it, considering the level of interest it held for community groups. He agreed that a second focus area could be warranted.

For a second area, Mr. Nudd suggested air quality planning; he indicated that this would bring in stationary source regulations, compliance and enforcement, and incentives, and could set up a framework for those.

Council Chair Solomon suggested honing in on permitting initially, indicating that if that went well, it would be an important achievement itself; attention could then turn to what other areas the Council’s framework might apply to, and build from there. Turning to other members, Council Chair Solomon noted expressions of support for permitting as an immediate top priority. Council Vice Chair Martien expressed verbal support.

Council Chair Solomon strongly endorsed the goal of keeping the report short and focused. Noting the importance of working with the CAC, she added that it was important to pick an issue that the CAC felt strongly about, and to focus any asks of the CAC to maximize benefits from the investment of the CAC’s time.

Dr. Holm suggested including a note in the Appendix of the work plan to explicitly state that other focus areas considered by the Advisory Council could be addressed by future iterations of the Council. This, she explained, would clarify that prioritizing one focus area does not imply the others are unimportant but rather reflects an effort to set achievable goals while remaining mindful of future needs and contributions. Council Chair Solomon agreed with this idea and noted expressions of support from other members.

Council Chair Solomon reflected on the material considered during the present meeting: a presentation by Dr. Boyd; a summary of the National Academies project on cumulative impacts; and a discussion of the Air District's Strategic Plan and how the Advisory Council's work could play a central role in that. In terms of the Council's general approach, Council Chair Solomon recalled the key concepts of hazard and exposure, noting that much of what the Air District does is about reducing the exposure of communities to air pollution. Council Chair Solomon recalled hearing significant concern about getting bogged down in risk assessment, and indicated that the Council did not feel that was a path that made the most sense at this point, given that risk assessment becomes exponentially more challenging in the context of cumulative risk assessment, and that this goes against the principle of trying to keep things streamlined, focused, and compatible with meaningful community engagement.

Council Chair Solomon outlined next steps, expressing interest in revisiting developments in New Jersey to explore any useful models that could inform the Council's work. She also asked for the First Nations effort mentioned by Dr. Schmeltz to be shared with staff and added to the Selected References bibliography. Council Vice Chair Martien then recalled that Dr. Holstius had highlighted a new item in the bibliography from the UCS, and Council Chair Solomon suggested assigning Council members to review that report. She also expressed hope that other members might have the opportunity to view the National Academies proceedings and inquired if Council Vice Chair Martien and Dr. Holstius had any additional recommendations from those sessions. Dr. Holstius remarked that the National Academies project will continue into 2025; he offered that staff could review and bring back any relevant developments, for example if there were discussion of permitting by community members at the upcoming roundtable.

Council Chair Solomon proposed that Prof. Morello-Frosch and Dr. Zeise might be brought in for the next Advisory Council meeting, recalling the idea from previous discussion, and noting their potential for complementary presentations. Mr. Mataka offered that Prof. Paul Mohai, who has been leading the development of a threshold-based model for cumulative impacts, could also be a valuable guest speaker. Recalling efforts in 2018 centered on biomonitoring in Los Angeles and California, Mr. Mataka also encouraged Council Chair Solomon to consider prospects for regional screening for certain types of chemical exposures. Recalling Council Vice Chair Martien's remarks about blending approaches, Mr. Mataka said this might get at some of the answers that many community members have about chemical exposures and doses, that they are tired of guessing about. Council Vice Chair Martien suggested that, when planning for future meetings, if permitting is to constitute the work plan's main focus area, it would be advisable for potential speakers' presentations to have a strong tie to that, so as to maintain focus.

Mr. Case noted that the present item was an action item, and that he had heard a consensus toward continuing approval of the workplan. He advised that some formal action be taken

through a vote, such as directing staff to bring the item back to the next meeting, or approving it during the present meeting.

Council Vice Chair Martien suggested, as an action, approving the outline as a draft and having a subcommittee return, perhaps working with staff, to generate a final outline as the result of the next meeting. Mr. Case advised the group not to form a subcommittee as part of the action, and that the Board Chair could form subcommittees separately. Council Chair Solomon agreed that the discussion had been helpful to refine the outline, but that it made sense to continue.

Council Chair Solomon expressed some reservations about incorporating biomonitoring into the work plan, and agreed with Council Vice Chair Martien's concern that it might lead the Council off track. She shared that in her recent experience with a community study that used biomarkers of effect, the researchers' findings were smaller than anticipated, which made the results confusing. She suggested that the Council's work would benefit from focusing on methods less susceptible to noise in data.

#### Council Action

Dr. Holm made a motion, seconded by Prof. Carlton, to **approve** the development of a revised outline, to be discussed at the Council's next meeting; and the motion **carried** by the following vote of the Council:

AYES:	Carlton, Holm, Kleinman, Martien, Raheja, Schmeltz, Solomon.
NOES:	None.
ABSTAIN:	Hurt.
ABSENT:	None.

#### OTHER BUSINESS

##### **7. REPORT OF THE EXECUTIVE OFFICER/AIR POLLUTION CONTROL OFFICER (APCO)**

On behalf of Dr. Philip M. Fine, Executive Officer/APCO, Mr. Nudd waived this report.

##### **8. PUBLIC COMMENT ON NON-AGENDA MATTERS**

No requests received.

##### **9. COUNCIL MEMBER COMMENTS**

None.

##### **10. TIME AND PLACE OF NEXT MEETING**

At the Call of the Chair.



## 11. **ADJOURNMENT**

The meeting was adjourned at 12:12 p.m.

### Attachments

#2 – Draft Minutes of the Advisory Council Meeting of September 19, 2024

#3 – Overview Of Air District Strategic Plan

#4 – National Academies Of Science, Engineering, And Medicine Project: State-Of-The-Science and The Future Of Cumulative Impact Assessment

#5 – Presentation On Cumulative Impact Assessment From Dr. William Boyd (University Of California Los Angeles)

#6 – 2025 Advisory Council Work Plan

BOARD MEETING DATE: December 4, 2024

REPORT: Finance and Administration Committee

SYNOPSIS: The Finance and Administration Committee (Committee) held a special meeting on Wednesday, November 6, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:

Receive and file.

Davina Hurt, Chair  
Finance and Administration Committee

DH:mh

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### **Committee Members**

#### **Roll Call:**

Present, In-Person (Bay Area Metro Center (375 Beale Street, 1<sup>st</sup> Floor Board Room, San Francisco, California, 94105): Committee Chairperson Davina Hurt; and Directors Juan González III, Tyrone Jue, Katie Rice, and Mark Ross.

Present, In-Person Satellite Location (Office of Alameda County Supervisor David Haubert, Heritage House, 4501 Pleasanton Ave., Pleasanton, CA 94566): Director David Haubert.

Present, In-Person Satellite Location (San Mateo County Board of Supervisors Offices, 500 County Center - 5<sup>th</sup> Floor, Redwood City, CA 94063): Director Ray Mueller.

Absent: Committee Vice Chairperson Lynda Hopkins; and Director Margaret Abe-Koga.

#### **Call to Order**

Finance and Administration Committee (Committee) Chairperson, Davina Hurt, called the meeting to order at 11:49 a.m.

*For additional details of the Finance and Administration Committee Meeting, please refer to the webcast, [which can be found here](#). Please use the webcast's index to view specific agenda items.*

### **CONSENT CALENDAR (ITEMS 3 – 7)**

#### **3. APPROVAL OF THE DRAFT MINUTES OF THE FINANCE AND ADMINISTRATION COMMITTEE MEETING OF OCTOBER 16, 2024**

The Committee considered approving the Draft Minutes of the Finance and Administration Committee Meeting of October 16, 2024.

4. **HEARING BOARD QUARTERLY REPORT: JULY THROUGH SEPTEMBER 2024**

The Committee received the Hearing Board Quarterly Report for the period of July 2024 through September 2024.

5. **PRELIMINARY ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2023-2024 AND FIRST QUARTER FINANCIAL REPORT FOR FISCAL YEAR 2024-2025**

The Committee received (i) the Air District's preliminary annual financial results for Fiscal Year (FY) 2023-2024, which ended June 30, 2024; and (ii) the financial update for the first quarter of FY 2024-2025, which ended September 30, 2024.

6. **CONTRACT AMENDMENT WITH ROBERT HALF FOR TEMPORARY STAFFING**

The Committee considered recommending the Board of Directors authorize the Executive Officer/Air Pollution Control Officer (APCO) to amend the Professional Services Agreement with Robert Half Inc. to increase the total not-to-exceed dollar amount of the agreement by \$1,000,000, from \$1,000,000 to \$2,000,000, for staff augmentation to support the Air District's Strategic Plan.

7. **ESTABLISHMENT OF A NEW CLASSIFICATION OF CIVIL RIGHTS OFFICER**

The Committee considered recommending the Board of Directors establish a new classification of Civil Rights Officer.

Public Comments on Items 3 – 7

No requests received.

Committee Comments on Items 3 – 7

None.

Committee Action on Items 3 – 7

Director Rice made a motion, seconded by Director Ross to **approve** the Consent Calendar, Items 3 through 7, inclusive; and the motion **carried** by the following vote of the Committee:

AYES:	González, Haubert, Hurt, Jue, Mueller, Rice, Ross.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Abe-Koga, Hopkins.

## ACTION ITEM

### 8. FISCAL YEAR ENDING (FYE) 2025 MID-YEAR BUDGET AND STAFFING ADJUSTMENTS

Arsenio Mataka, Deputy Executive Officer of Equity and Community Programs, Greg Nudd, Deputy Executive Officer of Science and Policy, and Hyacinth Hinojosa, Deputy Executive Officer of Finance and Administration, gave the staff presentation *Authorization of Fiscal Year Ending 2025 Mid-Year Budget and Staffing Adjustments*, including: requested motion; background; Equity and Community programs: organizational restructure; Community Investments Office – staffing request and fund amounts; Strategic Incentives Division – staffing request; Meteorology & Measurement Division – staffing request; refinery community monitoring; Community Air Monitoring program; new funding and staffing cost considerations; add and delete positions; and recommendation.

#### Public Comments

Public comments were given by Bob Brown, Western States Petroleum Association; Todd Osterberg, Chevron; Matt Reagan, Bay Area Council; Jan Warren, Interfaith Climate Action Network of Contra Costa County; and Jan Callaghan, Rodeo Citizens Association.

#### Committee Comments

The Committee and staff discussed the manner in which Community Investments Office staff assignments will be deployed; whether the proposed FYE 2025 Mid-Year Budget includes associated costs for recruitment outreach and marketing; anticipated challenges regarding the proposed funding for the creation of the Community Investments Office, which would be supported by a portion of penalty funds allocated for community benefits, under the Air District's Policy on Funding Community Benefits from Penalty Funds; and whether the proposed position of "Civil Rights Officer" would be considered new work that is not currently being performed by Air District staff.

#### Committee Action

Director Jue made a motion, seconded by Director González to recommend the Board **approves** FYE 2025 mid-year budget and staffing adjustments to support operational improvements and the implementation of the Strategic Plan as follows:

1. Authorize the use of up to 9% of the Community Benefit penalty assessment funds for administrative costs to support the creation of the new Community Investment Office to implement the penalty policy and direct funds to impacted communities .
2. Authorize the use of Schedule X designated reserves to accelerate and improve the Community Air Monitoring Program in refinery communities.
3. Authorize the addition of three new FTEs and three new Limited- Term Contract Employees (LTCEs) for the Community Investments Office; three new FTEs for Meteorology & Measurement; and three new FTE for Strategic Incentives, all funded by new revenue sources.
4. Authorize reclassify vacant positions and transfers to support organizational operations.

The motion **carried** by the following vote of the Committee:

AYES: González, Haubert, Hurt, Jue, Mueller, Rice, Ross.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Abe-Koga, Hopkins.

## **OTHER BUSINESS**

### **9. PUBLIC COMMENT ON NON-AGENDA MATTERS**

Public comments were given by Jan Warren, Interfaith Climate Action Network of Contra Costa County.

### **8. COMMITTEE MEMBER COMMENTS**

None.

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

Wednesday, December 18, 2024, at 10:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Finance and Administration Committee members and members of the public will be able to either join in-person or via webcast.

### **Adjournment**

The meeting was adjourned at 12:39 p.m.

### **Attachments**

- #3 – Approval of the Draft Minutes of the Finance and Administration Committee Meeting of October 16, 2024
- #4 – Hearing Board Quarterly Report: July - September 2024
- #5 – Preliminary Annual Financial Report For Fiscal Year 2023-2024 And First Quarter Financial Report For Fiscal Year 2024-2025
- #6 – Contract Amendment with Robert Half for Temporary Staffing
- #7 – Establishment of a New Classification for Civil Rights Officer
- #8 – Fiscal Year Ending 2025 Mid-Year Budget And Staffing Adjustments

BOARD MEETING DATE: December 4, 2024

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee (Committee) held a meeting on Wednesday, November 13, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:

Receive and file.

Mark Ross, Vice Chair  
Stationary Source Committee

MR:mh

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### **CALL TO ORDER**

Stationary Source Committee (Committee) Vice Chairperson, Mark Ross, called the meeting to order at 10:12 a.m.

### **Roll Call:**

Present, In-Person (Bay Area Metro Center, 375 Beale Street, Yerba Buena Room, San Francisco, California, 94105): Vice Chairperson Ross; and Director John Gioia.

Present, In-Person (Office of Contra Costa County Supervisor John Gioia, 11780 San Pablo Ave., Suite D Conference Room, El Cerrito, CA 94530): Director Steve Young.

Present, In-Person (City of Palo Alto City Hall, 250 Hamilton Ave., Palo Alto, CA 94301): Director Vicki Veenker.

Present, In-Person (Office of Contra Costa County Supervisor Ken Carlson, 2255 Contra Costa Blvd., Suite 202, Pleasant Hill, CA 94523): Director Ken Carlson.

Absent: Directors Lynda Hopkins, Otto Lee, and Gabe Quinto.

*For additional details of the Stationary Source Committee Meeting, please refer to the webcast, [which can be found here](#). Please use the webcast's index to view specific agenda items.*

### **CONSENT CALENDAR**

3. **APPROVAL OF THE DRAFT MINUTES OF THE STATIONARY SOURCE COMMITTEE MEETING OF OCTOBER 9, 2024**

### Public Comments

No requests received.

### Committee Comments

None.

### Committee Action

Director Carlson made a motion, seconded by Director Veenker, to **approve** the Draft Minutes of the Stationary Source Committee meeting of October 9, 2024; and the motion **carried** by the following vote of the Committee:

AYES:	Carlson, Gioia, Ross, Veenker, Young.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Hopkins, Lee, Quinto.

## INFORMATIONAL ITEMS

### 4. **IMPLEMENTATION OF PROGRAMS RELATED TO ZERO NOX BUILDING APPLIANCES (OUT OF ORDER, ITEM 6)**

The committee heard two presentations from a group of speakers who are administering a range of programs that support implementation of zero nitrogen oxides (NOx) appliance replacement projects like those called for under amended Air District Rules 9-6 and 9-4 (“building appliance rules”).

Blake Herrschaft, Building Electrification Programs Manager with Peninsula Clean Energy (PCE), gave the presentation *The Future of Building Electrification Programs is Now*, including: agenda; story from last month; PCE overview; PCE power mix; remaining emissions; PCE building electrification programs; program investment; existing building electrification programs; PCE building electrification; Home Upgrades program (new); residential programs – building electrification; lessons learned; do we really need to upgrade electrical panels; three reasons panels are replaced; data shows 100A (amperes) is enough capacity for most homes; calculation summary; Whole Home pilot; what is the cost to electrify; heat pump water heater costs; and heat pump water heater rebate impacts.

A team representing the statewide heat pump incentive program called “TECH Clean California Program (TECH)”, consisted of Nate Dewart, Business Strategy Fellow with Energy Solutions; Bruce Mast, Principal with Ardenna Energy; and Amy Dryden, Senior Director of Strategic Innovation with Association for Energy Affordability. They gave a presentation entitled *TECH (+CalNEXT) Program Insights*, including: agenda; TECH Clean California overview and strategic approach; CalNEXT; addressing challenges overview; market engagement – Bay Area results to date; spectrum of electrification; addressing challenges (highlights); addressing

installation time and costs; heat pump water heater adoption of a relatively recent and growing phenomenon in California, contractor survey; temporary equipment; avoiding panel upsizing; comprehensive barrier removal; California multifamily landscape; common retrofit scenarios; multifamily issues and strategies; how TECH pilots are uncovering multifamily opportunities and advancing the market; multifamily data collection to inform future planning and design; what's on the horizon; major data flows and timeline; and snapshot of federal and state funded building decarbonization programs.

### Public Comments

Public comments were given by Marlyn Bardet, Benicia resident; Jed Holtzman, Rocky Mountain Institute (RMI); Angela Evans, Menlo Spark; Fernando Gaytan, Earthjustice; Sam Fishman, San Francisco Bay Area Planning and Urban Research Association (SPUR); and Kathy Kerridge, Benicia resident.

### Committee Comments

The Committee and staff discussed the suggestion that the Air District procures a future presentation from Sean Armstrong, Managing Principal of Redwood Energy, regarding panel upgrades; how quickly federal moneys are being exhausted as rebate and incentive programs; appliance rebate turnaround times; the average time it takes to replace a broken water heater; the anticipated number of homes that PCE plans to retrofit in 2025, and the estimated number of homes that will not; equity concerns regarding the fact that many low and middle-income households will not be able to participate in building electrification programs, due to a lack of available funds, even with provided incentives; whether new and cheaper technology is being developed that will help the Air District implement its appliance rules; the manner in which the presenting entities connect installers to potential customers; PCE's anticipated capacity limit, if many homes in its service area were to experience broken appliances at the same time; the number of annual water heater replacements in the Bay Area; the gap between available incentive funding (all levels) and appliance and installation cost; likelihood of the exhaustion of federal Inflation Reduction Act (2022) moneys; the need for quicker issuances of building permits from cities and counties; concerns regarding the availability of manufacturers/products and closets in which to house appliances for multifamily units; the average cost of appliances after rebates (like-for-like replacement); the status of the decision tool for electrical panel optimization (to avoid unnecessary panel upsizing) that is being developed by the California Energy Commission; the suggestion of having members of the Air District's Community Advisory Council address the Board regarding their experiences with building electrification in their communities at the December 2024 Board meeting; and whether the Air District is engaged with building trades councils, unions, and the Bay Area Regional Collaborative to help coordinate/streamline the issue of building electrification.

### Committee Action

No action taken.



## 5. UPDATE ON REFINERY CORRIDOR COMMUNITY AIR MONITORING (ITEM 4)

Dr. Kate Hoag, Assistant Manager, Meteorology and Measurement Division, gave the staff presentation *Update on Refinery Corridor Community Air Monitoring*, including: outline; current refinery corridor air monitoring; other air and emissions monitoring; refinery fenceline air monitoring; refinery community air monitoring; phases of air monitoring station development; opportunities to strengthen existing programs; upcoming – particulate sampling for incidents; program purpose; program components; Community Workgroup; timeline; and general information and updates.

### Public Comments

Public comments were given by Marilyn Bardet, Benicia resident; Wendy Ke, Healthy Martinez: A Refinery Accountability Group; Jan Warren, Interfaith Climate Action Network of Contra Costa County; and Jeffrey Kilbreth, Richmond-North Richmond-San Pablo Path to Clean Air Community Steering Committee.

### Committee Comments

The Committee and staff discussed the establishment of the new Refinery Corridor Community Air Monitoring Workgroup that is intended to guide the program development and implementation; whether fenceline monitoring will include mobile monitoring; the number and locations of current air monitoring stations in areas where large sources of pollution may contribute to localized pollution sources that are not captured by the Air District's existing network; the accuracy of the data from the new Benicia-Fitzgerald air monitoring station (established in July 2024); the current status on the Air District's efforts to analyze air emissions and crude oil composition; and the desire to see real-time air quality monitor data for additional communities listed on the Air District's website.

### Committee Action

No action taken.

## 6. UPDATE ON INDIRECT SOURCES AND QUESTIONS ON MARINE SOURCE IMPACTS (ITEM 5)

Virginia Lau, Manager in the Assessment, Inventory, and Modeling Division, gave the staff presentation *Indirect Sources – Update*, including: outline; recap of September Stationary Source meeting; California Air Resources Board (CARB) regulations on marine sources; key takeaways; regional emissions inventory for the Bay area: Particulate Matter (PM)<sub>2.5</sub>, NO<sub>x</sub> (nitrogen oxide), and SO<sub>2</sub> (sulfur dioxide); Assembly Bill (AB) 617 Community Assessments; general AB 617 assessment methodology; West Oakland Highlights (based year 2017); West Oakland ocean-going vessel (OGV) PM<sub>2.5</sub> impacts; Richmond-North Richmond-San Pablo Path To Clean Air (PTCA) Recap (base year 2024); PTCA OGV PM<sub>2.5</sub> impacts; recent headlines for US Environmental Protection Agency's (EPA) Clean Ports Program; and follow-up meeting.

### Public Comments

Public comments were given by Katrina Tomas, Earthjustice; Imari “Mars” Keith, Sierra Club; and Marilyn Bardet, Benicia resident.

### Committee Comments

The Committee and staff discussed the difference between the terms “berthing” and “maneuvering”; alternative pathways to tanker emission reductions; the desire for a breakdown of the types of ships that contribute to marine source impacts; and which agencies are in a position to offer financial assistance with jurisdictions that have ports that need to be electrified.

### Committee Action

No action taken.

## **OTHER BUSINESS**

### **7. PUBLIC COMMENT ON NON-AGENDA MATTERS**

No requests received.

### **8. COMMITTEE MEMBER COMMENTS**

Director Gioia thanked Committee Vice Chair Ross for leading this committee, as he will soon be retiring from the Air District’s Board.

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

Wednesday, December 11, 2024, at 10:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Stationary Source Committee members and members of the public will be able to either join in-person or via webcast.

### **Adjournment**

The meeting was adjourned at 1:11 p.m.

### **Attachments**

- #3 – Draft Minutes of the Stationary Source Committee Meeting of October 9, 2024
- #4 – Update On Refinery Corridor Community Air Monitoring
- #5 – Update On Indirect Sources And Questions On Marine Source Impacts
- #6 – Implementation Of Programs Related To Zero Nox Building Appliances

BOARD MEETING DATE: December 4, 2024

REPORT: Community Equity, Health, and Justice Committee

SYNOPSIS: The Community Equity, Health, and Justice Committee (Committee) held a meeting on Wednesday, November 13, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:

Receive and file.

John Gioia, Chair  
Community Equity, Health, and Justice Committee

JG:mh

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## **CALL TO ORDER**

### **Roll Call:**

Present, In-Person (Bay Area Metro Center, 375 Beale Street, 1<sup>st</sup> Floor, Yerba Buena Room, San Francisco, California, 94105): Chairperson John Gioia; and Directors Mark Salinas and Shamann Walton.

Present, In-Person (Napa County Administration Building, 1195 Third Street, Suite 310, Crystal Conference Room, Napa, CA 94559): Chairperson Joelle Gallagher.

Present, In-Person (San Mateo County Board of Supervisors Offices, 500 County Center - 5th Floor, Redwood City, CA 94063): Vice Chairperson Noelia Corzo.

Absent: None.

### **Call to Order**

Community Equity, Health, and Justice Committee (Committee) Chairperson, John Gioia, called the meeting to order at 1:23 p.m.

*For additional details of the Community Equity, Health, and Justice Committee Meeting, please refer to the webcast, [which can be found here](#). Please use the webcast's index to view specific agenda items.*

## **CONSENT CALENDAR (ITEMS 3 – 4)**

### **3. APPROVAL OF THE DRAFT MINUTES OF THE COMMUNITY EQUITY, HEALTH & JUSTICE COMMITTEE MEETING OF OCTOBER 9, 2024**

The Committee approved the Draft Minutes of the Community Equity, Health, and Justice Committee Meeting of October 9, 2024.

4. **AUTHORIZATION FOR COMMUNITY ADVISORY COUNCIL MEMBER KEVIN RUANO HERNANDEZ TO RECEIVE REIMBURSEMENT FOR EXPENSES TO ATTEND THE AMERICAN GEOPHYSICAL UNION (AGU) CONFERENCE**

At the recommendation of the Community Advisory Council (CAC) Co-Chairs, the Community Equity, Health, and Justice Committee approved CAC Member Kevin Ruano Hernandez for out-of-state travel to the American Geophysical Union Conference: What's Next for Science from December 9-13, 2024, in Washington, D.C.

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Walton made a motion, seconded by Director Salinas, to **approve** the Consent Calendar, Items 3 and 4, inclusive; and the motion **carried** by the following vote of the Committee:

AYES:	Corzo, Gallagher, Gioia, Salinas, Walton.
NOES:	None.
ABSTAIN:	None.
ABSENT:	None.

**INFORMATIONAL ITEM**

5. **ASSEMBLY BILL (AB) 617 PROGRAM UPDATE**

Suma Peesapati, Environmental Justice and Community Engagement Officer/Non-Discrimination Coordinator, Karissa White, Staff Specialist II, Aneesh Rana, Senior Staff Specialist, and Daniel Madrigal, Senior Staff Specialist, gave the joint staff presentation *Assembly Bill 617 Program Update*, including: outline; about AB 167; AB 617 in the Bay Areal community steering committees (CSC) and community leadership; Richmond – North Richmond – San Pablo background and CSC; community concerns in the Path to Clean Air (PTCA) Plan; example actions in the PTCA Plan; Richmond – North Richmond – San Pablo CSC milestones; resources; East Oakland background and CSC; East Oakland CSC milestones; resources; Bayview Hunters Point/ Southeast San Francisco background and CSC; Bayview Hunters Point/ Southeast San Francisco CSC milestones completed; and resources.

## Public Comments

Public comments were given by Arieann Harrison, Marie Harrison Community Foundation; and Jeffrey Kilbreth, Richmond-North Richmond-San Pablo Path to Clean Air Community Steering Committee.

## Committee Comments

The Committee and staff discussed whether the designated Bay Area AB 617 communities (CSCs) collaborate or conduct their work separately from each other; whether there are youth components to each AB 617 CSC, criteria for youth to participate, tasks of the youth CSC members, and whether an AB 617 CSC's proposed Community Emissions Reduction Plan may be incorporated into a city or county's existing climate action plan; whether the air quality monitors in AB 617 communities are controlled by the Air District of the regulated community; the importance of elected officials routinely being kept apprised of the activities of regulatory agencies; and needs in disadvantaged communities outside of the four designated AB 617 Bay Area communities, and the number of communities that desire to become designated AB 617 communities.

## Committee Action

No action taken.

## **OTHER BUSINESS**

### **6. PUBLIC COMMENT ON NON-AGENDA MATTERS**

No requests received.

### **7. COMMITTEE MEMBER COMMENTS**

None.

### **8. REPORT OF THE DEPUTY EXECUTIVE OFFICER OF EQUITY AND COMMUNITY PROGRAMS**

Arsenio Mataka, Deputy Executive Officer of Equity and Community Programs, announced the following:

- **Proposed Organizational Restructure of Air District Equity and Community Programs** – The Board's Finance and Administration Committee approved FYE 2025 mid-year budget and staffing adjustments on November 6th. Specifically, the Finance and Administration Committee is recommending approval of the allocation of up to 9% of Community the new Community Investment Office, which will include funding three new Full-Time Equivalents and three new Limited-Term Contract Employees to implement the penalty policy and direct funds to impacted communities. The Air District is looking forward to accelerating the disbursement of the Community Benefit Penalty fund and getting these monies out in the community.

- The next **Community Advisory Council** meets next Thursday, November 21st at 375 Beale St. Agendized for this meeting are the following items:
  - o The Council will consider approving the final version of “A Call to Action: Charting a New Course Towards Environmental Justice at the Bay Area Air Quality Management District,” developed by the Environmental Justice (EJ) Policy Ad Hoc Committee and;

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

Wednesday, December 11, 2024, at 1:00 p.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Community Equity, Health and Justice Committee members and members of the public will be able to either join in-person or via webcast.

### **Adjournment**

The meeting was adjourned at 2:18 p.m.

### **Attachments**

- #3 – Draft Minutes of the Community Equity, Heath, and Justice Committee Meeting of October 9, 2024
- #4 – Authorization For Community Advisory Council Member Kevin Ruano Hernandez To Receive Reimbursement For Expenses To Attend The American Geophysical Union Conference
- #5 – Assembly Bill 617 Program Update

BOARD MEETING DATE: December 4, 2024

REPORT: Community Advisory Council

SYNOPSIS: The Community Advisory Council (Council) held a meeting on Thursday, November 21, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:

Receive and file.

John Kevin Jefferson, Co-Chair  
Mayra Pelagio, Co-Chair  
Ken Szutu, Co-Chair  
Community Advisory Council

JKJ/MP/KS:mh

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## CALL TO ORDER - ROLL CALL

The meeting Facilitator, Randolph Belle of Randolph Belle, Artist (RBA) Creative, called the Community Advisory Council (Council) in-person meeting to order at 6:10 p.m. Co-Chairperson Mayra Pelagio thanked Air District Board Chairperson Davina Hurt and Air District staff for creating Clean Air Talks, a the first ever series of in-person, informal conversations between the Air District's Board Chair and members of the public, to share ideas, concerns, and questions regarding air quality issues in local communities. Five Clean Air Talks were held throughout the Bay Area in 2024 (San Carlos, San Jose, Vallejo, East Palo Alto, and San Lorenzo). Co-Chair Pelagio also noted that as the country enters a new presidential administration, the Council reaffirms its commitment to equity and inclusion, and stands united to support every individual, regardless of race, citizenship status, economic status, gender, or any other identity. The Council stands to uplift marginalized communities and ensure clean air and healthy environments for all.

### **Roll Call:**

Present, In Person: (Bay Area Metro Center, 375 Beale Street, 1<sup>st</sup> Floor Board Room, San Francisco, CA, 94105): Council Co-Chairpersons John Kevin Jefferson, Mayra Pelagio, Ken Szutu; and Council Members Sejal Babaria, William Goodwin, Ms. Margaret Gordon, Arieann Harrison, Patrick Messac, Rio Molina, Cynthia Prieto-Diaz, Dominick Ramirez, Dr. Jeff Ritterman, Kevin G. Ruano Hernandez, Violet Saena, and Latasha Washington.

Absent: Council Member Dr. Juan Aguilera.

*For additional details of the Community Advisory Council Meeting, please refer to the webcast, [which can be found here](#). Please use the webcast's index to view specific agenda items.*

## 2. PUBLIC COMMENTS ON NON-AGENDA MATTERS

Public comments were given by Olga Mandrussow.

## CONSENT CALENDAR

### 3. APPROVAL OF THE DRAFT MINUTES OF THE COMMUNITY ADVISORY COUNCIL MEETING OF SEPTEMBER 19, 2024

The Council approved the Draft Minutes of the Community Advisory Council Special Meeting of September 19, 2024.

#### Public Comments

No requests received.

#### Council Comments

Dr. Ritterman noted that his first name was erroneously captured as “John” on Page 1 of the Draft Minutes of the Community Advisory Council Special Meeting of September 19, 2024, in the Roll Call Section. The Clerk apologized and said that the Draft Minutes of the Community Advisory Council Meeting of September 19, 2024 would be amended to reflect “Jeff” on Page 1.

#### Council Action

Council Member Dr. Ritterman made a motion, seconded by Council Member Ms. Margaret Gordon, to **approve** the Draft Minutes of the Community Advisory Council Special Meeting of September 19, 2024, as amended; and the motion **carried** by the following vote of the Council:

AYES:	Babaria, Goodwin, Gordon, Harrison, Messac, Molina, Ramirez, Ritterman, Ruano Hernandez, Saena, Szutu, Washington.
NOES:	None.
ABSTAIN:	Jefferson, Pelagio, Prieto-Diaz.
ABSENT:	Aguilera.

Motion Approved



## ACTION ITEM

### 4. **VOTE TO ADOPT THE COMMUNITY ADVISORY COUNCIL (CAC) ENVIRONMENTAL JUSTICE (EJ) POLICY AD HOC COMMITTEE'S CALL TO ACTION**

Vernice Miller-Travis of The Metropolitan Group, and the Co-Chairs of the EJ Policy Ad Hoc Committee, Council Members Rio Molina and Latasha Washington, gave the presentation *Vote to Adopt the Community Advisory Council's Environmental Justice Call To Action*, including: outcome; requested action; outline; background of *A Call to Action: Charting a New Course Towards Environmental Justice at the Bay Area Air Quality Management District*; *A Call to Action* Table of Contents; summary of nine CAC EJ priorities; input from the September 19, 2024 CAC meeting; and highlights of content edits made and design formatting since September 19, 2024.

#### Public Comments

No requests received.

#### Council Comments

**Note: A *Call to Action* will be referred to as “the document” in this section.** The Council and staff discussed the document's content edits regarding providing EJ communities with tools to help them address legal barriers to advancing EJ; whether the CalEnviroScreen map in the document, which shows cumulative impact data from different levels of pollution and socioeconomic factors affecting Bay Area communities, will be used by the Air District to help allocate funds to the Regional and/or Local Community Benefits Fund; the request for a glossary of terms in the document; the belief that the documents' nine EJ Priorities lack specificity (tangible recommendations); the belief that the document's four Goal tables, a crosswalk of Strategies from the Air District's 2024 – 2029 Strategic Plan with the Environmental Justice Priorities and Focus Areas for Early Implementation, should be visually easier to read; the request that the document be translated into Arabic, Hmong, Vietnamese, and other languages beyond English, Chinese, and Spanish; the request that the document's EJ priorities be more granular, measurable, and enforceable; whether this document may be incorporated into a future Council retreat in 2025; the timeline for the document's action plans; and the hope that this document results in tangible action being taken as soon as possible.

#### Council Actions

Co-Chair Jefferson made a motion, seconded by Council Member Dr. Ritterman, to **approve** the final version of *A Call to Action: Charting a New Course Towards EJ at the Bay Area Air Quality Management District*; and the motion **carried** by the following vote of the Council:

AYES: Babaria, Goodwin, Gordon, Harrison, Jefferson, Molina, Pelagio, Ramirez, Ritterman, Ruano Hernandez, Saena, Szutu, Washington.  
NOES: None.  
ABSTAIN: Messac, Prieto-Diaz.  
ABSENT: Aguilera.

Motion Approved

**THE COUNCIL RECESSED AT 7:08 P.M., AND RESUMED AT 7:19 P.M.**

### **INFORMATIONAL ITEM**

#### **5. IMPLEMENTATION PLANNING FOR COMPLIANCE & ENFORCEMENT-RELATED STRATEGIC PLAN STRATEGIES**

Dr. Meredith Bauer, Air District Deputy Executive Officer of Engineering and Compliance, and Alexander Crockett, Air District General Counsel, gave the staff presentation *Implementation Planning for Compliance & Enforcement-Related Strategic Plan Strategies*, including: outcome; requested action; outline; Compliance and Enforcement-related strategies and commitments; implementation process for compliance strategies; preliminary Draft Implementation Timeline for Compliance Strategies; enforcement-related strategies and commitments; implementation process for enforcement strategies; and preliminary Draft Implementation Timeline for Enforcement Strategies.

#### **Public Comments**

No requests received.

#### **Council Comments**

The Council voiced the following **concerns** regarding the Air District's proposed Compliance and Enforcement strategies within its 2024-2029 Strategic Plan (new enforcement policy, enhanced violation investigations, air quality complaints, and improved compliance investigations):

- Opposition to the words “feedback” and “input” used in the presentation because Community Advisory Council members should be making decisions and policy, rather than merely being an audience for the policy makers. The perception that regulating agencies sometime act like violators, and the Community Advisory is part of a regulatory agency.
- Strategies regarding violations seem similar to previous policies that have existed for years, yet there seems to remain a lack of enforcement action taken.
- Fear that permitted facilities will violate their permits, undetected for many years, due to self-auditing/reporting.
- Lack of Air District inspectors (and subsequent inspections) and attorneys.

- The hours that Air District inspectors are available to investigate complaints often do not result in (real-time) inspections (no holidays, evenings, or weekends.)
- The Draft Implementation Timeline for Compliance Strategies is not being implemented quickly enough. There seem to be too many delays.
- Disappointed in the Air District staff presentations' lack of transparency that would honor the community. Engagement does not feel meaningful.
- Dissatisfaction with the Air District's Complaint Program process (number of unconfirmed cases and timeliness of investigations.) From the community's point of view, the current process is not sustainable.

The Council expressed the following **requests and suggestions**:

- Eliminate violators entirely (shut them down) instead of making them pay fines (nothing else should be acceptable.)
- Eliminate permitted facilities' ability to self-audit/report.
- Educate the communities that may not be aware of the sources of their air pollution.
- Some of the Council Members lack information on how the Air District's Complaint Program works. Another primer on this topic should be held (what occurs when an air quality complaint is registered with the Air District; is testing involved during a complaint investigation; is there a heat map to show complaints?)
- Make the easiest changes as soon as possible and do not wait while developing enforcement policies/programs and collecting input. Conduct a pilot of proposed strategies immediately and see what works and what doesn't.
- Examine/analyze specific cases in further depth, to look for patterns as to why investigations and the complaint process are not improving (from the community's perspective), rather than always looking at the big picture.
- Implement independent auditing of past enforcement actions and involve the community when reflecting on those.
- To improve incident response times, outsource inspection services to cover the times that Air District inspectors are not working or extend the time that Air District inspectors are working so that real-time investigations can occur when there is a complaint.
- Members of the public who register air quality complaints should be provided with guidance that will help them use precise language that will best inform inspectors of incidents.
- Use violation settlement funds to address the complaints above.
- Two or more Air District inspectors should be designated solely to implement EJ priorities.
- The training for Air District inspectors needs to be improved, to result in more meaningful relationships with members of the communities that most frequently experience air quality incidents. They currently are not meeting expectations.
- Present key data points to the Council as often as possible to help the Council make more informed decisions. These include: the number of Air District inspectors; the number of inspections that inspectors conduct per week, and the locations of those inspections; what triggered the inspection; the percentage of inspections that resulted in enforcement actions (penalties); average monetary enforcement.

- Engage in joint policing with other regulatory agencies, including public health departments.
- Provide a breakdown of self-auditing/reporting (which permitted facilities do it, and how frequently); the number of lawsuits that were won by the Air District; the number of violations that are discovered to be self-reporting issues; Air District rules by which permitted facilities must operate; which entity allows self-auditing/reporting.

Other **questions and comments** from the Council:

- What are methods by which Air District staff engage with community?
- What are education programs and tools to inform the community about the Community Benefit Fund?
- How does the Air District plan to utilize Fellows of the Air District's new Environmental Justice Law Fellowship Program regarding Compliance and Enforcement activities?
- Offer ride along opportunities during complaint investigations to empower the public.
- Encourage cities and counties to reevaluate their zoning laws to better protect their constituents.
- Is there a budget for the implementation of these strategies?
- I have seen progress and improvement in the Air District's procedures and processes, and the Air District does listen to the community and incorporates the communities' input into its programs, policies, and procedures.
- Are there any unfilled seats on the Council's Compliance and Enforcement AD Hoc Committee?

#### Council Action

No action taken

### **OTHER BUSINESS**

#### **6. COMMUNITY BENEFIT FUND (CBF) AD HOC UPDATE**

Council Member Goodwin provided the Council with an update from its Community Benefit Fund Ad Hoc Committee including:

- The CBF Ad Hoc Committee is developing a proposal to use participatory budgeting for the allocation and distribution of the Board-designated CBF, currently \$3M. The CBF Ad Hoc Committee will provide an overview of the other considered options, when the proposal of the preferred option is presented to the Council.
- The CBF Ad Hoc Committee has been engaged in a search for a consultant to assist with the development of the CBF Ad Hoc Committee's proposal. The CBF Ad Hoc Committee has considered four consultant applications and rated the bidders based on the quality of applications, the level of completeness of the applications, expertise, skills, experience, qualifications, and how closely aligned the submissions were to the bidding instructions. The selected consultant has supported the execution of publicly-funded

participatory budgeted processes in the past with community members, and the name of the selected consultant will be released when the contract has been signed and completed.

#### Public Comments

No requests received.

#### Council Comments

None.

#### Council Action

No action taken.

### **7. REPORT OF THE EXECUTIVE OFFICER / AIR POLLUTION CONTROL OFFICER (APCO)**

On behalf of Dr. Philip M. Fine, Executive Officer / APCO, Arsenio Mataka, Deputy Executive Officer of Equity & Community Programs, reported the following:

- In October, the Air District and California Air Resources Board announced that they have fined Valero Refining Co. nearly \$82 million for air quality violations at Valero’s refinery in Benicia since 2019. This is the largest penalty the Air District has ever assessed. The bulk of these penalty funds will go to fund clean air projects in the local community under the Community Benefits Policy the Board of Directors adopted in May. Over \$64 million of these funds will be returned to the local community to finance projects aimed at reducing air pollution exposure, mitigating air pollution impacts and improving public health in areas surrounding the refinery. These projects will be selected through a public process with input from residents, community organizations, elected officials and advocates representing the impacted area. The remainder of the penalty will be used to fund beneficial clean air projects in overburdened communities throughout the Bay Area, as well as to offset the costs of investigating and prosecuting the case. This penalty is the largest ever assessed in the Air District’s history. [The press release can be found here.](#)
- Board Chair Hurt and Dr. Fine are attending the United Nations Climate Change Conference, COP29, in Baku, Azerbaijan, from November 11 through November 21, to showcase the Air District’s climate leadership, engage with global partners, and gather insights to strengthen local climate action. The COP is an annual meeting of the “Conference of the Parties” to the U.N. climate treaty. In addition to the official work of the national delegates, COP includes hundreds of non-national delegations from around the world hosting workshops and panels and youth events. Chair Hurt and Dr. Fine are attending to showcase our climate leadership, engage with global partners, and gather insights to strengthen local climate action. Air District staff has kept Bay Area communities informed and involved through social media updates, as well as a live media availability and Facebook Live stream from COP29. This was a valuable opportunity to

highlight the Air District's climate initiatives on an international stage and to develop new partnerships and collaborations on top priority initiatives.

#### Public Comments

No requests received.

#### Council Comments

None.

### **8. COUNCIL MEMBER COMMENTS**

Council Member Washington requested a future Council agenda item, regarding self-reporting/auditing of permitted facilities.

Council Member Ms. Margaret Gordon said that the West Oakland Community Action Plan (WOCAP) recently celebrated its 5<sup>th</sup> year. *Owning Our Air: The West Oakland Community Action Plan*, is a Community Emissions Reduction Plan developed to reduce the health effects of air pollution in West Oakland. In 2019, the Air District's Board of Directors and the California Air Resources Board adopted the WOCAP. In October of 2024, the WOCAP partners completed five years of implementation, the timeframe originally envisioned to meet the CERP targets. The WOCAP Fifth Year Annual Report highlights the reduction in air pollution and health risk in West Oakland as a result of implementing actions in the WOCAP.

Council Member Messac requested directions on how to submit comments in response to the Woodsmoke White Paper that the Air District released, which provides extensive information on wood burning in the Bay Area, the current state of the regulatory landscape for wood-burning devices, and a discussion of potential recommendations to further minimize woodsmoke emissions and exposures.

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

Thursday, January 16, 2025, at 6:00 p.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Community Advisory Council members and members of the public will be able to either join in-person or via webcast.

#### **Adjournment**

The meeting was adjourned at 9:17 p.m.

#### Attachments

- #3– Approval of the Draft Minutes of the Community Advisory Council Meeting of September 19, 2024
- #4– Vote To Adopt The Community Advisory Council Environmental Justice Policy Ad Hoc Committee's Call To Action
- #5– Implementation Planning For Compliance & Enforcement-Related Strategic Plan Strategies

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**Memorandum**

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Election of New Vice-Chairperson of the Board of Directors

**RECOMMENDED ACTION**

Elect a new Vice-Chairperson of the Board of Directors to replace Vice-Chairperson Hopkins when she accedes to Chairperson upon the departure of outgoing Chairperson Hurt. The new Vice-Chairperson would serve for the remainder of the current Board Officer term, which ends December 31, 2025.

**BACKGROUND**

There will shortly be a vacancy in the position of Vice-Chairperson of the Board of Directors as a result of Chair Hurt departing her seat on the Belmont city council. Although the results of that city council election may not be officially certified until December 5, 2024, the semi-official results published by the San Mateo County Chief Elections Officer indicate that Chair Hurt has not been reelected. Once the results are certified, Chair Hurt's city council term will end on December 10, 2024.

The San Mateo County city selection committee will need to appoint a successor to replace Chair Hurt on the Air District Board of Directors. The city selection committee process is governed by Government Code section 50270 et seq. Although San Mateo County's official population has fallen under the 750,000 threshold below which the County can appoint only two seats to the Air District's Board, the city seat is unaffected. (See the Clerk's memo to the Board of Directors presented in Agenda Item 17 at the June 5, 2024, meeting.) At the County's current population, the County Board of Supervisors has the right to appoint one seat and the city selection committee has the right to appoint one seat, which it can exercise to appoint Chair Hurt's replacement on the Air District Board.

The San Mateo County city selection committee is expected to appoint a successor shortly. Chair Hurt may continue to serve on the Board until her successor assumes their position on the Board under Health & Safety Code section 40225, for up to a maximum of three months after she ceases to hold her city council office. Once Chair Hurt's successor is seated and Chair Hurt leaves the Board, Vice-Chair Hopkins will automatically assume the role of Chair under Section 2.7(e)(2) of the Administrative Code. This will leave a vacancy in the position of Vice-Chairperson.

## DISCUSSION

In light of these developments, the Board of Directors needs to elect a new Vice-Chairperson to replace Vice-Chair Hopkins for the remainder of the 2024-2025 Board Officer term. Section 2.7(a) of the Administrative Code, which governs Board Officer appointments, states (in pertinent part) "[t]he Board of Directors shall elect a Chairperson and Vice-Chairperson. The Board of Directors shall elect these officers in November prior to the commencement of the Officers' terms, or as otherwise necessary to fill a vacancy." Given the vacancy in the Vice-Chair position that will result from Chair Hurt's impending departure, it is necessary for the Board to elect a new Vice-Chair to fill that vacancy.

The Nominating Committee is scheduled to meet at 9:30 am on December 4, immediately preceding the Board of Directors meeting, to consider recommending candidates for consideration by the full Board. As of close of business on November 26, 2024, the following Directors have been nominated for consideration by the Committee: Directors Sergio Lopez and Vicki Veenker. Statements submitted by Directors Lopez and Veenker in support of their nominations are attached to this memorandum.

When the full Board meets at 10:00 am, it will receive a report from the Nominating Committee based on the Committee's discussion of the candidates. The Board of Directors will then consider electing a Vice Chairperson to serve out the remainder of the 2024-2025 term upon Vice-Chair Hopkins' accession to the Chair position.

Section 2.7(c) of the Administrative Code directs the Board to consider appointing Officers in a manner to assure participation in the affairs of the Air District from a wide representation of the membership, although it does not require the Board to follow any strict rule of rotation. The principles of Officer rotation are to balance representation by members appointed by county Boards of Supervisors, members appointed by City selection committees, members from large counties, and members from small counties, as well as geographic representation from all parts of the Bay Area. A list of past Board Chairs and Vice-Chairs over the past ten years is attached for the Committee's convenience.

## BUDGET CONSIDERATION/FINANCIAL IMPACT

None.



Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Marcy Hiratzka  
Reviewed by: Alexander Crockett

ATTACHMENTS:

1. List of Past Board Officers 2014-2024
2. Statement of Director Lopez
3. Statement of Director Veenker

## BAAQMD Board Chairs and Vice Chairs from 2014 to Present

	Chair	Chair (2)	Vice Chair	Vice Chair (2)
<b>2014</b>	N. Miley (County of Alameda)		C. Groom (County of San Mateo)	
<b>2015</b>	C. Groom (County of San Mateo)		E. Mar (County of San Francisco)	
<b>2016</b>	E. Mar (County of San Francisco)		L. Kniss (City of Palo Alto)	
<b>2017</b>	L. Kniss (City of Palo Alto)		D. Hudson (City of San Ramon)	
<b>2018</b>	D. Hudson (City of San Ramon)		K. Rice (County of Marin)	
<b>2019</b>	K. Rice (County of Marin)		R. Sinks (City of Cupertino)	
<b>2020</b>	R. Sinks (City of Cupertino)		C. Chavez (County of Santa Clara)	
<b>2021</b>	C. Chavez (County of Santa Clara)		K. Mitchoff (County of Contra Costa)	
<b>2022</b>	K. Mitchoff <b>(Jan-May)</b> (County of Contra Costa)	J. Bauters <b>(May-Dec)</b> (City of Emeryville)	J. Bauters <b>(Jan-May)</b> (City of Emeryville)	D. Hurt <b>(May-Dec)</b> (City of Belmont)
<b>2023</b>	J. Bauters (City of Emeryville)		D. Hurt (City of Belmont)	
<b>2024</b>	D. Hurt (City of Belmont)		L. Hopkins (County of Sonoma)	

To the BAAQMD Nominating Committee:

I write to express my interest in serving as Vice Chair of the Bay Area Air Quality Management District for the remainder of the current term.

I have had the honor of serving on the Air District Board since 2022. Since that time, I have sought to serve in a leadership capacity through contributing my time and my work. This has included not just Vice Chair of a number of committees, but also serving on the ad hoc committee to recruit and interview a new Executive Officer/APCO for the Air District, resulting in the hiring of Dr. Fine, as well as serving on an executive evaluation ad hoc committee for the Board's direct reports. These positions have given me insight into the internal challenges and operations of the District, which has in turn informed my work on the Board.

Briefly, my past work includes experience in legislative advocacy, passing laws in over a dozen red and blue states alike, as well as service as a nonprofit executive and in public affairs in the private sector on green energy and regulated utility issues. While I never planned on serving in elected office, I became involved in the work of advocacy and public policy after my working-class, immigrant family faced housing insecurity and bankruptcy during the Great Recession. My drive for mission and impact has taken me to the halls of the Ivy League and the White House, but through it all, my commitment to the communities which raised me has never wavered. My story, unlikely as it has been, ultimately resulting in my current position as Vice Mayor of Campbell, is a testament to the power of our system, despite its challenges, to grant opportunity to the communities we serve.

I believe that the air pollution and climate issues the Board handles at the regional level are among the most critical public policy issues facing our nation. For young people in particular, the challenges are existential in nature. Increasingly, a young person's willingness to either believe in the power of government to improve their lives, or else dismiss it out of hand and check out of politics entirely, will often hinge upon whether and how they see that government willing to make tangible improvements in the areas of climate and the environment. For this reason, I

believe my age, background, and experience will help to ensure that more of the residents we serve can see themselves represented in our agency's leadership.

We face a critical time for our nation. It is incumbent upon us to demonstrate that government can still do big things and can still make concrete, tangible changes in the lives of all our constituents. Perhaps of all the boards on which I have served, I have had no greater honor than serving with my colleagues on the Air District board, from whom I am certain of having the opportunity to learn something new at every single meeting, as well as from one of the most passionate and experienced staff of any agency. In that spirit, I hope to continue my service in a new role as Vice Chair, and I thank you for your respectful consideration.

Best wishes,

Sergio Lopez

[sergiol@campbellca.gov](mailto:sergiol@campbellca.gov)



## MEMORANDUM

To: Chairperson Hurt and Members of the  
Nominating Committee

From: Vicki Veenker  
Board Member; Chair, Policy, Grants, and Technology Committee

Date: November 26, 2024

Re: Statement of Interest in Serving as Vice Chairperson of the Board of Directors

Thank you for your service on the Nominating Committee. Because of my strong belief in the mission and vision of the Air District, I respectfully submit this statement of interest in the Vice Chairperson position, to aid you in making your recommendation to the Board. I am passionate about cleaner air for people in the Bay Area, and hope to have the opportunity to bring my skills, knowledge, and experience in leadership to the Board.

### Board Leadership Considerations

It has been a privilege to serve on this Board and work to protect the public health, advance environmental justice, and mitigate climate change -- values that I hold dear. However, in this time of substantial change, the Board needs leadership that is not only committed to acting quickly to promote our shared values and goals, but also is steady and committed to the Air District's ongoing programs and evolving needs of the communities we serve. Without commenting on specific programs that may come before the Board, examples of key ongoing efforts include the following:

- Strategic Plan. In September, the Board approved our 2024-2029 Strategic Plan. Over the years, the Air District has adopted groundbreaking regulations and continuing to fulfill the strategic plan will help us implement them in a thoughtful and equitable way. It is likely and healthy that the plan and its programs will evolve over time, and we should expect and welcome that, and give stakeholders a place at the table as that happens. The plan also contemplates the organizational excellence that is critical to our mission, by fostering cohesion and inclusion. I have been involved in numerous strategic plans over the years and look forward to working with this living document.
- Just Transition. As we carry out our responsibility to regulate stationary sources of air pollution, we must also consider the impact on workers who may need re-skilling, homeowners who need to buy new appliances or electrify their homes, renters who would strain to pay increased rent for costs passed along, and more. This should be an ongoing public policy conversation so that we can find solutions that speed, instead of impede, our progress.
- Permitting. Our primary goal is not to levy penalties, but to seek compliance with our regulations. Pursuing the customer service approach outlined in the strategic plan to

ensure timely and transparent permitting processes will not only provide clear and consistent messaging to the business community, but will also minimize the air pollution affecting Bay Area residents.

### Experience

I bring a breadth of experience that I could call upon in the Vice Chair position. Most pertinent is:

- Air District Board: Currently, I serve as Chair of the Policy, Grants, and Technology Committee. During my tenure on the Board, I have also served on the Community, Equity, Health, and Justice Committee and the Stationary Source Committee. Last December, I accompanied then Vice Chair Hurt and EO Fine on an advocacy trip to Washington, DC. During that trip, I learned how to be a spokesperson for the District, engaged in policy and grant-funding conversations with federal officials, and directly observed the feedback from those officials regarding the District's practices and programs.
- Northern California Power Agency Commission: Because Palo Alto owns its own utilities, the city is a member of NCPA and I serve as the City's Commissioner. In this capacity, I keep current on electrification issues such as power generation and distribution, grid reliability and resiliency, and more.
- Chair, City of Palo Alto Climate Action Ad Hoc Committee: Our City has pioneered numerous programs to promote climate action in partnership with a Working Group of residents who advise us. Key among them is our Heat Pump Water Heater Program, a full-service program of the City to encourage and assist our residents with installations. Within the next couple months, we will launch a Whole Home Electrification Program, that will include Heat Pump Furnaces. This experience has provided me insight into affordability, equity, engineering, financing, multi-family dwelling, and other issues that must be addressed in order to be successful.
- Professional Experience: For several decades I have practiced patent law, which I entered because of my degree in biochemistry and a love of innovation. This provides me with a familiarity with evolving technology such as the technology we will need to support reduction of air pollution and climate action. It also provides me with insight into the operation of businesses.
- Mediation: For 18 years I have served as a mediator in patent cases. This has honed an ability to listen to parties with divergent interests, as well as consensus-building skills. As someone who has spent years both litigating and mediating, the key to a just and durable outcome is to fit the process to the problem.
- Policy Resolution: A half dozen years ago, I was Director of a statewide health reform project that convened an array of stakeholders for over a year. Stakeholders included consumers, healthcare providers, labor, insurers, the business community, academics, and more. We issued a consensus report and recommendation regarding health care affordability. The recommendation was then mirrored in state legislation, resulting in the

recent creation of a state Office of Health Care Affordability, that is setting about implementing the policy recommendations.

I am deeply committed to the values and goals of the Air District. It would be a privilege to serve in leadership as its Vice Chair if the Board so chooses. I respectfully ask for your recommendation.

Respectfully submitted,

Vicki S. Veenker

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**Memorandum**

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Fiscal Year Ending 2025 Mid-Year Staffing and Budget Adjustment

**RECOMMENDED ACTION**

Recommend the Board of Directors:

1. Authorize the use of up to 9% of the Community Benefit Funds for administrative costs to support the creation of the new Community Investment Office to implement the penalty policy and direct funds to impacted communities;
2. Authorize the use of Schedule X designated reserves to support an enhanced Community Monitoring Program in refinery communities;
3. Authorize the addition of three new Full-Time Equivalents (FTEs) and three new Limited-Term Contract Employees (LTCEs) for the Community Investments Office; three new FTEs for Meteorology and Measurement; and three new FTEs for Strategic Incentives, all funded by new revenue sources;
4. Authorize reclassification of vacant positions and transfers to support organizational operations.

The Finance & Administration Committee recommended approval of this item at its Special Meeting on November 6, 2024.

**BACKGROUND**

The Air District's *2024-2029 Strategic Plan*, developed through extensive collaboration with diverse stakeholders, highlights the need for increased headcount to achieve its goals. The plan emphasizes a renewed focus on environmental justice and community engagement, requiring dedicated staff to work with overburdened communities, conduct outreach, and ensure equitable implementation of regulations. By increasing headcount, the Air District can effectively address public concerns, leverage new technologies and funding sources, and ultimately ensure equitable access to clean air for all communities.



## DISCUSSION

To achieve the goals laid out in its *2024-2029 Strategic Plan*, the Air District will likely need to increase its headcount. The plan focuses on achieving impact, advancing environmental justice, fostering cohesion and inclusion, and maintaining an effective organization. These goals require significant investment in staffing, particularly in areas like community engagement, environmental justice initiatives, and permit processing and enforcement. Expanding staff will be crucial to effectively implementing the strategies outlined in the plan and ensure the Air District has the capacity to meet its objectives.

### **Community Investments Office**

The Community Investments Office will oversee the reinvestment of penalty assessment funds into the impacted communities, ensuring that these resources are used to support projects such as pollution mitigation efforts, community health programs, and the development of green spaces. The goal is to improve environmental quality and public health in areas that have been disproportionately impacted by air pollution. With \$124 million (M) designated penalty funds in Air District accounts, it is critical to prioritize authorization for Community Investments Office staffing during the fiscal year ending 2025 mid-year budget and staffing adjustment.

The Community Investments Office will be responsible for ongoing disbursements of funds to various communities throughout the Bay Area. To ensure that the investments are aligned with community needs, staff will actively engage with local leaders, community-based organizations, businesses, and residents. This collaborative approach will involve regular consultations, public meetings, and transparent decision-making processes, ensuring community members have a direct input on how funds are allocated. Moreover, staff will be responsible for administering community-facing grant programs and regularly reporting to the Board. The first annual report reviewing the results of this policy for the current fiscal year is due to the Community Advisory Council and the Board of Directors in May 2025. A year after establishment, the staffing needs of the office must be evaluated considering the strong focus on engagement and the large amount of funding currently available.

The Community Investments Office would be primarily responsible for delivering programs to provide funding for projects that impacted communities identify as addressing their air pollution and related health needs. The Community Investments Office will develop a structured framework for fund distribution and ongoing opportunities for community input. This initiative not only reflects the Air District's commitment to equity and environmental justice but also empowers communities to directly influence how resources are utilized to address the pollution challenges they face, in full alignment with the goals of Strategy 2.8.

### **Meteorology & Measurement Division**

The Air District's community air monitoring program includes a commitment to install regulatory-quality community air monitoring in refinery communities. Since FYE 2017, the Air District has been collecting fees (under Schedule X) to generate revenue to support this work. However, it has been difficult to site and construct these monitors due to staffing limitations. In addition, comprehensive community air monitoring in refinery communities also requires fenceline monitoring at the refineries. The community air monitoring program is evolving to

encompass this fenceline monitoring work. We have found over time that the fenceline monitoring systems that the refineries are required to install and operate under Rule 12-15 require more oversight and attention to ensure that the data collected is reliable and provides the information needed by the community.

The Meteorology & Measurement Division is proposing additional staff to accelerate and enhance this community air monitoring program in refinery communities. These additional staff will accelerate the following work:

- Monitoring site development and construction of refinery community monitoring sites, including instrument testing
- Monitoring site operation, data review, quality assurance
- Evaluating new monitoring methods important to refinery communities
- Reviewing fenceline monitoring and quality assurance project plans, tracking submitted reports and data, enforcement, rule development, and external communications about fenceline air monitoring

Staff proposes to initially fund these positions with designated reserves that have been set aside to fund the Community Air Monitoring Program (referred to in the budget as "Schedule X" designated reserves). Additional permitting fees collected in future years, including fees assessed under Schedule X, will be used to fund these positions going forward.

### **Strategic Incentives Division**

The Air District Strategic Incentives Division has been administering grant programs for over 30 years. Over this period, the amount of grant funding managed by the Strategic Incentives (SI) Division has grown significantly, from approximately \$20 M in 1994 to an average of over \$80 M in new revenue annually by 2024. This increase in funding and changes in Air District priorities driven by the Assembly Bill (AB) 617 program and recent adoption of the *2024-2029 Strategic Plan* have increased the workload for the staff in the SI division.

Historically, incentive programs managed by SI from state sources include funding to reimburse eligible administrative costs, with rates ranging from 6.25% for most programs to up to 10% for the Volkswagen Nitrogen Oxides (NOx) Mitigation Program. The California Air Resources Board (CARB) has informed us that beginning with FYE 2025 the admin limit for the Carl Moyer Program is expected to go up to 12.5% from 6.25%, which is projected to increase the allowable administrative cost by an additional \$850,000 annually. Additionally, CARB has informed air districts that this increase in admin rate will also be applied to State Reserve and FARMER grant programs which is estimated to further increase available admin revenue by an additional \$300,000 annually.

## **FYE 2025 Full Time Equivalent Mid-Year Staff Request**

### **Community Investments Office:**

- (1) New Full-time Equivalent (FTE) Director/Officer
- (1) New FTE Supervising Staff Specialist
- (1) New FTE Assistant Staff Specialist

**Justification:** The Air District will establish a new Community Investments Office as a key initiative to implement the penalty policy, which directs the majority of the funds generated through penalties back into the communities where those violations occurred. This initiative is closely aligned with Strategy 2.8 of the *2024-2029 Strategic Plan*, which emphasizes the importance of community-directed funds in addressing local air quality challenges and promoting environmental justice.

### **Meteorology & Measurement Division:**

- (1) New FTE Principal Air Quality Specialist
- (1) New FTE Supervising Air Quality Specialist
- (1) New FTE Senior Air Quality Specialist

**Justification:** These positions will accelerate and enhance the Community Air Monitoring Program, including the installation and operation of refinery community monitors and improvement of refinery fenceline monitoring by providing technical expertise for rulemaking and oversight of refinery-operated monitoring.

### **Strategic Incentives Division:**

- (1) Supervising Staff Specialist
- (1) Assistant Staff Specialist I/II
- (1) Senior Staff Specialist

**Justification:** The Supervising Staff Specialist is requested to lead complex tasks and provide supervisory support for the Operations section. Staff in the Operations Section are responsible for reporting data across all programs, developing and maintaining the existing new data management systems, providing training to all grants staff on administrative operating procedures, and providing overall quality control and assurance for state administered grant programs. Staff in this section also serve as the lead for the division's work on the AB 617 program and Strategic Plan.

A new Assistant Staff Specialist is requested for the On-road section to provide additional support for the administration of new programs and improvements to existing programs to implement AB 617 community emission reduction plan strategies and Strategic Plan actions, including programs that would provide benefits to Bay Area residents.

Senior Staff Specialist is requested to lead the process to secure new revenue streams to support the development of new community-identified emission reduction grant programs for AB 617 and to lead initial steps for developing these programs while additional staff resources are secured for these programs.

### **Administrative Resources**

- Transfer and reclassify one vacant Senior Staff Specialist in Strategic Incentives Division into one Supervising Staff Specialist in Administrative Resources Division to provide supervisory level duties in the fleet and facilities program.

### **Assessment, Inventory, and Modeling**

- Reclassify one vacant Advanced Projects Advisor into one Senior Air Quality Engineer to better align the level of duties.

### **Civil Rights**

- Transfer and reclassify one Manager in Administrative Resources Division into Civil Rights Officer in Civil Rights Office to oversee the Civil Rights and Title VI programs and initiatives.
- Transfer one Staff Specialist I/II from Communications to Civil Rights Office.

### **Compliance & Enforcement**

- Reclassify one vacant Senior Air Quality Engineer position into one Principal Air Quality Engineer to provide technical and engineering knowledge within Compliance & Enforcement to perform complex facility audits and apply enhanced investigative techniques towards refineries, chemical and power plants, and landfills.

### **Human Resources**

- Reclassify one vacant Senior Human Resources Analyst into one Human Resources Analyst I/II that would provide support for recruitments and strategic plan initiatives.

### **Meteorology & Measurement**

- Reclassify one Assistant Air Quality Specialist II into one Air Quality Specialist I that was part of the grandfathered EA reclassification agreement.

### **Planning & Climate**

- Reclassify one Assistant Manager into one Manager to align with the new organizational structure of the Division and better management of the programs.

### **Rules**

- Reclassify one vacant Senior Air Quality Engineer into one Senior Air Quality Specialist to better align the requirements of the position with the skills and experience needed for anticipated future projects and work duties.

## **Enterprise Technology Solutions**

- Transfer one Assistant Staff Specialist I/II from Information Services Operation to Enterprise Technology Solutions Division.
- Transfer one Manager from Information Services Operation to Enterprise Technology Solutions Division.

## **Executive Office**

- Transfer one Senior Policy Advisor from Planning & Climate Protection to Executive Office

The cost impacts for the 9 FTEs and reclassifications requested in each of the divisions are summarized in Table 2.

**Table 2**

<b>Department</b>	<b>Annual Cost</b>
<b>Administration Services</b>	<b>\$20,737</b>
<b>Assessment, Inventory &amp; Modeling</b>	<b>\$(21,774)</b>
<b>Compliance &amp; Enforcement</b>	<b>\$21,774</b>
<b>Community Investments</b>	<b>\$695,141</b>
<b>Human Resources</b>	<b>\$(18,809)</b>
<b>Meteorology &amp; Measurement</b>	<b>\$648,401</b>
<b>Civil Rights Office</b>	<b>\$55,180</b>
<b>Planning &amp; Climate</b>	<b>\$6,409</b>
<b>Rules</b>	<b>\$(10,115)</b>
<b>Strategic Incentives</b>	<b>\$576,321</b>
<b>Annual Total</b>	<b>\$1,988,739</b>

## **FYE 2025 Mid-Year Limited Term Contract Employee (LTCE) Staff Request Community Investment**

- (2) New LTCE Senior Staff Specialist
- New LTCE Assistant Staff Specialist VII

The cost impacts for the 3 LTCEs in each of the divisions are summarized in Table 3.

Table 3

Department	Annual Cost
Community Investment	\$555,584
Annual Total	\$555,584

Since the fiscal year ending 2024, the Air District's staffing roster has been published in the Annual Budget. The changes to Appendix F of the Fiscal Year 2024-2025 budget that would be required for this recommendation are included in Attachment 1. The reclassifications under this recommended action and their corresponding cost impacts are detailed in Attachment 2.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

The new 9 FTEs, 3 LTCEs and reclassifications recommended by this action result in a net annual increase in personnel expenditure of approximately \$2,544,323. The detailed fiscal impact for each recommended action is as follows:

**1. Funding Impact for accelerating the Community Air Monitoring Program Recommendation:** The proposed funding for accelerating community air monitoring in refinery communities would be supported initially through a transfer of "Schedule X" designated reserves to support three new positions for the program. Currently, these designated reserves have approximately \$6.1 M. Ongoing costs will be supported by community air monitoring fees collected under Schedule X, which currently generate around \$662,000 in annual revenues.

If approved, the funding for these three new positions for the next four years would be drawn from a portion of the annual Schedule X community air monitoring fee revenues and \$4.1 M from the \$6.1 M Schedule X Reserve Designation. This would provide the staff with the necessary time to review and recommend an appropriate fee structure to ensure continued financial support for the program. The estimated annual cost of the three new positions is \$648,401, as outlined in Attachment 2.

**2. Funding Impact for the Community Investments Office Recommendation:** The proposed funding for the creation of this new office with the six proposed positions is being supported by a portion of penalty funds allocated for community benefits under the Air District's Policy on Funding Community Benefits from Penalty Funds. It is anticipated that up to 9% being recommended of the existing penalty funds, currently exceeding \$11 M, will be allocated to cover administrative overhead to support the management and operations of the Community Investments Office. The Policy is expected to provide ongoing funding, with the 9% administrative allocation subject to periodic review and adjustment by the Board of Directors. Although there are currently over \$124 M in penalty funds, penalty assessment varies from year to year. As a result, three of the six new positions are recommended as limited-term (two year) employees. Staffing needs will be reassessed annually based on the availability of penalty assessment funds.

If approved, the total cost for the six new positions (3 FTEs and 3 LTCEs) is approximately \$1.3 M annually, as outlined in Attachment 2.

**3. Funding Impact for the Strategic Incentives Program Recommendation:**

The proposed funding for the creation of three new positions for this program will be supported by the increase in the Carl Moyer grant's administrative cap, rising from 6.25% to 12.5%. This increase is expected to generate an additional \$850,000 annually in funds that can be used to support these positions.

If approved, the total cost for the three new positions is approximately \$576,321 annually, as outlined in the attachment. In addition, this new revenue will also provide additional funding for the General Fund to support one of the new staff being requested.

**4. Funding Impact for Organizational Operations Recommendation:**

The net cost to support transfers between divisions and position classification changes to the Fiscal Year 2024-2025 Appendix F is mostly neutral at approximately \$68,876 annually as outlined in Attachment 2.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Hyacinth Hinojosa  
Reviewed by: Gregory Nudd and Arsenio Mataka

ATTACHMENTS:

1. Cost Impact Details
2. Appendix F FYE 2025 Authorized Staffing
3. BOD Fiscal Year Ending 2025 Mid-Year Staffing and Budget Adjustments to Allocate AdditMid-Year Staffing and Budget Adjustments Presentation

## **FYE 2025 MID-YEAR STAFFING CHANGES HIGHLIGHTS**

### **NEW + ADD FTE POSITION**

#### **Community Investments:**

<b>New Position Title</b>	<b>Cost impact</b>
Director/Officer	\$321,129
Supervising Staff Specialist	\$223,046
Assistant Staff Specialist I/II	\$150,966

#### **Meteorology & Measurement:**

<b>New Position Title</b>	<b>Cost impact</b>
Principal Air Quality Specialist	\$223,046
Supervising Air Quality Specialist	\$223,046
Senior Air Quality Specialist	\$202,309

#### **Strategic Incentives:**

<b>New Position Title</b>	<b>Cost impact</b>
Supervising Staff Specialist	\$223,046
Assistant Staff Specialist I/II	\$150,966
Senior Staff Specialist	\$202,309

### **NEW + ADD LIMITED TERM CONTRACT EMPLOYEE (LTCE) POSITION**

#### **Community Investments:**

<b>New Position Title</b>	<b>Cost impact</b>
Senior Staff Specialist	\$202,309
Senior Staff Specialist	\$202,309
Assistant Staff Specialist I/II	\$150,966

### **ADD/DELETE VACANT POSITION**

#### **Administrative Resources:**

<b>Old Position Title</b>	<b>New Position Title</b>	<b>Cost impact</b>
Senior Staff Specialist (SID)	Supervising Staff Specialist	\$20,737

#### **Assessment, Inventory & Modeling:**

<b>Old Position Title</b>	<b>New Position Title</b>	<b>Cost impact</b>
Advanced Projects Advisor	Senior Air Quality Engineer	\$(21,774)



**Civil Rights Office:**

Old Position Title	New Position Title	Cost impact
Manager (ADM)	Civil Rights Officer	\$55,180

**Compliance & Enforcement:**

Old Position Title	New Position Title	Cost impact
Senior Air Quality Engineer	Principal Air Quality Engineer	\$21,774

**Human Resources:**

Old Position Title	New Position Title	Cost impact
Senior Human Resources Analyst	Human Resources Analyst I/II	\$(18,809)

**Meteorology & Measurement**

Old Position Title	New Position Title	Cost impact
Assistant Air Quality Specialist II	Air Quality Specialist I	\$15,475

**Planning & Climate Protection:**

Old Position Title	New Position Title	Cost impact
Assistant Manager	Manager	\$6,409

**Rules:**

Old Position Title	New Position Title	Cost impact
Senior Air Quality Engineer	Senior Air Quality Specialist	\$(10,115)

**TRANSFER POSITIONS****Information Services Operations transfer to Enterprise Technology Solutions:**

Old Department	New Department	Cost impact
ISO - Manager	ETS - Manager	No impact same salary grade
ISO - Assistant Staff Specialist I/II	ETS - Assistant Staff Specialist I/II	No impact same salary grade

**Planning & Climate Protection transfer to Executive Office**

Old Department	New Department	Cost impact
PLN – Senior Policy Advisor	EXEC - Senior Policy Advisor	No impact same salary grade

**Communication transfer to Civil Rights Office**

Old Department	New Department	Cost impact
COO – Staff Specialist I/II	CRO – Staff Specialist I/II	No impact same salary grade

## APPENDIX F - FTE FY25 Mid-Year

### FYE 2025 Mid-Year Proposed Full-Time Equivalent (FTE) Positions

**Table 1:** The positions listed in Table 1, below, constitute the entirety of authorized permanent full-time positions and division assignments at the designated classifications for Fiscal Year Ending (FYE) 2025 as shown in the first column. The FYE 25 column represents proposed changes to the designated classifications and/or division assignments (if any) which is reflected in the "difference" column. The total proposed staffing for FYE 2025 Mid Yr includes 9 additional FTEs bringing the total to 500 FTEs.

Division	Position Classification	Salary Range ID	FYE 25 APPROVED	FYE 25-Mid Yr PROPOSED	DIFF
<b>Administrative Resources</b>					
FY25 MidYr (Add/Del)	Director/Officer	156	1	1	
	Facilities Maintenance Worker	108	1	1	
	Manager	148	2	1	-1
	Senior Advanced Projects Advisor	148			
	Senior Executive Assistant	134	1	1	
	Senior Staff Specialist	138	1	1	
	Staff Specialist I/II	130/134	1	1	
FY25 MidYr (Add/Del)	Staff Specialist I/II	130/134	7	7	
	Supervising Staff Specialist	142	1	2	1
	Principal Staff Specialist	142			
<b>Administrative Resources Total</b>			15	15	
<b>Assessment, Inventory &amp; Modeling</b>					
FY25 MidYr (Add/Del)	Advanced Projects Advisor	144	2	1	-1
	Air Quality Engineer I/II	132/136	2	2	
	Air Quality Meteorologist I/II	131/135	1	1	
	Atmospheric Modeler	140	1	1	
	Director/Officer	156	1	1	
	Manager	148	2	2	
	Principal Air Quality Engineer	144	3	3	
FY25 MidYr (Add/Del)	Research Analyst	130	1	1	
	Senior Advanced Projects Advisor	148	2	2	
	Senior Air Quality Engineer	140	1	2	1
	Senior Atmospheric Modeler	144	1	1	
	Statistician	137	1	1	
<b>Assessment, Inventory &amp; Modeling Total</b>			18	18	
<b>Civil Rights:</b>					
FY25 MidYr (Add/Del)	Director/Officer	156		1	1
	Transfer in	Staff Specialist I/II	130/134	1	1
<b>Civil Rights Total</b>				2	+2
<b>Communications</b>					
Transfer out	Assistant Staff Specialist I/II	122/126	2	2	
	Director/Officer	156	1	1	
	Manager	148	1	1	
	Manager	148	1	1	
	Public Information Officer I/II	130/134	5	5	
	Staff Specialist I/II	130/134	1		-1
	Senior Public Information Officer	138	1	1	
<b>Communications Total</b>			12	11	-1
<b>Community Engagement</b>					
	Administrative Assistant I/II	114/118	1	1	
	Assistant Manager	147	1	1	
	Assistant Staff Specialist I/II	122/126	1	1	
	Director/Officer	156	1	1	
	Manager	148	2	2	
	Public Information Officer I/II	130/134	1	1	
	Senior Air Quality Engineer	140	1	1	
	Senior Staff Specialist	138	5	5	
	Staff Specialist I/II	130/134	4	4	
<b>Community Engagement Total</b>			17	17	
<b>Community Investments</b>					
FY25 MidYr (New)	Director/Officer	156		1	1
FY25 MidYr (New)	Supervising Staff Specialist	142		1	1
FY25 MidYr (New)	Assistant Staff Specialist I/II	122/126		1	1
<b>Community Investments Total</b>				3	+3

## APPENDIX F - FTE FY25 Mid-Year

Division	Position Classification	Salary Range ID	FYE 25 APPROVED	FYE 25-Mid Yr PROPOSED	DIFF
<b>Compliance &amp; Enforcement</b>					
	Administrative Assistant I/II	114/118	2	2	
	Air Quality Engineer I/II	132/136	1	1	
	Air Quality Specialist I/II	130/134	5	5	
	Air Quality Specialist I/II	130/134	44	44	
	Air Quality Technician I/II	122/126	6	6	
	Assistant Air Quality Specialist I/II	122/126	2	2	
	Director/Officer	156	1	1	
	Manager	148	5	5	
FY25 MidYr (Add/Del)	Principal Air Quality Engineer	144	2	3	1
	Radio/Telephone Operator	113	4	4	
	Senior Advanced Projects Advisor	148	1	1	
FY25 MidYr (Add/Del)	Senior Air Quality Engineer	140	3	2	-1
	Senior Air Quality Specialist	138	11	11	
	Senior Air Quality Technician	130	2	2	
	Supervising Air Quality Specialist	142	10	10	
<b>Compliance &amp; Enforcement Total</b>			99	99	
<b>Diversity, Equity &amp; Inclusion</b>					
	Director/Officer	156	1	1	
	Supervising Staff Specialist	142	1	1	
	Senior Staff Specialist	138	1	1	
	Staff Specialist I/II	130/134	1	1	
<b>Diversity, Equity &amp; Inclusion Total</b>			4	4	
<b>Engineering</b>					
	Administrative Assistant I/II	114/118	4	4	
	Air Quality Engineer I/II	132/136	21	21	
	Air Quality Permit Technician I/II	122/126	2	2	
	Air Quality Specialist I/II	130/134	4	4	
	Air Quality Technician I/II	122/126	5	5	
	Assistant Manager	147	1	1	
	Director/Officer	156	1	1	
	Manager	148	5	5	
	Principal Air Quality Engineer	144	5	5	
	Principal Air Quality Engineer	144	1	1	
	Senior Advanced Projects Advisor	148	1	1	
	Senior Air Quality Engineer	140	4	4	
	Senior Air Quality Engineer	140	9	9	
	Senior Air Quality Technician	130	1	1	
	Supervising Air Quality Engineer	144	12	12	
	Supervising Air Quality Specialist	142	1	1	
	Supervising Systems Analyst	139	1	1	
	Toxicologist	144	1	1	
<b>Engineering Total</b>			79	79	
<b>Enterprise Technology Solutions</b>					
Transfer in	Assistant Staff Specialist I/II	122/126		1	1
	Assistant Manager	147	3	3	
Transfer in	Manager	148	1	2	1
	Director/Officer	156	1	1	
	Systems Analyst	135	1	1	
	Supervising Systems Analyst	139	1	1	
	Systems Analyst	135	1	1	
	Web Master	135	1	1	
<b>Enterprise Technology Solutions Total</b>			9	11	+2
<b>Executive</b>					
	Administrative Assistant I/II	114/118	1	1	
	Clerk of the Boards	132	1	1	
	Deputy Air Pollution Control Officer	160	2	2	
	Deputy Executive Officer	169	5	5	
	Director/Officer	156	1	1	
	Executive Assistant I/II	128/132	3	3	
	Executive Officer/Air Pollution Control Officer	Contract	1	1	
	Manager	148	2	2	
	Principal Environmental Planner	142	1	1	
	Senior Advanced Projects Advisor	148	3	3	
	Senior Executive Assistant	134	3	3	
Transfer in	Senior Policy Advisor	148		1	1
<b>Executive Total</b>			23	24	1

# APPENDIX F - FTE FY25 Mid-Year

Division	Position Classification	Salary Range ID	FYE 25 APPROVED	FYE 25-Mid Yr PROPOSED	DIFF
<b>External Affairs</b>					
	Director/Officer	156	1	1	
	Assistant Staff Specialist I/II	122/126	1	1	
	Manager	148	1	1	
<b>External Affairs Total</b>			3	3	
<b>Finance</b>					
	Accountant I/II	130/134	5	5	
	Accounting Assistant I/II	122/126	4	4	
	Director/Officer	156	1	1	
	Fiscal Services Supervisor	142	1	1	
	Manager	148	3	3	
	Senior Payroll Analyst	138	1	1	
	Senior Staff Specialist	138	1	1	
	Staff Specialist I/II	130/134	1	1	
	Principal Human Resources Analyst	142	1	1	
<b>Finance Total</b>			18	18	
<b>Human Resources</b>					
	Director/Officer	156	1	1	
	Human Resources Technician II	122/126	1	1	
FY25 MidYr (Add/Del)	Human Resources Analyst I/II	130/134	1	2	1
	Manager	148	2	2	
	Principal Human Resources Analyst	142	1	1	
FY25 MidYr (Add/Del)	Senior Human Resources Analyst	138	4	3	-1
<b>Human Resources Total</b>			10	10	
<b>Information Service Operations</b>					
	Air Quality Specialist I/II	130/134	1	1	
	Assistant Air Quality Specialist I/II	122/126	1	1	
Transfer out	Assistant Staff Specialist I/II	122/126	1		-1
	Assistant Manager	147	1	1	
	Director/Officer	156	1	1	
Transfer out	Manager	148	3	2	-1
	Programmer Analyst I/II	127/131	1	1	
	Supervising Systems Analyst	139	2	2	
	Supervising Staff Specialist	142	1	1	
	Principal Cybersecurity Analyst	142	1	1	
	Systems Analyst	135	3	3	
<b>Information Service Operations Total</b>			16	14	-2
<b>General Counsel</b>					
	Assistant Counsel I/II		1	1	
	Assistant Counsel I/II	149/153	8	8	
	Counsel	Contract	1	1	
	Legal Office Services Specialist	124	1	1	
	Senior Assistant Counsel	157	2	2	
	Staff Specialist I/II	130/134	4	4	
<b>General Counsel Total</b>			17	17	
<b>Legislative</b>					
	Director/Officer	156	1	1	
	Staff Specialist I	130/134	1	1	
<b>Legislative Total</b>			2	2	
<b>Meteorology &amp; Measurement</b>					
	Advanced Projects Advisor	144	1	1	
	Air Quality Engineer I/II	132/136	3	3	
	Air Quality Laboratory Technician I/II	122/126	1	1	
	Air Quality Meteorologist I/II	131/135	2	2	
	Air Quality Chemist I/II	130/134	1	1	
Recalssification	Air Quality Specialist I/II	130/134	14	15	1
Recalssification	Assistant Air Quality Specialist I/II	122/126	5	4	-1
	Assistant Manager	147	1	1	
	Assistant Staff Specialist I/II	122/126	3	3	
	Director/Officer	156	1	1	
	Manager	148	6	6	
	Principal Air & Meteorological Monitoring Specialist	143	1	1	
	Principal Air Quality Chemist	142	3	3	
	Principal Air Quality Engineer	144	1	1	
	Principal Air Quality Meteorologist	143	1	1	
	Principal Air Quality Specialist	142	6	6	
	Senior Air Quality Chemist	138	1	1	

## APPENDIX F - FTE FY25 Mid-Year

Division	Position Classification	Salary Range ID	FYE 25 APPROVED	FYE 25-Mid Yr PROPOSED	DIFF
FY25 MidYr (New)	Senior Air Quality Engineer	140	2	2	
	Senior Air Quality Specialist	138	1	2	1
	Senior Air Quality Specialist	138	10	10	
	Staff Specialist I/II	130/134	1	1	
	Supervising Air Quality Engineer	144	1	1	
FY25 MidYr (New)	Supervising Air Quality Specialist	142	4	5	1
FY25 MidYr (New)	Principal Air Quality Specialist	142		1	1
	Systems Analyst	135	2	2	
<b>Meteorology &amp; Measurement Total</b>			<b>72</b>	<b>75</b>	<b>+3</b>
<b>Planning &amp; Climate Protection</b>					
FY25 MidYr (Add/Del)	Advanced Projects Advisor	144	1	1	
	Assistant Manager	147	2	1	-1
	Assistant Staff Specialist II	126	1	1	
	Director/Officer	156	1	1	
FY25 MidYr (Add/Del)	Environmental Planner I/II	130/134	3	3	
	Manager	148	2	3	1
	Principal Environmental Planner	142	3	3	
	Senior Advanced Projects Advisor	148	1	1	
	Senior Air Quality Engineer	140	1	1	
	Senior Air Quality Specialist	138	1	1	
	Senior Environmental Planner	138	4	4	
Transfer out	Senior Policy Advisor	148	1		-1
<b>Planning &amp; Climate Protection Total</b>			<b>21</b>	<b>20</b>	<b>-1</b>
<b>Rules</b>					
FY25 MidYr (Add/Del)	Assistant Manager	147	1	1	
	Director/Officer	156	1	1	
	Manager	148	1	1	
	Manager	148	1	1	
FY25 MidYr (Add/Del)	Senior Air Quality Engineer	140	4	3	-1
	Principal Air Quality Specialist	142	1	1	
FY25 MidYr (Add/Del)	Senior Air Quality Specialist	138	3	4	1
<b>Rules Total</b>			<b>12</b>	<b>12</b>	
<b>Strategic Incentives</b>					
FY25 MidYr (New)	Administrative Assistant I/II	114/118	1	1	
	Assistant Staff Specialist I/II	122/126	6	7	1
	Director/Officer	156	1	1	
	Manager	148	4	4	
FY25 MidYr (add/Del)/Trfr	Senior Staff Specialist	138	1		-1
FY25 MidYr (New)	Senior Staff Specialist	138	5	6	1
	Staff Specialist I/II	130/134	10	10	
	Principal Staff Specialist	142	1	1	
FY25 MidYr (New)	Supervising Staff Specialist	142	4	5	1
<b>Strategic Incentives Total</b>			<b>33</b>	<b>35</b>	<b>+2</b>
<b>Technology Implementation</b>					
	Assistant Staff Specialist I/II	122/126	2	2	
	Director/Officer	156	1	1	
	Manager	148	1	1	
	Senior Staff Specialist	138	2	2	
	Staff Specialist I/II	130/134	4	4	
	Supervising Staff Specialist	142	1	1	
<b>Technology Implementation Total</b>			<b>11</b>	<b>11</b>	
<b>Grand Total</b>			<b>491</b>	<b>500</b>	<b>+9</b>

## APPENDIX F - LTCE FY25 Mid-Year

### FYE 2025 Mid-year Proposed Limited Term Contract Employee (LTCE) Positions

**Table 2:** The positions listed in Table 2, below, constitute the entirety of limited term contract employee positions and division assignments at the designated classifications presented during fiscal year 2025 as shown in the FYE 25 APPROVED column. The FYE 25 Mid-Yr column represents proposed changes to the designated classifications and/or division assignments (if any) which is reflected in the “difference” column. The total proposed LTCE positions for the mid-year includes 3 additional positions as shown in FYE 25 Mid-Yr Proposed column.

Division	Position Classification	Salary Range ID	FYE 25 APPROVED	FYE 25 Mid-Yr PROPOSED	Difference
<b>Community Engagement</b>					
	Staff Specialist I/II	130/134	2	2	
<b>Community Engagement Total</b>			<b>2</b>	<b>2</b>	
<b>Community Investments</b>					
FY25 MidYr (New)	Senior Staff Specialist	138		1	1
FY25 MidYr (New)	Senior Staff Specialist	138		1	1
FY25 MidYr (New)	Assistant Staff Specialist I/II	122/126		1	1
<b>Community Investments Total</b>				<b>3</b>	<b>+3</b>
<b>Information Service Operations</b>					
	Systems Analyst	135	1	1	
<b>Information Service Operations Total</b>			<b>1</b>	<b>1</b>	
<b>Meteorology &amp; Measurement</b>					
	Air Quality Specialist I/II	130/134	1	1	
	Senior Air Quality Specialist	138	1	1	
<b>Meteorology &amp; Measurement Total</b>			<b>2</b>	<b>2</b>	
<b>Planning &amp; Climate Protection</b>					
	Environmental Planner	134	1	1	
	Senior Environmental Planner	138	2	2	
<b>Planning &amp; Climate Protection Total</b>			<b>3</b>	<b>3</b>	
<b>Rules</b>					
	Air Quality Specialist	130/134	2	2	
<b>Rules Total</b>			<b>2</b>	<b>2</b>	
<b>Technology Implementation</b>					
	Assistant Staff Specialist I/II	122/126	1	1	
	Staff Specialist I/II	130/134	2	2	
<b>Technology Implementation Total</b>			<b>3</b>	<b>3</b>	
<b>Strategic Incentives</b>					
	Principal Staff Specialist	142	1	1	
<b>Strategic Incentives Total</b>			<b>1</b>	<b>1</b>	
<b>Grand Total</b>			<b>14</b>	<b>17</b>	<b>+3</b>



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

AGENDA: 22

# Authorization of Fiscal Year Ending 2025 Mid-Year Budget and Staffing Adjustments

Board of Directors Meeting  
December 4, 2024

**Arsenio Mataka**  
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Equity and Community Programs  
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Deputy Executive Officer  
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# Requested Motion

This is an action item for the Board of Directors to consider approving the following Fiscal Year Ending (FYE) 2025 mid-year budget and staffing adjustments:

- Authorize the use of up to 9% of the Community Benefit penalty assessment funds for administrative costs to support the creation of the new Community Investment Office to implement the penalty policy and direct funds to impacted communities
- Authorize the use of Schedule X designated reserves to accelerate and improve the Community Air Monitoring Program in refinery communities
- Authorize the addition of three new Full Time Employees (FTEs) and three new Limited-Term Contract Employees (LTCEs) for the Community Investments Office; three new FTEs for Meteorology & Measurement; and three new FTE for Strategic Incentives, all funded by new revenue sources
- Authorize reclassify vacant positions and transfers to support organizational operations

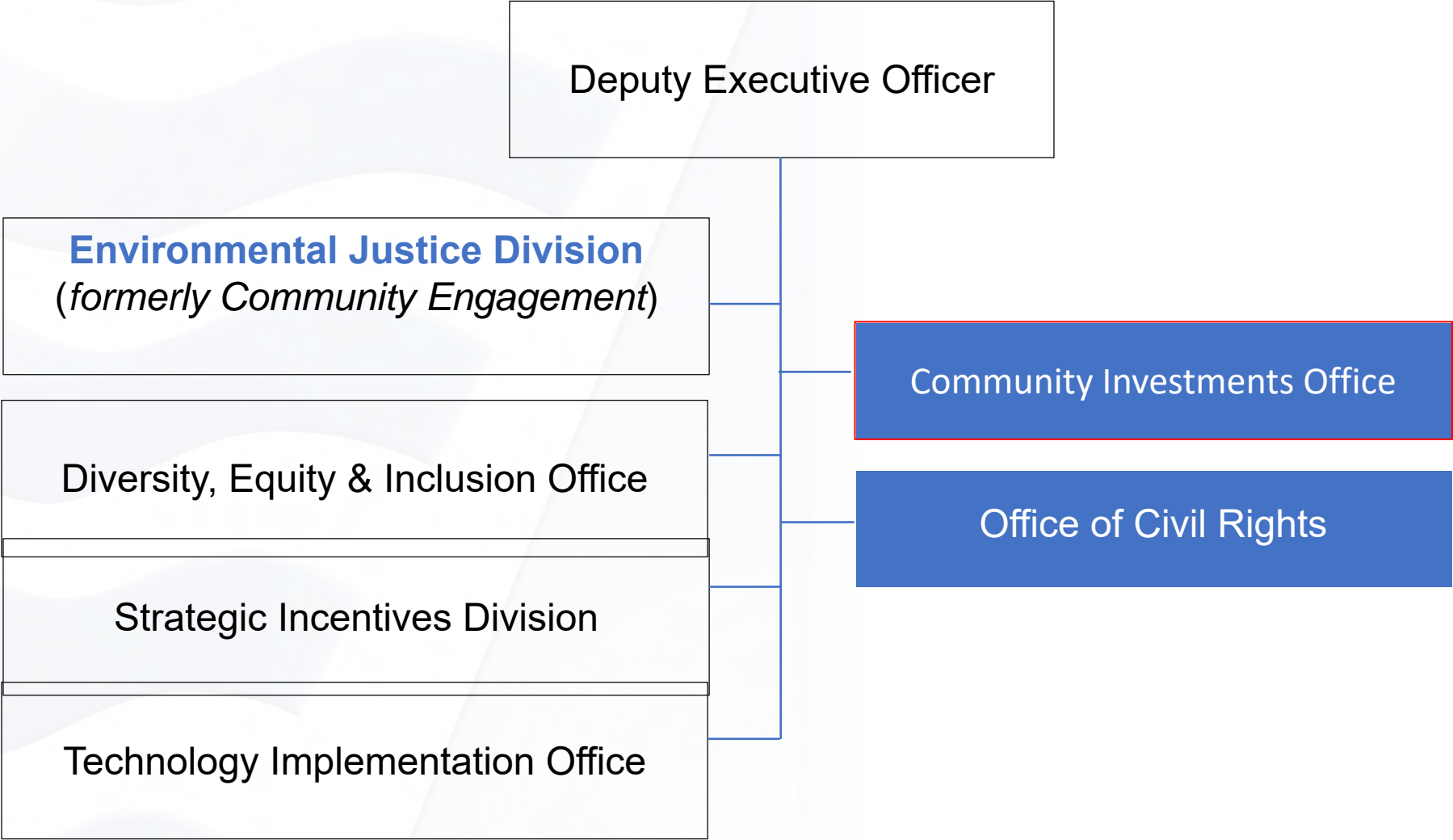


# Background

The Finance and Administration Committee recommends Board of Directors approve the following mid-year staffing adjustments to ensure the Air District can implement the strategies in the Strategic Plan and effectively manage key programs:

- **Community Investments Office:** Three new FTEs and Three Limited-Term Contract Employees (LTCEs) are requested to administer community reinvestment initiatives from penalty funds. These funds are sourced from penalties imposed on air quality violators and directed towards projects in impacted communities
- **Meteorology & Measurement Division:** Three new FTEs are requested to accelerate installation of regulatory-grade monitors in refinery communities and to improve the quality and usability of data from refinery-owned fenceline monitors. Funding will come from designated reserves that have been set aside for such monitoring programs, and then on an ongoing basis by permit fees (including fees collected under Schedule X)
- **Strategic Incentives Division:** Three new FTEs are requested to manage the increasing workload related to grant programs, which have grown to exceed \$80 million (M) annually. These positions will be funded by the allowable increase in administrative costs (from 6.25% to 12.5%) made available by a change to California Air Resources Board (CARB)'s program guidelines, starting in FYE 2025

# Equity and Community Programs: Organizational Restructure



# Community Investments Office – Staffing Request

## Why the Positions Are Needed:

The **Community Investments Office** is needed to manage over \$124 M in penalty funds, which per Board policy, must be invested in projects in impacted communities. These positions are critical to:

- Engage with local leaders, businesses, and community-based organizations to prioritize fund allocation
- Design programs that ensure that penalty funds are distributed effectively and align with community needs
- Manage the resulting programs and associated grants/contracts across multiple Bay Area communities

## Funding Source

- The requested positions will be funded by allocating up to 9% of the Community Benefit penalty assessment funds to cover administrative costs under the new Community Benefits Penalty Funds Policy

# Community Investment Office – Fund Amounts

- Projected admin funds sufficient to fund 3 FTEs and 3 LTCEs through at least 2033
- Does not include interest earned or expected additional penalty revenue
- Implements Strategies
  - 1.4 Reimagine Funding
  - 2.8 Community-Directed Funds

Available Funding Source	As of Nov. 14, 2024
Regional Community Benefit Fund	\$4,345,865
Local Benefit Funds	\$20,617,832
Other funds: Richmond Community Air Quality Fund*	\$20,000,000
Funds from recent settlement	\$79,150,000
<b>Total</b>	<b>\$124,113,697</b>
<b>9% Admin Funds (Estimated)</b>	<b>\$11,170,232</b>

## Assumptions:

\*Timing of funds is subject to initiation of projects expected to occur between 2025-2027

# Strategic Incentives Division – Staffing Request

## Why the Positions Are Needed:

The **Strategic Incentives Division** is experiencing significant growth in workload due to increased funding for grant programs, which now generate over \$80 M annually. The additional staff will:

- Manage the growing number of grants aimed at improving air quality through incentives for cleaner technologies
- Ensure compliance with increasing grant requirements and maximize the impact of the programs

## Funding Source:

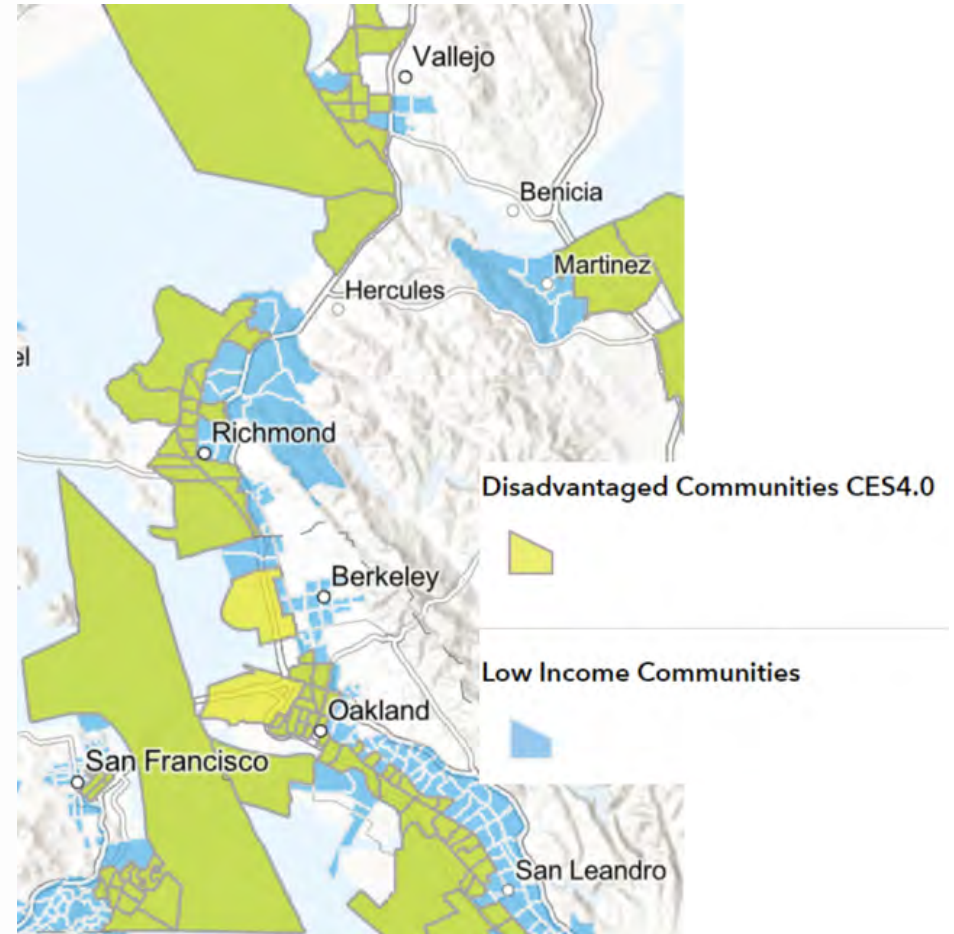
The new positions will be funded by an increase in allowable administrative costs due to a change to the California Air Resources Board's program guidelines, starting in FYE 2025. Maximum allowable administrative costs will increase **from 6.25% to 12.5%**, allowing for increased staffing to support the expanding portfolio



# Strategic Incentives Division (cont.)

Additional staff needed to:

- Oversee administration, reporting, and quality control for state grant programs
- Create and implement grant programs that align with community needs and Strategic Plan goals
- Develop and maintain a new data management system to ensure greater transparency in grant programs and results



# Meteorology & Measurement Division – Staffing Request

## Why the Positions Are Needed:

The **Meteorology & Measurement Division** is responsible for measuring ambient air quality, source testing of industrial sources to directly measure pollution, forecasting air quality and calling Spare the Air Days, and assessing and evaluating air quality data

Additional staffing is needed to meet commitments and community expectations for expanding the community air monitoring program in refinery communities, including improvement and oversight of fenceline monitoring systems operated by the refineries under Rule 12-15

## Funding Source:

These positions will be funded from designated reserves that have been set aside for the community air monitoring program, and then on an ongoing basis by permit fees (including fees collected under Schedule X) which are specifically allocated for such monitoring

# Refinery Community Monitoring

Proposed staff will accelerate the community air monitoring program, including refinery community monitoring and refinery fenceline monitoring, including the following:

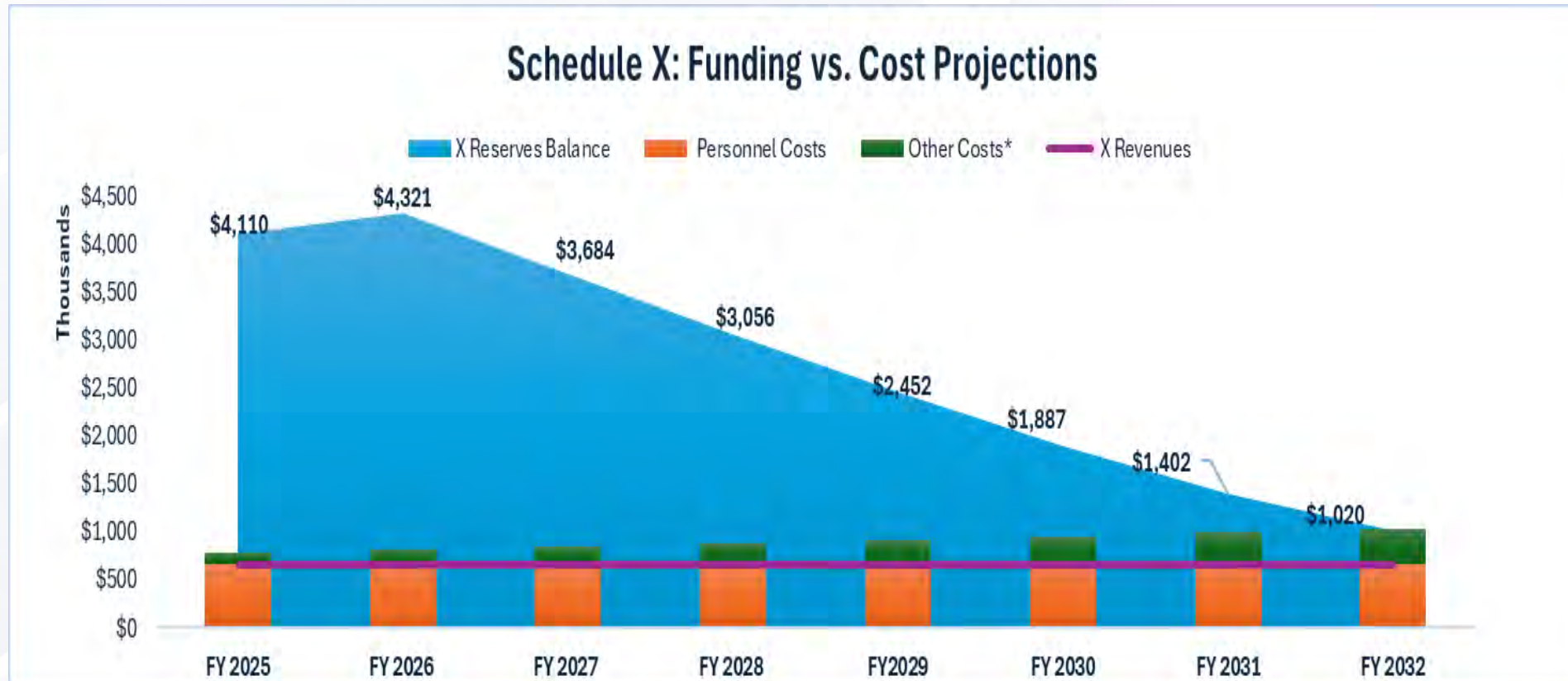
- Site development and construction of refinery community monitoring sites, including instrument testing
- Station operation, data review, quality assurance
- Evaluate new monitoring methods
- Review of fenceline plans and quality assurance project plans, track submitted reports and data, enforcement, rule development, external communications about fenceline air monitoring

Mid-year FYE25 budget request and staffing adjustment for three new permanent full time equivalent positions in the Meteorology and Measurement Division



# Community Air Monitoring Program

## Cost Impact using Schedule X to Accelerate and Enhance Monitoring Program



- Schedule X Reserve balance assumes the use of \$4.1 M from Schedule X Reserves (\$2 M remains in reserves for Capital Expenses)
- Personnel Cost Assumes funding new 3 FTES in the Meteorology & Measurements Division

# New Funding & Staffing Cost Considerations

Division	New FTE	Annual Cost	Funding Source
Community Investments	3	\$695,141	Admin Portion – Community Benefit Funds
Meteorology & Measurement	3	\$648,401	Designated Reserves - Schedule X Fees
Strategic Incentives	3	\$576,321	New CARB Guidelines – Admin Cost

**Total \$1,919,863**

Division	New LTCE	Annual Cost	Funding Source
Community Investments	3	\$555,584	Admin Portion – Community Benefit Funds

**Total \$555,584**

# Add & Delete Positions

Division	Old Position Title	New Position Title	Annual Cost
Administrative Resources	Senior Staff Specialist	Supervising Staff Specialist	\$20,737
Assessment Inventory & Modeling	Advanced Projects Advisor	Senior Air Quality Engineer	(\$21,774)
Compliance & Enforcement	Senior Air Quality Engineer	Principal Air Quality Engineer	\$21,774
Meteorology & Measurement	Assistant Air Quality Specialist	Air Quality Specialist	\$15,474
Human Resources	Senior Human Resources Analyst	Human Resources Analyst	(\$18,809)
Civil Rights Office	Manager	Officer	\$55,180
Planning & Climate Protection	Assistant Manager	Manager	\$6,409
Rules	Senior Air Quality Engineer	Senior Air Quality Specialist	(\$10,115)
Position	Division Transfer from	Division Transfer to	Annual Cost
Manager	Information Services Operations	Enterprise Technology Solutions	\$0
Assistant Staff Specialist	Information Services Operations	Enterprise Technology Solutions	\$0
Senior Policy Advisor	Planning & Climate Protection	Executive	\$0
Staff Specialist I/II	Communications	Civil Rights Office	\$0

\* The table has been updated to reflect staffing changes made subsequent to the Finance & Administration Committee meeting, leading to a \$10k decrease in cost savings

**Total \$68,876**

# Recommendation for Motion

Authorize FYE 2025 mid-year budget and staffing adjustments as follows:

- Authorize the use of up to 9% of the Community Benefit penalty assessment funds for administrative costs to support the creation of the new Community Investment Office to implement the penalty policy and direct funds to impacted communities
- Authorize the use of Schedule X designated reserves to accelerate and improve the Community Air Monitoring Program in refinery communities
- Authorize the addition of three new FTEs and three new Limited-Term Contract Employees (LTCEs) for the Community Investments Office; three new FTEs for Meteorology & Measurement; and three new FTE for Strategic Incentives, all funded by new revenue sources
- Authorize reclassify vacant positions and transfers to support organizational operations

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**Memorandum**

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Staff Update: Rule 9-6, Zero Nitrogen Oxides (NOx) Residential Water Heaters

**RECOMMENDED ACTION**

None; the Board will discuss but no action is requested at this time.

**BACKGROUND**

In March 2023, the Board of Directors adopted amendments to Regulation 9, Rule 4 and Regulation 9, Rule 6 (“building appliance rules”) which included zero nitrogen oxides (NOx) emissions standards starting in 2027, 2029, and 2031 depending upon the appliance type and size:

- January 1, 2027 for small water heaters (<75,000 BTU/hr.)
- January 1, 2029 for furnaces (residential and commercial, including direct vent units)
- January 1, 2031 for large water heaters (> 75,000 BTU/hr.) and natural gas tankless on-demand water heaters

Given the only zero NOx space and water heating appliances currently available are electric, rule implementation presents specific challenges regarding switching from natural gas to electric appliances. As part of rule adoption, the Board of Directors directed Air District staff to present an update two years prior to each compliance date regarding implementation challenges, especially focused on those raised by stakeholders during rulemaking, such as costs, workforce, market development, and equity issues. With this direction, staff coordinated and led a multi-stakeholder Implementation Working Group (IWG) from May 2023 through August 2024 to guide further research and facilitate public conversations regarding concerns and related topics.

**DISCUSSION**

This update will convey Air District staff’s current understanding of the implementation readiness of the zero NOx building appliances rules gathered through work with the IWG and other stakeholders, with an emphasis on Rule 9-6 (effective January 1, 2027). The IWG process included extensive stakeholder discussions and focused technical research regarding issues of public concern, challenges, and market developments. Special consideration was given to issues

related to supporting an equitable transition, including cost impacts and accessibility of financial and technical resources for low-and-moderate income building owners, as well as potential impacts on renters. This process – together with the rapidly changing market and policy space – generated significant new information, data, and findings that are included in this update. Key topics explored by the IWG include:

- Updated sales trends and public drivers pushing market development of heat pump water heaters;
- Regional workforce research and findings showing Bay Area contractor awareness and readiness;
- Heat pump water heater cost updates for average upfront costs as well as operational on-bill costs;
- Evaluation of challenging edge cases or installation types, as well as emerging and ongoing solutions;
- Permitting research, pilots, and best practices to simplify and expedite the installation of zero NOx water heaters;
- Research findings regarding potential housing impacts for renters; and
- Grid and reliability impacts.

Next steps in 2025 and 2026 to prepare for the January 2027 implementation of Rule 9-6 for small water heaters include to continue and grow robust key stakeholder engagement, to start a broad public education and outreach campaign, to make administrative changes to Rules 9-4 and 9-6 to secure United States Environmental Protection Agency State Implementation Plan Approval, and discuss regulatory concepts for addressing remaining challenges.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Idania Zamora  
Reviewed by: Wendy Goodfriend

#### ATTACHMENTS:

1. December 4, 2024 Board of Directors Rule 9-6 Update Staff Report
2. December 4, 2024 Board of Directors Rule 9-6 Update Presentation



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

## **STAFF REPORT**

### **Informational Update Regarding Regulation 9, Rule 6:**

**Nitrogen Oxides Emissions from Natural Gas-Fired Water Heaters less than  
75,000 BTU/hr**



**December 2024**

**Prepared By**

**Air District Staff Leads for the Implementation Working Group**

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## ACKNOWLEDGEMENTS

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Members of the 2023-2024 Implementation Working Group

## **STAFF REPORT**

### **Informational Update Regarding**

### **REGULATION 9, RULE 6: NITROGEN OXIDES EMISSIONS FROM NATURAL GAS-FIRED WATER HEATERS LESS THAN 75,000 BTU/HR**

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## ABBREVIATIONS AND ACRONYMS

<b>Acronym</b>	<b>Full Name</b>
Air District	Bay Area Air Quality Management District
BayREN	Bay Area Regional Energy Network
BTU	British Thermal Unit; measures heat and energy
CARB	California Air Resources Board
CAC	BAAQMD's Citizens Advisory Committee
CARE	California Alternate Rates for Energy
CBO	Community Based Organization
CCA	Community Choice Aggregation
CEC	California Energy Commission
CPUC	California Public Utilities Commission
DOE	U.S. Department of Energy
EPA	U.S. Environmental Protection Agency
EVSE	Electric Vehicle Supply Equipment
FHR	First Hour Rating
HEEHRA	High-Efficiency Electric Home Rebate Act program (Federally funded rebates)
HOMES	Home Owner Managing Energy Savings program (Federally funded rebates)
HP HVAC	Heat Pump Heating, Ventilation and Air Conditioning
HPWH	Heat Pump Water Heater
IRA	Inflation Reduction Act
IUI	Inclusive Utility Investment
IWG	Implementation Working Group
MCE	Marin Community Choice Energy
MF or MF Res	Multifamily Residential
NEIF	National Energy Improvement Fund
NGO	Non-Government Organization
PACE	Property Assessed Clean Energy
PCE	Peninsula Clean Energy
PG&E	Pacific Gas & Electric
PSPS	Public Safety Power Shutoff
ROG	Reactive Organic Gases
SCAQMD	South Coast Air Quality Management District
SF or SF res	Single Family Residential

SIP	State Implementation Plan
SVCE	Silicon Valley Clean Energy
TECH	TECH Clean California
TOBF	Tariffed On-Bill Financing

## I. EXECUTIVE SUMMARY

### Background and Purpose

In March 2023, the Bay Area Air Quality Management District (Air District) Board of Directors adopted amendments to Regulation 9, Rule 4 and Regulation 9, Rule 6 (“building appliance rules,” or “rules”) which included zero nitrogen oxides (NOx) emissions standards starting in 2027, 2029, and 2031 depending upon the appliance type and size (BTU/hr). Given that the only zero NOx space and water heating appliances currently available are electric, rule implementation presents specific challenges regarding switching from natural gas to electric appliances. Thus, the Board required that two years prior to each compliance date, Air District Staff (Staff) must provide updates to them regarding implementation challenges, especially focused on those raised by stakeholders during rulemaking—such as costs, workforce, market development, and equity issues.

With this direction, Staff coordinated and led a multi-stakeholder Implementation Working Group (IWG) from May 2023 through August 2024 to provide input on those topics for this informational update report, which is focused on the January 2027 implementation date for small water heaters less than 75,000 BTU/hr. These water heaters are tanked and typically 75 gallons or smaller; approximately 120,000 of these water heaters turn over in the Bay Area annually. Larger water heaters (> 75,000 BTU/hr) including natural gas tankless on-demand water heaters, are not covered by the rules until 2031. Summaries and key takeaways of the primary IWG topic areas are below, as well as broad discussion of next steps for future rule changes.

### Market Development

In the two years since the writing of the last Staff Report for the rule amendments, there have been significant developments in the fast-moving space of zero NOx water heaters, specifically heat pump water heaters (HPWH). In the Bay Area, local agencies including local jurisdictions, Bay Area Regional Energy Network (BayREN), and several Community Choice Aggregators (CCAs) began or continued to fund HPWH programs. These agencies also pursued a multitude of pilots and programs spanning whole-home electrification on 100 amps; green workforce development; HPWH permit streamlining; consideration of local ordinances encouraging planning and readiness; emergency replacement; and supporting easier access to electrification and incentives through concierge services and AI-powered mobile apps.

Statewide, programs such as TECH Clean California continued enrolling contractors (more than 1,000 statewide), incentivizing heat pump projects (over 35,000 deployed) and heat pump market development. The California Heat Pump Partnership was announced in 2023, along with commitments from major manufacturers and utilities, to get the State to its 6 million heat pumps by 2030 goal.

Nationally, sales of heat pump water heaters (HPWH) increased 35% in 2023. Though HPWHs are still a small share of new water heaters sold, federal IRA tax credits are just starting to be reflected in sales data and these numbers are expected to grow after Inflation Reduction Act (IRA) rebate program deployment. Some IRA rebate programs have already executed contracts and begun fund disbursement. In 2024, the US Department of Energy (DOE) passed new efficiency standards for electric water heaters with a 2029 compliance date that are expected to push further development of HPWHs nationally and increase HPWH sales from 3% to 50% of electric tanked water heaters.

## Grid and Reliability Impacts

Though often voiced by the public as a concern, new electrical loads resulting from the building appliance rules are highly unlikely to cause power outages. The large majority of power outages are not caused by load or bulk capacity issues, but are instead caused by physical impacts (downed trees, storms) or public safety power shutoffs (PSPS), which have been significantly reduced since 2019. There are already current and new (SB 410) requirements for utilities and the California Energy Commission (CEC) regarding grid planning for increasing loads, which will include added load from the building appliance rules. For the rare instances of bulk capacity issues (e.g. statewide Flex Alerts), HPWHs allow users to shift energy usage to off-peak hours, essentially using electricity and “storing” hot water during periods of lower electricity usage and prices. HPWHs are increasingly being used for demand response to help improve grid reliability.

At the appliance level, zero NOx and new NOx emitting gas water heaters have similar reliability in power outages. New gas water heaters will not operate without electricity, which is needed for fans and pilot lights. Tanked water heaters, including HPWHs, can stay hot for several hours during an electrical outage, especially when installed with a cold water mixing valve.

## Workforce

Workforce research shows positive signs for contractor availability and readiness. Based on national benchmarking, the Bay Area has equivalent levels of relevant contractors compared to the US average. Based on region-wide surveys, the majority of contractors are available to respond to emergency water heater failures within a couple days. A two-thirds majority of surveyed contractors were already aware of the building appliance rules and at least one category of applicable incentives, though slightly less than half of the surveyed contractors participated in incentive programs. Correspondingly, slightly less than one-third (29%) of surveyed contractors were planning on pursuing heat pump training for their firm or employees. Though overall positive, the workforce research points to some hiring challenges, as well as the need for more outreach, training and incentive program participation, especially for small independent contractors.

## Permitting

The Air District pursued research to evaluate how changes in local government building permitting requirements for zero NOx appliances could affect implementation timelines and costs, and to understand the current status of best practices in the Bay Area. Survey and interview results from eleven local governments of various sizes around the region showed that turnaround time for issuance of electric water heating appliance permits takes less than 3 days in most jurisdictions, and that most cities surveyed have a single permit for HPWHs. A growing number of local jurisdictions are pursuing best practices for HPWH permitting, informed by efforts from BayREN and TECH Clean California's Permitting Pilot, San Mateo County, and Silicon Valley Clean Energy (SVCE).

## Costs

Operational costs analyses conducted by our consultant E3 found that with the switch to HPWHs, households will either see utility bill savings or a very small monthly increase. Ninety-five percent of high usage customers (5,000 kWh or more annual usage before electrifying) see bill savings or no change in bills after switching to a HPWH. For low-use customers, approximately 35% of single-family (SF) and 60% of multi-family (MF) market-rate customers (those not receiving any low-income program discounts) experience a bill increase of around \$2 on average per month.

The average upfront incremental cost to install a zero NOx HPWH compared to a NOx emitting gas water heater is estimated to fall between \$1,840, and \$3,496, depending upon the baseline appliance (tanked and tankless vs. tanked only), before incentives. After incentives, including state and local rebates and \$2,000 federal tax credits, the purchase and installation costs for a HPWH can be less than those for a NOx emitting gas water heater and even zero cost for some low-income households. The current list of available incentives from the federal<sup>1</sup>, state and regional/local administrators<sup>2</sup>, however, are a snapshot in time; higher incremental costs for HPWHs point to the need for longer-term sources of funding for incentives, financing and other programs especially for low income households.

### Challenging Installation Cases

Variations across the building stock (i.e. existing space configurations, existing electric panel condition, amount of deferred maintenance) will result in some challenging installation cases. TECH program data for HPWH installations in the Bay Area from September 2024 shows costs ranging from \$2,900 to \$38,800, with the high end of costs representing the most challenging installation cases.

Complex electrical work and panel and utility service upsizing can result in additional costs as well as long timelines. 120-volt plug-in HPWHs can help solve the time and cost challenge of complex additional electrical work leading to cost savings for some homes. A “watt diet” or panel optimization strategies (low-voltage appliances; circuit pausing/sharing; smart panels) could be deployed in 32% and 59% of California’s single-family and multi-family homes, respectively, to avoid panel and service upsizing. Developing structured incentive and education programs can help increase implementation of these important strategies. Current and future California Public Utilities Commission (CPUC) proceedings will consider how to reduce service upgrade costs for single-family and multi-family building owners as well as how to improve Pacific Gas & Electric (PG&E) wait times for service upsizing. These proceedings are important as the current wait times will likely lead to service gaps in the rare cases where a service upgrade is required.

Modifications to address space constraint range in costs and can be additional to other installation measures. According to Palo Alto HPWH program data, added ventilation (air openings such as louvred doors) are mostly relatively low cost (average=\$208 and max=\$1,701), while other space constraint measures, especially relocation, can cost significantly more (average= \$1,287 and max= \$4,540). Emerging and lesser utilized technologies, such as electric on-demand tankless water heaters and split-system HPWHs (with an unattached, outside condenser/heat pump), are promising solutions to reduce cost for some challenging installation cases.

### Potential Housing Impacts

Research was conducted to increase understanding of the potential risks to residential tenants in the Bay Area from rule implementation. Fortunately, the cities with the highest concentration of renters also have the strongest renter protections. The policy analyses, however, confirmed that implementation of the building appliance rules could lead to capital cost pass-throughs and potential rent increases for some tenants. The amended rules could potentially lead to temporary evictions due to construction activities required to install zero NOx appliances (“substantial repair”), though this is a greater risk for furnace replacements compared to small water heaters. Continued stakeholder engagement,

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<sup>1</sup> <https://www.energy.gov/save/rebates>

<sup>2</sup> See Appendix A. *Installation Costs for Zero-NOx Space and Water Heating Appliances*



coordination, and research on the topic will be a key consideration for the next Implementation Working Group discussion cycle.

### **Conclusion and Next Steps**

Recommendations for the Air District to support rule implementation through advocacy for funding, research, engagement and coordination with relevant stakeholders including contractors, local and state agencies, energy service providers, and programs administrators are fully listed in **Section XI. D.** The section also touches broadly on the future process for upcoming rule changes that will consider:

- Alignment with other agencies that are developing similar rules, such as the South Coast Air Quality Management District (SCAQMD) and California Air Resources Board (CARB)
- Facilitating streamlined compliance
- Alignment with the California Department of Housing and Community Development on the definition of manufactured and mobile homes.
- Challenging installation cases, such as those that require modifications to address space constraints or additional electric service.

The Air District will pursue more targeted outreach and communication campaigns to diverse and relevant stakeholders starting in Q3 2025. Compliance and Enforcement Activities will begin in Q4 2025.

## II. INTRODUCTION AND BACKGROUND

### A. PURPOSE

In March of 2023, the Bay Area Air Quality Management District Board of Directors adopted amendments to Regulation 9, Rule 4 and Rule 6 which include first-of-their-kind zero NOx requirements for furnaces and water heaters installed in buildings. These rules will be referred to as “Rule 9-4”, “Rule 9-6”, individually, and as the “building appliance rules”, collectively, throughout the body of this report. These rules only apply to natural gas-fired water heaters and furnaces. . These rules do not apply to other appliances such as stoves and dryers. . These rules also do not apply to appliances that use a fuel other than natural gas, such as propane.

The building appliance rule amendments include three different dates after which newly manufactured natural gas-fired NOx-emitting appliances may not be sold in the Bay Area. These dates depend on the type and size of appliance. This timeline is as follows:

- January 1, 2027: water heaters less than 75,000 BTU/hr
- January 1, 2029: all applicable furnaces<sup>3</sup>
- January 1, 2031: water heaters between 75,000 BTU/hr and less than 2 million BTU/hr

The amended rules also include a requirement for Staff to report back to the Board of Directors two years prior to each zero NOx compliance date in the rules. Section 9-4-405 and 9-6-404 require the report to include information learned about the compliant technology options available and projected to be sold, installed or offered for sale, the projected costs of purchase and installation of such technologies, including applicable ancillary costs, any incentive programs available to reduce these costs, and infrastructure readiness associated with rule compliance.

The intent of the interim reporting requirement arose from a desire from Staff, the Board of Directors, and members of the Bay Area community to understand developments in technology options, market readiness, costs, equity considerations, and other factors leading up to the zero NOx implementation dates. This interim reporting requirement deadline was set for two years prior to the implementation dates to leave time for a rule amendment process if the Board of Directors determines that it is necessary based the information presented herein by Staff. This report is informational only and meets the requirement of providing an interim report for the January 1, 2027 zero-NOx requirement under 9-6-404.

### B. SCOPE

This report serves to fulfill the interim reporting requirement of Rule 9-6 (Section 9-6-404) associated with the zero NOx emissions standard for storage tank water heaters with a rated heat input rating of 75,000 BTU/hour or less set forth in Section 9-6-301.5. Therefore, this report focuses on the implementation of the zero NOx standard specifically for small, tanked water heaters that are typically found in residential settings. The body of this report serves to fulfill this requirement by compiling data, research, and other learnings that Air District Staff have gained since the publication of the final rule

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<sup>3</sup> Natural Gas-Fired Furnace is defined in Regulation 9, Rule 6 as: A furnace that utilizes single-phase, three-phase or direct current in conjunction with natural gas.

amendment Staff Report in March 2023. This includes the following contracted research conducted between March 2023 and October 2024:

- *Installation Costs for Zero-NOx Space and Water Heating Appliances*, Appendix A
- *Challenging Use Cases and Emerging Solutions for Zero-NOx Appliances*, Appendix B
- *Market and Sales Trends for Zero-NOx Appliances*, Appendix C
- *Permitting Requirements for Zero-NOx Appliances*, Appendix D
- *Grid Related Impacts on the Implementation of Rules 9-4 and 9-6*, Appendix E
- *Workforce Challenges for Zero-NOx Requirements*, Appendix F
- *Renter Protections Policy Landscape Summary and Recommendations*, Appendix G
- *Lived Experience Interviews with Renters Report 2024*, Appendix H

This report was additionally informed by discussions of the Implementation Working Group (IWG) that was convened by the Air District. The IWG members were key stakeholders and partners in this process, informing Staff's knowledge and thinking on the issues presented in this report. That being said, this report represents the Air District's understanding of relevant issues based on the contracted research and discussions with IWG and other stakeholders. The IWG did not co-author or review this report. Further information about the IWG process is contained in the next section.

Following the publishing of this report and its related public presentation and feedback from the community and Board of Directors, Staff will consider next steps. Possible next steps include consideration of further rule amendments which would follow a separate public rule development process. Therefore, this report does not contain explicit recommendations for further rule amendments.

Additional reports are planned to be presented to the Board of Directors in the coming years to comply with the interim reporting requirements associated with the emissions standards set forth in 9-4-301.3 and 9-6-303.5 for furnaces and water heaters greater than 75,000 BTU (including tankless water heaters), respectively.

### C. IMPLEMENTATION WORKING GROUP

The IWG began formally meeting in May 2023 to provide the Air District with information, insights, and strategies to support a smooth, accessible, and equitable technology transition and implementation of the building appliances rules. The IWG provided space for discussion of diverse ideas among members in a way that supported understanding, joint fact-finding, and surfacing potential recommendations on implementation.

The IWG was comprised of over 40 invited members representing a variety of stakeholder segments including environmental justice groups, community-based organizations (CBOs), subject matter experts in building energy, affordable housing development, and technology, local and regional government, labor and trade organizations, relevant state agencies, utilities, and CCAs. The full list of IWG members can be found at the Air District IWG website.<sup>4</sup>

To appropriately account for the broad range of topics, questions, and concerns related to the building appliance rules, the IWG included a Technical Subcommittee, an Equity Subcommittee, and a Steering

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<sup>4</sup> <https://www.baaqmd.gov/community-health/building-appliances-rule-implementation/building-appliances-implementation-working-group>

Committee. The subcommittees were organized to focus on technical or equity-related topics, respectively, while the Steering Committee helped prioritize the topics to be discussed at quarterly plenary meetings with the full IWG.

The IWG considered a variety of topics, including:

- market availability of zero NOx compliant appliances
- costs of purchase and installation of zero NOx compliant appliances
- technology, market, affordability, and accessibility barriers to meet the regulatory compliance deadlines adopted by the Air District Board of Directors, especially among lower income households and small businesses
- incentives, funding, and financing programs available to members of the Bay Area community, especially lower income households and small businesses
- potential infrastructure readiness associated with rule compliance
- potential interventions that may be needed for some populations to meet the regulatory deadlines
- equitable access to incentive and funding programs
- disparate impacts to different stakeholder groups (e.g. renters, homeowners, local governments, workforce, etc.)
- potential challenges and opportunities to equitably implement the rule amendments

Although the IWG was an advisory group and not a decision-making body, the Air District is committed to thoroughly consider the group's input and feedback in its implementation process and in its periodic reports to the Board. IWG discussion and recommendations are explicitly cited in this report, and many of the referenced information sources came from IWG discussion and consideration. As outlined in the IWG charter, the Air District retains its independent decision-making role in the rule implementation process.

## D. ENGAGEMENT PROCESS

The Air District has conducted a robust engagement process for the Building Appliances Rules implementation, with an initial focus on Rule 9-6. Since its inception, the IWG has held the following meetings:

- 6 IWG Plenary Meetings
- 5 Steering Committee Meetings
- 5 Equity Subcommittee Meetings
- 5 Technical Subcommittee Meetings

Though the IWG included community-based organizations, the Air District engaged with over 12 additional CBOs in individual meetings. In addition, Air District Staff presented on the IWG to the Community Advisory Council (CAC) and invited its members to join the Equity Subcommittee. The CAC advises the Air District on community-related matters to advance an equity-forward policy agenda. Following our invitation, three CAC members joined the Equity Subcommittee and participated in several Plenary and Equity Subcommittee meetings. Staff often invited these CAC members to follow-up discussions after IWG meetings. Based on their guidance, the Air District Staff conducted interviews with nine Bay Area renters to gather their lived experience regarding displacement risks, dealing with repairs and construction, utility costs, and in-unit health and comfort issues, among other related topics. These interviews are summarized in Appendix H. *Lived Experience Interviews Report 2024*.

Throughout this process, Air District Staff have met with State and local agencies as well as utilities, CCAs and non-governmental organizations (NGOs). Staff met monthly with CARB and SCAQMD to discuss their upcoming zero emission and zero NOx building appliance rules and coordinate on a range of technical and policy challenges, and periodically met with PG&E, CPUC, and CEC to discuss energy code, incentives, grid, and other important topics. The Air District team also met regularly with the CCAs to collaborate on implementation challenges such as outreach and emergency appliance replacement.

Lastly, Air District Staff have also participated in, and often presented at, numerous public events relevant to zero NOx appliance rule implementation including county and city electrification fairs, contractor education and workforce events, and forums on zero NOx rules, permitting, building electrification, sustainability, and climate resilience.

### III. BENEFITS OF THE RULES

The amended rules are expected to significantly reduce NOx emissions from covered building appliances. The baseline emissions from appliances covered by the rules currently emit more NOx emissions than passenger vehicles in the Bay Area. Nitrogen oxides are considered “criteria air pollutants”. They contribute to the formation of other air pollutants such as fine particulate matter (PM<sub>2.5</sub>) and ozone (O<sub>3</sub>). Nitrogen oxides are formed during combustion processes. Nitrogen and oxygen present in the ambient air react at the high temperatures of combustion to form nitric oxide (NO) and nitrogen dioxide (NO<sub>2</sub>), collectively referred to as NOx. These compounds can further react in the ambient air with other compounds in the presence of sunlight to form other air pollutants. Nitrogen oxides can form fine particulate matter when reacting with either ammonia to form ammonium nitrate (NH<sub>4</sub>NO<sub>3</sub>) or with sulfur dioxide to form ammonium sulfate ((NH<sub>4</sub>)<sub>2</sub>SO<sub>4</sub>), referred to as secondary particulate matter. Nitrogen oxides can also react with reactive organic gases (ROG) in the atmosphere to form ozone, a main component of smog.

Through the NOx reductions expected to be achieved through implementation of the zero-NOx requirements, the Bay Area will also experience ozone and secondary particulate matter formation reductions. These pollution reductions will assist in achieving ambient air quality standards and provide vital health benefits. Assuming electric appliances will be installed, implementation of the zero-NOx requirements will indirectly achieve greenhouse gas and primary particulate matter reduction as well.

#### A. PUBLIC HEALTH BENEFITS

The zero NOx requirements of the building appliance rules will result in reductions in NOx emissions and reductions in secondary PM<sub>2.5</sub> across the Bay Area. Reductions in total PM<sub>2.5</sub> attributable to the zero NOx requirements, including reductions in primary PM<sub>2.5</sub> from the adoption of electric appliances, will avoid an estimated 37 to 85 premature deaths per year and about 110 new cases of asthma each year. The societal costs of the health impacts from total PM<sub>2.5</sub> were estimated to be between 400 to 890 million U.S. dollars annually.

#### B. EMISSIONS REDUCTIONS

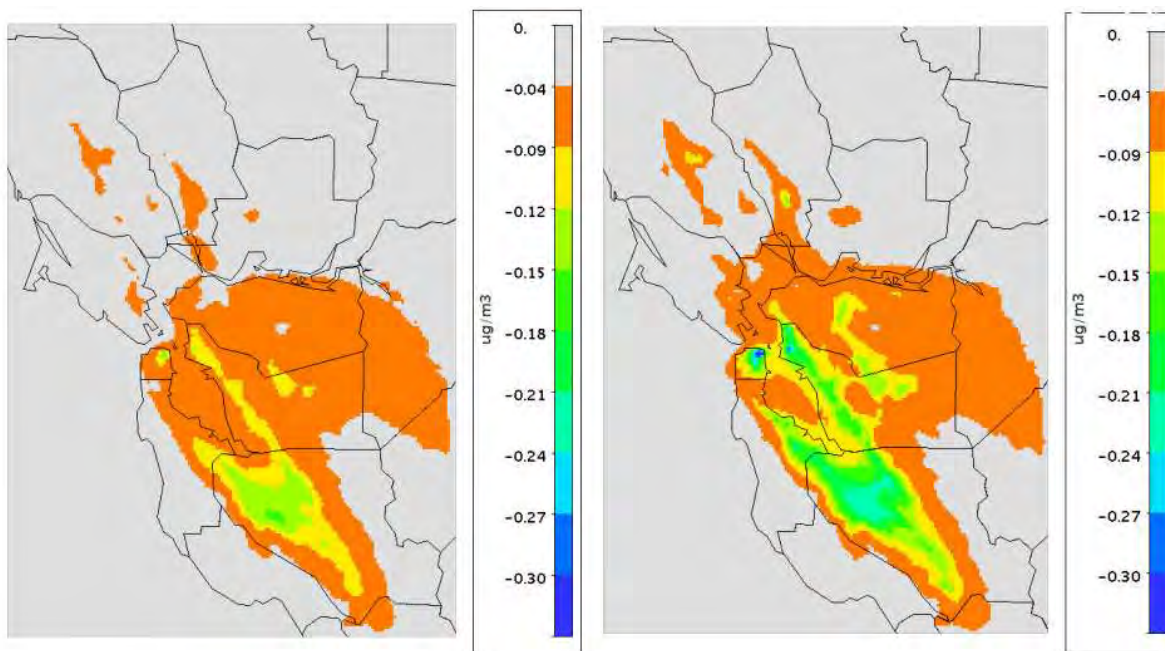
The zero NOx requirements of the building appliance rules are expected to have significant emissions reduction benefits. Resulting net NOx emissions reductions from full implementation are estimated to be 3,236 tons NOx per year. Atmospheric modeling assessments<sup>5</sup> performed by the Air District can be seen in Figure 1 below. The key findings of this analysis showed that NOx emissions from building appliances covered by the zero NOx requirements result in an annual average contribution between about 0.04 microgram per cubic meter (µg/m<sup>3</sup>) to 0.18 µg/m<sup>3</sup> of secondary PM<sub>2.5</sub> across most residential areas of the Bay Area. These emissions reductions are the result of decreased NOx emissions and therefore secondary PM formation. Additional emissions benefits may be seen if electric appliances are used to comply with the zero NOx requirements as emissions from natural gas-fired appliances also include primary, or directly emitted, PM<sub>2.5</sub>. The total annual average contribution to PM<sub>2.5</sub>, including both

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<sup>5</sup> BAAQMD, 2022. *Assessing Ambient Air Quality and Health Impacts from Natural Gas Building Appliances in the Bay Area: Supplemental Information for Proposed Amendments to Regulation 9, Rule 4 and Rule 6.*  
[https://www.baaqmd.gov/~/media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20221220\\_sr\\_appe\\_rg09040906-pdf.pdf?rev=d4b056153496491fad817c6d4a87df78&sc\\_lang=en](https://www.baaqmd.gov/~/media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20221220_sr_appe_rg09040906-pdf.pdf?rev=d4b056153496491fad817c6d4a87df78&sc_lang=en)

primary and secondary PM<sub>2.5</sub>, across most residential areas of the Bay Area varied between 0.10 µg/m<sup>3</sup> and 0.42 µg/m<sup>3</sup>.

**Figure 1: Secondary (left) and Total (right) PM<sub>2.5</sub> Contributions from Building Appliances in the Bay Area**



### C. HEALTH EQUITY IMPLICATIONS

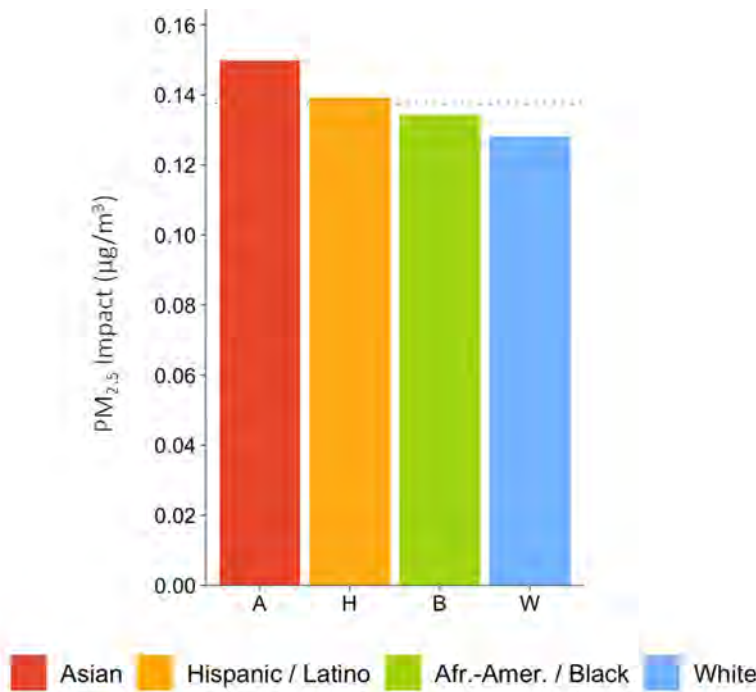
When applied to the population of the Bay Area, the emissions reductions mapped above and the related health benefits predominantly accrue to communities of color in the Bay Area, particularly the Asian/Pacific Islander population. Within individual counties<sup>6</sup>, the greatest modeled reductions in health impacts from PM<sub>2.5</sub> emissions are projected to benefit Hispanic/Latino, African-American/Black, or Asian/Pacific Islander residents, depending on the county. These communities have historically borne a disproportionate burden of air pollution and associated health impacts, making these reductions crucial for addressing longstanding environmental health disparities.

Figure 2, below, shows this modeled impact for the entire Bay Area. The dotted line on the chart indicates the average exposure level.

<sup>6</sup> BAAQMD, 2022. *Exposure and Equity Assessment of Natural Gas Appliances in the San Francisco Bay Area*. [https://www.baaqmd.gov/~media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20221220\\_sr\\_appf\\_rg09040906-pdf.pdf?rev=a6f1c065273243b99cfcf290a08fe74&sc\\_lang=en](https://www.baaqmd.gov/~media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20221220_sr_appf_rg09040906-pdf.pdf?rev=a6f1c065273243b99cfcf290a08fe74&sc_lang=en)



**Figure 2: Modeled Total PM<sub>2.5</sub> Impacts Attributed to Targeted Emissions from Space and Water Heating Appliances.**



This focus on delivering health benefits to impacted communities ties directly to the Air District’s broader commitment to equity, as outlined in its 2024-2029 Strategic Plan.<sup>7</sup> The plan highlights equity as one of the Air District’s six core values (see Figure 3 below) and emphasizes the need to prioritize air quality improvements in communities that have been marginalized or overburdened by pollution. These recently adopted rule amendments, which target reductions in PM<sub>2.5</sub> exposure in areas with higher concentrations of communities of color, serve as an important example of how the Air District is aligning its regulatory efforts with its equity-driven mission.

**Figure 3: The Six Core Values Identified in the Air District’s 2024-2029 Strategic Plan**

### CORE VALUES



<sup>7</sup> BAAQMD, 2024. *Bay Area Air Quality Management District 2024-2029 Strategic Plan*. [https://www.baaqmd.gov/~media/files/strategic-plan/2024\\_2029-strategic-plan\\_final\\_090424-pdf.pdf?rev=4432bd55a4e84f55b8ead3dea4355b2e&sc\\_lang=en](https://www.baaqmd.gov/~media/files/strategic-plan/2024_2029-strategic-plan_final_090424-pdf.pdf?rev=4432bd55a4e84f55b8ead3dea4355b2e&sc_lang=en)



## IV. POTENTIAL HOUSING IMPACTS

A key issue raised by stakeholders during the rulemaking process was the potential impact that implementation of the building appliance rules could have on renters in residential buildings. Depending on the level of work required to comply with the building appliance rules, tenants may be required to vacate units or experience other disruptions during appliance installation, in particular if there are construction activities required. They could also experience rent increases or pass-through costs to cover the expenses. These experiences can have significant negative effects on renter households, including displacement, eviction, stress, and economic hardship, particularly for lower income tenants with fewer housing options, families with children, the elderly, and other vulnerable groups.

### A. WHAT WE LEARNED

The Air District commissioned Arup to conduct research to increase the understanding of how the building appliance rules could impact housing and tenancy-related issues. Specifically, Arup examined whether and where policy mechanisms are in place that could protect renters from either rent increases or evictions as an indirect result of rule implementation. Specifically, they asked the following questions:



Arup first conducted a detailed assessment of existing state and local renter protection policies, and then collected and analyzed other relevant data (e.g. census data by county) to illustrate the geographic relationship between those policies and demographic data from various local governments within the Air District’s jurisdiction (e.g. density of renters). They then developed a set of recommendations to address key issues and potential policy gaps identified through the assessment. For brevity, this summary excludes references to deed-restricted affordable housing, which was determined to strictly regulate allowable rent increases and evictions; however, this issue is discussed in Appendix G. *Renter Protections Policy Landscape Summary*.

To augment the desktop policy research described above, the Air District also engaged directly with Bay Area community members to learn about their experiences living in various types of rental housing. The Air District leveraged multiple channels, such as by sending invitations to existing community-based organization partners and grantees, and by sharing the opportunity with other groups working on related issues, to recruit individuals willing to share their stories through structured interviews. Stipends were offered to interviewees, along with in-language interpretation in Spanish as needed. A total of nine 45-minute interviews were conducted with renters from San Francisco, Marin, Alameda, and Santa Clara counties, which covered topics such as their experience with evictions, displacement, disruptions, and harassment; appliances, repairs, and construction; utility costs; health; education and awareness about energy programs. The full report with more detail and key takeaways can be found in Appendix H. *Lived Experience Interviews Report 2024*.

## 1. RENTER PROTECTION LAWS – LOCAL AND STATE

As part of the policy assessment, Arup identified two main aspects of renter protection laws most relevant to implementation of the zero NOx requirements: rent stabilization (sometimes also referred to as rent control, which limits how much rent can be increased each year) and eviction protections. These types of policies can be found in slightly different forms across various municipalities, creating a complex patchwork of local policies.

All jurisdictions are subject to The California Tenant Protection Act of 2019 (AB 1482) which caps rent increases at 5% plus inflation and applies just cause eviction protections to multi-family properties over 15 years old throughout the state through 2030. Most local rent stabilization policies include stronger rent increase percentage caps and do not have expiration dates; similarly, most local just cause eviction policies do not have expirations. If a unit is covered by a local eviction and/or rent increase regulation, the stronger policy applies. Generally, AB 1482 is less protective than what is typically found in cities with local renter protection ordinances in the Bay Area.

The study also highlighted the issue of pass-through costs and the “substantial repair” clause in local policies as key to understanding how implementation of the building appliance rules could impact renters financially, specifically as noted below:

- Most local policies allow pass-through costs of capital improvements when they are required for compliance reasons, but landlords must petition local agencies to legally pass these costs on to renters. In most cases, these approved pass-through costs exceed existing rent caps, although some cities have established a separate explicit cap for increases related to capital improvements or other maintenance costs.
- Under state and local renter protection policies, the “substantial repair” clause (noted above) can be used to initiate a no fault, just cause eviction. Substantial repair is generally defined as repairs 1) needed to bring the unit into code compliance, 2) that cannot be done with tenants safely living in the unit, and 3) that require a permit from the local permitting agency.

### **Key Policy Terms**

*“Just cause” eviction protections limit the reasons for which landlords can evict tenants or refuse to renew their leases. Within just cause policies, allowable reasons fall into two types of categories:*

1. **At-fault:** Reason for eviction is based on the tenant’s actions (like breaking the law or health and safety violations) or non-compliance with lease terms (like not paying rent, causing damage, or refusing to leave when lease expires).
2. **No-fault:** Landlords may legally evict tenants (at “no fault” of theirs) for limited and specific reasons (i.e. if the landlord or their dependent plans to move in, if they are doing substantial repairs or renovations, or if they want to remove the property from the rental market).
  - In these cases, the tenant may be entitled to certain benefits, such as relocation assistance.
  - In the context of rule implementation, only no-fault evictions are relevant as “substantial repairs” needed to install zero NOx appliances could trigger temporary evictions.

Therefore, based on the current analysis and understanding, implementation of the building appliance rules poses some risks to renters. Specifically, compliance costs can be passed through to renters, and depending on the conditions of a given rental property, implementation could result in landlords using

the substantial repair clause to evict tenants if the project scope is significantly increased by a need to make additional building modifications to install the compliant appliance.

These challenges are complicated by a lack of data and transparency regarding how renter protection laws are enforced as local and state laws are enforced through complaints, for example, if a tenant objects to a rent increase or eviction if they believe a landlord is not following these laws. It is difficult to assess how strongly local and state policies are followed and how frequently tenants' rights are violated. San Francisco is the only jurisdiction in the Bay Area with a housing tenant right to counsel, which makes it more likely that tenants can assert their rights if violated.

## 2. POTENTIAL SOLUTIONS TO REDUCE RENTER IMPACTS

When considering these issues, it is important to acknowledge that housing security in California is a complex and dynamic topic and cannot be viewed or addressed solely within the context of the building appliance rules. However, in designing and implementing these new policies, stakeholders can work to minimize and mitigate any negative impacts on tenants.

Based on findings from the policy assessment, Arup put forward recommended actions and opportunities to further support renters in the implementation of the building appliance rules:

- Strengthening tenant protections:
  - Add specific language to AB 1482 to limit rent increases and/or pass throughs related to zero NOx appliance replacements.
  - Improve policy enforcement, data collection, and tracking of pass-throughs and evictions due to construction activities at the local and state levels.
  - Increase resources to proactively provide clear and culturally accessible tenant rights education and support services to renter populations.
- Eviction protections:
  - When substantial repair is invoked and tenant relocation is necessary, expand relocation assistance programs for displaced tenants.
  - Increase resources to provide greater local and state oversight to focus on renovictions (i.e. when construction activities are used to harass tenants).
- Pass throughs:
  - Local governments that provide oversight on local renter issues could consider opportunities to limit pass throughs from certain upgrades, including zero NOx appliance replacements.
  - Clarify that end-of-life equipment replacements for services already provided (i.e. heat and hot water) should be treated as regular operations & maintenance costs, not capital improvements.

### **Sample quotes from Lived Experience Interviews**

*"I am aware of rebates, for switching from gas to electric appliances. My landlord has not taken the measure yet, but he is interested in changing from gas to electric...My landlord should be the one to take care of figuring out the switch."*

*"[The water heater] works, but I don't like it because it's gas and very old. I don't feel safe."*

*"Disposable income needs to be considered with this trend (electrification), and tenants might not be able to afford the transition. It needs to be affordable."*

*"I didn't have a contract and it was an informal agreement. Many people like to rent without a formal contract, because sometimes the requirements are a lot, especially for Latinos. I have experienced housing discrimination for being Latino."*

- Enhance efforts to engage with residential landlords to increase their knowledge of, and participation in, financial incentive programs to reduce overall implementation costs and related pass through amounts.

Arup also provided recommended next steps and areas for further research, including:

- Interview legal service providers, tenant representation organizations, and others to gain more insight regarding how different local renter protection policies (e.g. ‘right to return’ ordinances, relocation assistance and eviction protections, pass throughs and rent stabilization) are implemented “on the ground,” and how they interact with one another, to identify specific ways to strengthen tenant protections for different types of building upgrades, including zero NOx appliance installations.
- Perform further research regarding if and how zero NOx appliance replacements apply to the “substantial repair” clause, and explore if changes could be made in those laws to minimize tenant displacement.
- Compile and make available local government examples of relevant renter protection policy approaches. Continue multi-agency coordination and information sharing between the Air District, SCAQMD, and CARB regarding the potential impacts of appliance rules on renters and identify implementable next steps, key partners, and timelines.

## V. CHALLENGING INSTALLATION CASES AND EMERGING SOLUTIONS

While average costs<sup>8</sup> and timelines for zero NOx heat pump water heaters are understood, some existing conditions and policies can lead to challenging “edge-cases” with significantly greater costs and longer timelines. Challenging cases include installations with space constraints; electric panel upsizing; electric utility service upsizing or energization; and emergency replacements. According to TECH Clean CA September 2024 data, purchase and installation costs for SF HPWH projects in the nine-county Bay Area range from \$2,900 to \$38,800.

This section summarizes the growing understanding of challenging edge cases in the Bay Area while also acknowledging that the exact extent and parameters for predicting all edge cases and resulting additional costs or timelines are unknown. This section also considers new developments and potential solutions that have progressed since the writing of the Regulation 9, Rule 4 and Rule 6 Staff Report in late 2022. Technology advancements and pilots, as well as new legislation, proceedings, and policies will be discussed and highlighted as they relate to the known challenges.

### A. WHAT WE LEARNED

Palo Alto’s HPWH program considered a “standard” installation as one that has adequate space to install the HPWH, with 25’ or less of electrical conduit run and easy drainage. The program found that only 20% of projects met the standard installation definition; 80% of projects needed additional work and thus additional charges, which the program covered up to \$1,000.<sup>9</sup> Of the 80% of projects needing additional

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<sup>8</sup> See Table 1: Small Water Heaters Upfront and Incremental Costs Summary of this report

measures, approximately one third of projects had more than \$1,500 of additional charges and slightly less than half had less than \$800 of additional charges.

Palo Alto's initial program data suggests that overall, approximately 3 out of 20 projects required additional work and charges greater than \$1,500, for measures addressing space constraints, conduit/electrical work and/or drainage.<sup>10</sup>

## 1. SPACE CONSTRAINTS

HPWHs inherently need more space due to ventilation requirements and larger tanks (standard guidelines recommend upsizing 10-15 gallons, compared to a NOx-emitting gas water heater, to offset HPWH slower recharge times). In homes where the existing enclosure is small without adequate ventilation space (e.g. interior closets), installation requires additional measures, including potential relocation to another part of the home and/or other work that can add significant costs. For further discussion on this challenge, please see Appendix B. *Challenging Use Cases and Emerging Solutions for Zero-NOx Appliances*.

Given the diversity of the Bay Area building stock and individual nature of existing water heater locations, estimating the extent of this challenge is difficult. California field studies of 120V HPWH installations found space constraints were the biggest reason for site rejections (sites where program administrators did not install projects), with 35 out of 121 sites (28%) rejected due to space constraints.<sup>11</sup> Given the objective of the study was to avoid upgrades typically associated with fuel switching, the project did not pursue any additional measures, and only added venting to one project site.<sup>12</sup>

Between March 2023 to July 2024, in Palo Alto's comprehensive HPWH replacement program, out of 311 projects the following number of program projects were likely impacted by space constraints:

- 36 projects (12%) required some space reconfiguration work
- 14 projects (5%) requiring work by a carpenter (though some measures were minor adjustments, e.g. removal and reinstallation of doors and frames)
- 65 projects (21%) needed ventilation measures

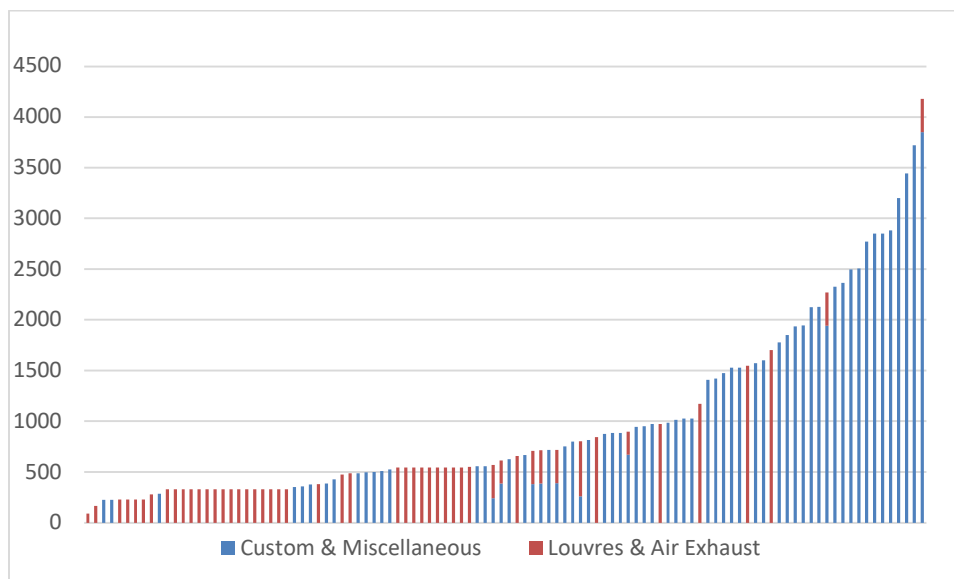
Additional costs from these measures, including carpentry, ranged from \$89 to \$3,850 per measure; the average additional costs from space constraints per project was \$998 with a median of \$620. Higher average vs. median costs indicated that a few high-priced outliers are pulling average costs up; to see further data spread, please see Figure 4 below.

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<sup>11</sup> [https://newbuildings.org/wp-content/uploads/2023/07/PlugInHeatPumpWaterHeaterFieldStudyFindingsAndMarketCommercializationRecommendations\\_NB1202308.pdf](https://newbuildings.org/wp-content/uploads/2023/07/PlugInHeatPumpWaterHeaterFieldStudyFindingsAndMarketCommercializationRecommendations_NB1202308.pdf)

<sup>12</sup> Based on conversation with study authors, September 2024.

**Figure 4: Palo Alto HPWH Program: Additional Space Constraint Costs for Space Reconfiguration, Carpentry, and Ventilation Measures**



Source: Data provided by Palo Alto Utilities staff, September 2024.

Note that the above referenced costs are *additional* costs to address space constraints only. As discussed earlier, Palo Alto also included two other categories of additional costs in its program (electrical/conduit and drainage).

Although the Air District currently has limited data on how often building conditions and space constraint caused additional costs for HPWH installations, more comprehensive datasets estimating triggers and likely costs of space constraints throughout the Bay Area are expected soon from separate research coming from CARB, CCAs, as well as from BayREN in 2025.

## 2. PANEL UPSIZING

In June 2024, UCLA released a multi-year study<sup>13</sup> providing a better understanding of the extent of smaller electrical panels in existing buildings in California, and what percentage can be expected to require upsizing to achieve comprehensive electrification. Statewide, 3% of SF homes had panels smaller than 100 amps and 10% of MF homes had panels smaller than 60 amps (per dwelling unit) which will most likely require upsizing for electrification. In disadvantaged communities (DACs), the number of SF homes with panels smaller than 100 amps is disproportionately higher at 8%. Study results show that 32% of SF and 59% of MF homes in California have panels of intermediate size (100 amps for SF, 60 amps for MF) and will likely require load management and panel optimization (to be discussed in the next subsection B. Ongoing Strategies and Path Forward) to support comprehensive electrification.

In the Bay Area, these numbers correspond with data suggesting that 44% of existing SF homes currently have electrical panels of 200 amps and above, which should support electrification without panel upsizing.

<sup>13</sup> <https://www.sciencedirect.com/science/article/pii/S0301421524002581>



Note that many of these estimates are looking at *comprehensive* electrification of *all* appliances and end-uses. Given that the 2027 Rule 9-6 compliance date is solely focused on small water heaters, it's important to note that heat pump/resistance water heaters ranked fourth (out of 5) for end-use types that would likely trigger electrical panel upsizing. Table 4 shows the factors that influenced this ranking, such as typical equipment size and required circuit breaker size ranges. Discussion with members of the IWG, including electrification experts, concluded that 80 amp panels would be sufficient for solely the electrification of the water and space heating for most SF houses. One IWG member who is a service provider noted that in their work with thousands of homes across California, no home they had ever worked with needed a panel upgrade solely to install a HWP.

**Table 1: Ranked List of Electric Appliances That Will Likely Drive Service Panel Upsizing**

Rank	End-Use Energy Service Category	Electric Appliance Technology Category	Typical Equipment Size Range	Required Circuit Breaker Size Range *
1	Electric Vehicle Charging	Level-2 Electric Vehicle Fast Chargers	3.3–20 kW Peak Power Rating	15–100 Amps at 240-V
2	Cooking	Induction Cooktops and Ranges	7.2–12 kW Peak Power Rating	30–50 Amps at 240-V
3	Heating, Ventilation, and Air Conditioning	Centrally Ducted/Mini-Split Heat Pump HVAC Systems	1–7 Tons (12,000–84,000 BTU)	15–125 Amps at 120/240-V
4	Water Heating	Heat-Pump/Resistance Based Water Heaters	10–100 Gallon Tank Capacity	10–30 Amps at 120/240-V
5	Clothes Drying	Heat-Pump/Resistance Based Clothes Dryers	1.5–9.0 ft <sup>3</sup> Drum Capacity	15–30 Amps at 120/240-V

\* Quoted amperage ratings include NEC required margins of safety which must be applied to the sizing of breakers used for continuous loads with backup equipment.

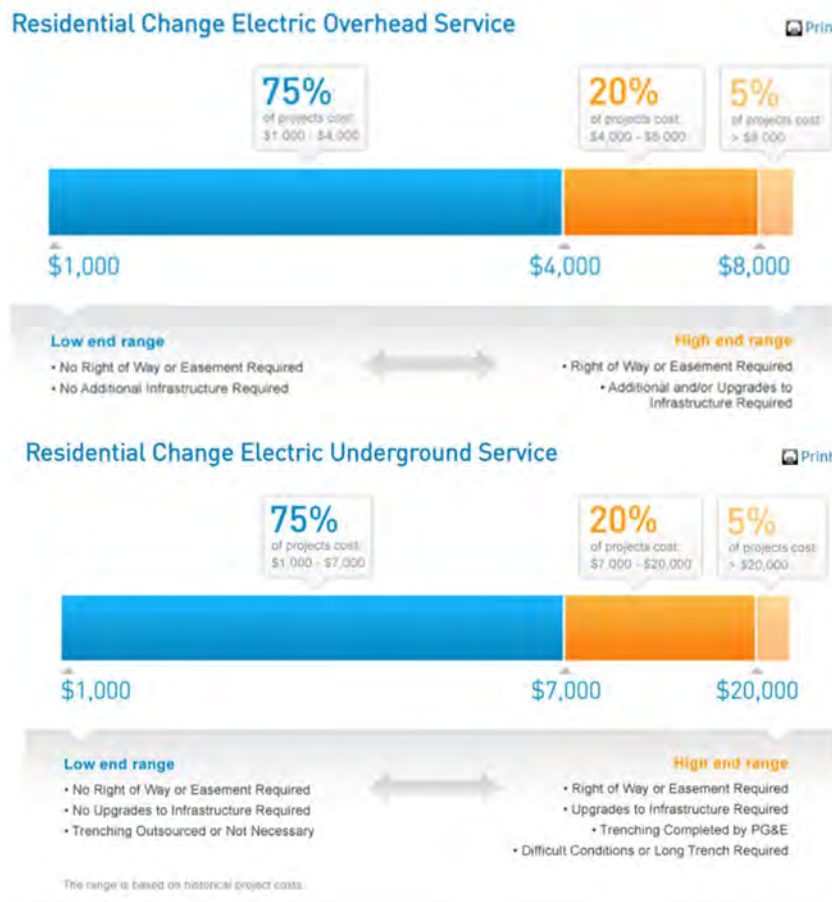
Source: *Quantifying the electric service panel capacities of California's residential buildings*<sup>14</sup>

### 3. ELECTRIC UTILITY SERVICE UPSIZING: COSTS AND TIMELINE

For the small number of homes that may need to upsize their electrical panels, some may also require utility service upsizing (also referred to as energization) from PG&E. For costs, the current PG&E Rules 15 and 16 allow PG&E customers \$3,255 in customer credits for each project; thus, for less costly projects the full customer cost may be covered by the allowance. However, historically 25% of overhead service upgrade projects have cost greater than \$4,000, with costs for underground service upgrades even higher, as illustrated in Figure 5.

<sup>14</sup> <https://www.sciencedirect.com/science/article/pii/S0301421524002581>

**Figure 5: Typical Costs for PG&E Overhead and Underground Service Upsizing**



Source: pge.com. Accessed January 2024.

The Powering Up Californians Act (SB 410), passed in October 2023, requires the CPUC to establish reasonable average and maximum target energization time periods, as well as reporting requirements so that investor-owned utility energization can be tracked and improved. SB 410 also required detailed analysis of the utility's current and future qualified staffing levels for each job classification and a subsequent adequate pipeline of apprentices where applicable. These actions aim to improve some of the root causes of slow PG&E service upgrade work.

In September 2024, the CPUC concluded Phase I of the Energization proceeding (R.24-01-018) and approved a decision setting energization targets and timelines, including interim steps in the energization process. The target average vs. maximum timelines approved are 10 and 45 days for application decision; 30 and 45 days for panel upsizing; and 182 days on average and a maximum target



of 306-357 days for standard energization depending on whether the line upgrade/extension goes from the secondary transformer to the meter (Rule 16) or to the substation (Rule 15).<sup>15</sup>

Capacity upsizing requiring new or upgraded circuits and/or substations will range from 684 to 3,242 days. Capacity planning is discussed further in **Section IX. Grid and Reliability Impacts**.

Though the CPUC targets and timelines for energization represent an improvement from the status quo, the resulting timeframes may still cause delays in projects and gaps in service for households that need panel upsizing and PG&E service upsizing.

Overall, the approved CPUC decision for Phase I of the Energization proceeding represents a first step. With required bi-annual reporting that must detail reasons and analyses for any energization projects that exceed the prescribed targets (e.g. staffing, equipment availability, funding), as well as required Customer Engagement Plans, the CPUC proceedings and processes aim to track and improve utility energization services over the long run. Phase II of the Energization proceeding is expected to kick off sometime early 2025.

#### 4. EMERGENCY REPLACEMENT AND GAPS IN SERVICE

Anywhere from seventy-five to ninety percent of water heater replacements in California only happen upon failure of the existing appliance.<sup>16</sup> Unlike a like-for-like replacement, upgrading to a zero NOx water heater may necessitate additional work as discussed—such as a higher voltage socket for standard 240-volt HPWHs; ventilation; drainage; and/or appliance relocation—and thus different contractors and different permitting requirements as detailed in **Section VII. Permitting**. Given that many building owners do not pre-plan for water heater replacement, this work could take weeks. This lag time can result in a gap in hot water service. For further detailed discussion, please see Appendix B.

## B. ONGOING STRATEGIES AND PATH FORWARD

### 1. TECHNOLOGIES AND MEASURES FOR SPACE CONSTRAINTS

Technologies to address space constraints are now available on the market and increasingly utilized.

Split-system HPWHs are HPWHs where the compressor and tank storage unit are unattached, which allows the tank to fit in smaller spaces; they do, however, require outside access for the outdoor compressor. As of the writing of this report, Energy Star lists 16 records for split-system HPWHs from three different manufacturers.<sup>17</sup> The EmberH20 is an additional split-system HPWH model, manufactured by Embertec, which has recently passed certifications. The EmberH20 was specifically designed to fit in manufactured/mobile home utility closets and be a “plug-and-play” option at 120 volts.<sup>18</sup> Based on conversation with this manufacturer, they expect to begin US distribution and sales early 2025 with suggested retail prices ranging from \$2,250-2,600. For further discussion on split-system HPWHs, including contractor interview discussion regarding successful installation of SANCO2 brand mini-split HPWHs in multifamily buildings, see Appendix B.

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<sup>15</sup> <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/transportation-electrification/energization/fact-sheet-energization-091224.pdf>

<sup>16</sup> [Emergency Replacement Heat Pump Water Heater Market Study | ETCC \(etcc-ca.com\)](#)

<sup>17</sup> <https://www.energystar.gov/productfinder/product/certified-heat-pump-water-heaters/>

<sup>18</sup> <https://embertec.com/heat-pump-water-heater/>

Though the majority of zero NOx water heating projects will likely be HPWHs due to better energy efficiency and resulting bill savings, electric on-demand tankless water heaters also offer zero NOx water heating. Bill increases from using electric on-demand tankless water heaters will be less significant for smaller households with low hot water demand, and upfront costs may also be lower compared to HPWHs given the lack of condensate/drainage needs and ventilation requirements. With no storage tank, on-demand electric resistance water heaters are much smaller than tanked water heaters, with multiple manufacturers offering models at US major retailers.<sup>19</sup> For further discussion on upfront retail costs, please see the section *On-Demand (Tankless) Electric Hot Water Heater Upfront Costs* in Appendix A. *Installation Costs for Zero-NOx Space and Water Heating Appliances*.

For ventilation requirements, if a location in the manufacturer-recommended sized room is not possible due to existing building conditions, then the installer can increase the supply of air through strategies such as air return grilles, louvered doors, exhaust ducts, wall grilles, and structures to create forced convection without a duct.

## 2. MINIMIZING ELECTRICAL WORK NEEDED AND PANEL UPSIZING

### 120V Plug-in HPWHs

Energy Star lists 68 records<sup>20</sup> of 120-volt integrated HPWHs in the US market, and there are now two major manufacturers (A.O. Smith and Rheem) who provide their offerings directly at US major retailers. These models are designed to be “plug and play” to reduce cost and complexity of installation in comparison with a standard 240-volt HPWH.

In July 2023, the Advanced Water Heating Initiative released a study of 120-volt integrated HPWH installations in California.<sup>21</sup> Study results showed cost savings between \$800 and \$15,000 per household compared to installations of 240-volt HPWH, mostly due to simplified or avoided electrical upgrades. The study also highlighted that the contractors found the 120-volt HPWHs faster to install. These water heaters also draw very low amperage: while rated at 15 amps, monitoring showed they only drew 4-6 amps of current. The study concluded that though the standard 240V HPWH has small performance advantages, the 120V plug-in models can meet the needs of the majority of homes that are less than 2,000 square feet with households of four or less people.

It is important to note there were IWG discussions and anecdotes about 120V HPWH installed by Bay Area contractors only to be rejected by local permitting due to California Plumbing Code [501.1 (2)]. This points to the need for careful installer attention to first hour rating (FHR) requirements and manufacturer specifications, but also points to improvements that could be made through code amendments and manufacturer efforts. According to IWG discussion and members:

- 501.1 (2) needs updating to reflect new technologies such as 120V HPWHs and California’s predominance of water-saving fixtures/appliances that would likely lower household FHR needs;

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<sup>19</sup> <https://www.homedepot.com/b/Plumbing-Water-Heaters-Tankless-Water-Heaters-Tankless-Electric-Water-Heaters/N-5yc1vZc1ty>

<https://wholesalewaterheater.com/collections/tankless-instant-electric-water-heaters>

<sup>20</sup> <https://www.energystar.gov/productfinder/product/certified-heat-pump-water-heaters/>. Accessed September 2024

<sup>21</sup> [https://newbuildings.org/wp-content/uploads/2023/07/PlugInHeatPumpWaterHeaterFieldStudyFindingsAndMarketCommercializationRecommendations\\_NB1202308.pdf](https://newbuildings.org/wp-content/uploads/2023/07/PlugInHeatPumpWaterHeaterFieldStudyFindingsAndMarketCommercializationRecommendations_NB1202308.pdf)

- Many of the manufacturer guidelines assume a storage temperature of 120 degrees and does not include resulting FHR for high temperatures (e.g. 140 degrees). However, 120V HPWHs can store water at a higher temperature due to an integrated mixing valve, which would increase the FHR of these appliances.
- The amount of hot water use is dependent on the number of occupants rather than the number of bedrooms and bathrooms as currently written in 501.1 (2).

### Panel Optimization Strategies (or “Watt Diet”)

Overall, low-amperage appliances such as 120V HPWHs are just one of the three main categories of “watt diet” or panel optimization strategies that allows for households to electrify on less than the modern “standard” of 200-amp panels. Other strategies include circuit sharing or circuit splitting/pausing (e.g. sharing a single circuit between a HPWH and EV charger), as well as smart panels.<sup>22</sup> Multiple local case studies of SF homes fully electrifying on 100-amp panels have been published, demonstrating the strategies in practice and individual cost-savings realized.<sup>23</sup> Multiple guidelines exist to support homeowners in utilizing these strategies.<sup>24</sup> There are also forthcoming projects funded by CalNEXT<sup>25</sup> and the CEC<sup>26</sup> to provide tools to homeowners and contractors to help them plan electric equipment installations without a panel upgrade.

Panel optimization strategies would benefit from further socialization and support to facilitate wide-spread adoption. Many homeowners and contractors are unfamiliar with these strategies, pointing to the need for consumer and contractor education. The Air District will highlight educational resources encouraging panel optimization where applicable in its outreach and education. Panel optimization strategies save homeowners, utilities, and ratepayers money by decreasing panel and grid upsizing costs. However, there are currently few incentive programs actively funding these technologies. Incentive programs should offer subsidies for load management before offering subsidies for panel upsizing, and ratepayer funds should incentivize power efficiency, similarly to how California has long provided energy efficiency funding. For further recommendations on accelerating the progress and normalization of watt diet/panel optimization strategies, see SPUR’s report *Solving the Panel Puzzle*.<sup>27</sup>

### 3. ASSIST HOUSEHOLDS WITH UTILITY SERVICE UPSIZING COSTS

Rate-basing or spreading the costs between all PG&E customers for service upsizing for electrification will decrease the upfront cost burden for individual homeowners. In July 2024, the CPUC opened Phase 4 of the Building Decarbonization proceeding (R.19-01-011). Among other questions, the proceeding requested consideration for assistance to under-resourced customers for electric line extension or upsizing, and ways to prevent unnecessary service line upsizing. PG&E’s comment letters, dated August

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<sup>22</sup> Market Study of Household Electric Infrastructure Upgrade Alternatives for Electrification. [https://calnext.com/wp-content/uploads/2023/12/ET22SWE0057\\_Market-Study-of-Electric-Infrastructure-Upgrade-Alternatives-for-Electrification\\_Final-Report.pdf](https://calnext.com/wp-content/uploads/2023/12/ET22SWE0057_Market-Study-of-Electric-Infrastructure-Upgrade-Alternatives-for-Electrification_Final-Report.pdf). December 2023

<sup>23</sup> <https://www.smcsustainability.org/energy-water/decarbonizing-homes/cost-plans/>. See examples from East Palo Alto; Half Moon Bay; Pescadero; Redwood City Town Home; Redwood City Ranch; San Bruno; and San Mateo.

<sup>24</sup> <https://www.peninsulacleanenergy.com/wp-content/uploads/2024/07/Design-guidelines-for-home-electrification-v051724.pdf>

<https://homes.rewiringamerica.org/articles/electrical-panel/how-to-electrify-home-100-amp>

<sup>25</sup> [https://calnext.com/wp-content/uploads/2024/09/ET23SWE0021\\_Residential-Electrical-Service-Upgrade-Decision-Tool\\_Final-Report.pdf](https://calnext.com/wp-content/uploads/2024/09/ET23SWE0021_Residential-Electrical-Service-Upgrade-Decision-Tool_Final-Report.pdf)

<sup>26</sup> <https://www.energy.ca.gov/solicitations/2023-12/gfo-23-303-decision-tool-electrify-homes-limited-electrical-panel-capacity>

<sup>27</sup> [https://www.spur.org/sites/default/files/2024-05/SPUR\\_Solving\\_the\\_Panel\\_Puzzle.pdf](https://www.spur.org/sites/default/files/2024-05/SPUR_Solving_the_Panel_Puzzle.pdf)

7th<sup>28</sup> and August 19th<sup>29</sup>, affirm its support for assisting PG&E customers with the upfront costs associated with building electrification-related service upsizing. These letters suggest that CPUC should consider limiting this support to service upsizing projects of 200 amps or lower, rather than limiting it solely to under-resourced or low-income households. If CPUC accepts and approves this recommendation, it would open up support for market-rate SF and MF building owners.

Though the proceeding will take months to reach a final decision, it lays out a first step in potentially reducing utility service upsizing costs for individual homeowners. Socializing or rate-basing the costs of electric utility service upsizing would also need to include panel optimization to minimize the number of service upgrade or energization projects and the resulting costs to rate payers statewide. A CPUC decision is expected by early 2025 with any major rule changes likely coming into effect by the summer.

#### **4. EMERGENCY REPLACEMENT LOANERS AND OPPORTUNITIES FOR FASTER INSTALLATION**

Statewide pilots have shown the success of programs providing a temporary loaner water heater until the work required for a full HPWH installation is completed.<sup>30</sup> In the Bay Area, there are currently two emergency replacement programs in effect through the City of Palo Alto<sup>31</sup> and MCE<sup>32</sup>, and upcoming pilots from Peninsula Clean Energy (PCE) and SVCE. Though these programs are not available region-wide, PCE has mentioned that the structure of the current pilot allows “adders”—thus, expansion of the current contract and programmatic terms for other entities and their service areas (e.g. other CCAs, municipal utilities, etc.) which would speed up procurement and simplify administrative effort.

IWG discussion also brought up new experimental ideas for loaner programs using heat pumps on a temporary basis until electrical upgrades and permanent installation (for example, a 240V HPWH in 400 Watt heat pump mode on a temporary 500-1500W step-up transformer plugged into a 120V outlet). This would also be a “loaner” program, but potentially less work-intensive than installing and un-installing a temporary gas or 120V electric water heater.

IWG discussion also pointed to potential opportunities to speed up installations. The California State Licensing Board (CLSB) allows for contractors with C20-HVAC and C36-Plumbing licenses to self-perform any incidental electrical work required to accommodate the installation of a HPWH, although this does not include an electrical service panel upgrade or replacement. Thus, expanding contractor education and clarifying local permitting requirements could reduce the total number of contractors needed for a project resulting in faster installation times, especially for 120V HPWHs. Further clarification would be needed on definitions of “incidental electrical work,” specific training needs for C20 and C36 contractors, and city permitting requirements.

For further discussion on streamlining permitting, see **Section VII. Permitting**.

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<sup>28</sup> Microsoft Word - R.19-01-011\_PGE Opening Comments on Phase 4 Scoping Memo\_8-7-24.docx (ca.gov)

<sup>29</sup> Microsoft Word - R.19-01-011\_PGE Reply Comments on Phase 4 Scoping Memo & Staff Proposal\_8-19-24.docx (ca.gov)

<sup>30</sup> <https://www.etcc-ca.com/reports/emergency-replacement-heat-pump-water-heater-market-study>  
<https://techcleanca.com/quick-start-grants/2021-quick-start-grant-recipients/barnett-plumbing/>

<sup>31</sup> [New! One Call Does It All During a Water Heater Emergency – City of Palo Alto, CA](#)

<sup>32</sup> <https://mcecleanenergy.org/mce-launches-emergency-water-heater-loaner-program/>

## 5. ENCOURAGE PRE-PLANNING AND READINESS

Most water heaters last between 8-12 years.<sup>33</sup> Though many building owners do not typically pre-plan for water heater replacement, the rules present opportunities to encourage pre-planning and readiness—especially for homes that currently do not have sufficient electrical home infrastructure, such as an electrical outlet near the water heater.

Local governments can consider adopting reach codes that can encourage planning and readiness, such as Piedmont’s menu-style of options including panel readiness.<sup>34</sup> A similar, more targeted proposed ordinance from Mountain View was released October 2024.<sup>35</sup> The basic structure for such codes could include requiring that any applications for an electrical panel upgrade must include capacity in the panel to accommodate future zero NOx appliances or electrification of all appliances. More targeted policies could focus on pre-wiring for both space and water heating when reaching a remodeling threshold, such as 50% of total home square footage.

Pre-wiring often makes sense when there is already an electrician onsite for other work, and/or at time of home sale. Becker’s SB 382 *Notice to Homebuyers* (sponsored by the Air District and passed in 2024) requires real estate agents to provide disclosure to homebuyers, advising them to inspect the home’s electrical system and informing them of any applicable regional laws that would impact appliance replacements.

The Air District will provide education and outreach on the upcoming rules to residents and building owners, and work with partners on education regarding preplanning and electrification readiness. The IWG discussed preplanning resources for individual homeowners<sup>36</sup>, as well as broader possible strategies and partners to encourage readiness and preplanning. This discussion covered:

### Partnering with:

- Contractors including solar and electric vehicle charging infrastructure (EVSE)
- Retailers
- CBOs
- CCAs
- Cities and Counties
- Developers and Realtors

### Prioritizing:

- Areas with underground lines
- Homes with water heater closets and no garages
- Water heaters older than 10 years

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<sup>33</sup> [https://svcleanenergy.org/wp-content/uploads/2020/02/HPWH\\_Basics\\_edit.pdf](https://svcleanenergy.org/wp-content/uploads/2020/02/HPWH_Basics_edit.pdf)

<sup>34</sup> [Reach Code Information - City of Piedmont \(ca.gov\)](#)

<sup>35</sup> Mountain View proposed ordinance language <https://mountainview.legistar.com/gateway.aspx?M=F&ID=db7e3554-95e1-44f3-8652-1fec21c5cfa5.pdf>

City Council report: <https://mountainview.legistr.com/gateway.aspx?M=F&ID=0c9df77c-62cf-4ba7-b466-d49e2855fc05.pdf>

<sup>36</sup> <https://homes.rewiringamerica.org/personal-electrification-planner>

<https://www.quitcarbon.com/>

<https://electrifymyhome.com/no-visit-energy-assessment/>

More specific IWG discussion on encouraging readiness and preplanning for multi-family buildings focused additionally on partnering with technical assistance providers; local governments (Housing Authority, Planning, Permitting, Rent Boards); and tenant organizations. IWG members agreed that the priority should be the largest MF buildings; MF buildings that are sole service for a transformer; and affordable housing. MF strategies should not only encompass education but also technical assistance and planning, as well as financial support.

## VI. COST UPDATES

The only compliant technologies with zero NOx emissions for water heaters less than 75,000 BTU/hour that are currently available in the market are electric. Given the price of electricity, as well as installation complexities and resulting costs, many members of the public and other stakeholders have expressed concern regarding the upfront costs as well as ongoing operational costs and utility bill impacts of complying with the rules. The following section, compared to the previous Staff Report, will provide an updated and more detailed understanding of the average and median costs as well as options to support residents with upfront costs, such as incentives and financing; and expected utility bills and key factors. For further details, please see Appendix A. *Installation Costs for zero NOx Space and Water Heating Appliances*.

For a discussion on project types and factors that would likely push projects beyond average costs, please see Appendix B. *Challenging Use Cases and Emerging Solutions for Zero-NOx Appliances*.

### C. WHAT WE LEARNED

#### 1. OPERATIONAL COSTS

##### Modeled Bill Impacts

As part of the January 2024 costs summary study for Appendix A, the energy and economics consulting firm E3 ran an analysis of the billing impacts from switching to a HPWH. This analysis was based on 1,500 East Bay customers and used monthly customer data provided by Ava Community Energy and models from CEC-funded research.<sup>37</sup> Given that by 2027, PG&E will have implemented the Income Graduated Fixed Charge (IGFC) approved by the CPUC in mid-2024<sup>38</sup>, the analysis was updated to include the IGFC in September 2024.

The E3 analyses found that 95% of high-usage customers have either bill savings or no change to their bills after switching to a HPWH. As Table 3 shows, approximately 35% of (single family residential (SF Res) and 60% of multi-family residential (MF Res) non-CARE, low electricity use customers see a bill increase of around \$2 on average per month. The CARE and E-ELECT programs are described in the next section.

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<sup>37</sup> [https://www.ethree.com/wp-content/uploads/2023/12/E3\\_Benefit-Cost-Analysis-of-Targeted-Electrification-and-Gas-Decommissioning-in-California.pdf](https://www.ethree.com/wp-content/uploads/2023/12/E3_Benefit-Cost-Analysis-of-Targeted-Electrification-and-Gas-Decommissioning-in-California.pdf)

<sup>38</sup> <https://www.utilitydive.com/news/california-puc-approves-income-based-fixed-charge/715748/>  
<https://www.publicadvocates.cpuc.ca.gov/-/media/cal-advocates-website/files/press-room/press-releases-and-statements/240509-public-advocates-office-press-release-cpuc-flat-rate-decision.pdf>



**Table 2: Zero NOx Water Heating Bill Impacts with Income Graduated Fixed Charge**

Usage	Sector	Customer	% Customers who Switch to E-ELEC	Bill Impact	% Customers	Avg \$/Month
Low	SF Res	CARE	8%	Increase	12%	\$1.33
				Decrease	88%	-\$8.28
		Non-CARE	10%	Increase	34%	\$1.73
				Decrease	66%	-\$7.51
	MF Res	CARE	13%	Increase	10%	\$1.33
				Decrease	90%	-\$7.89
		Non-CARE	18%	Increase	59%	\$2.09
				Decrease	41%	-\$7.65
High	SF Res	CARE	62%	Increase	4%	\$1.50
				Decrease	96%	-\$15.38
		Non-CARE	64%	Increase	5%	\$1.71
				Decrease	95%	-\$32.97
	MF Res	CARE	48%	Increase	7%	\$1.42
				Decrease	93%	-\$16.58
		Non-CARE	76%	Increase	3%	\$1.24
				Decrease	97%	-\$27.59

Source: Appendix A

**Factors Impacting Bill Savings**

Some key factors can impact bill savings for individual customers. As shown in Table 3 the CARE bill discount program provides a larger discount on electric bills than on gas bills, which supports greater bill savings for CARE customers who switch to electric appliances.<sup>39</sup> PG&E's E-ELEC rate, a newly designed tariff to support electrification, will structurally benefit larger electricity users but also supports some low electricity users. Approximately 48 to 76 percent of high electricity users and 8 to 18 percent of low electricity users would save more from switching to E-ELEC with their switch to HPWHs. If these customers remained on their existing tariffs post-electrification, they would experience either bill increases or less bill savings. Thus, for maximized bill benefits, it is key that households switch to the appropriate rate and discount program if eligible. For further discussion, please see Appendix A.

**Future Rates**

Relative savings from switching from a NOx-emitting natural gas appliance to a HPWH are dependent on two factors: electricity and natural gas prices. Forecasting conducted by the CEC shows that future gas rates will increase significantly, with recent models capped at 8% annual growth in future gas rates,<sup>40</sup> and

<sup>39</sup> CARE is a monthly discount of 20% or more on gas and electricity, which participants can qualify for by meeting income guidelines or enrolling in public assistance programs (e.g. SNAP, CalFresh). <https://www.pge.com/en/account/rate-plans/find-your-best-rate-plan/electric-home.html>

<sup>40</sup> <https://www.energy.ca.gov/programs-and-topics/programs/building-energy-efficiency-standards/2025-building-energy-efficiency> see 2025 Energy Code Accounting Report



with some households having monthly bills as high as \$600 by 2050.<sup>41</sup> However, given large increases in PG&E electricity rates in 2024<sup>42</sup> due to undergrounding lines, wildfire safety and resiliency, future electricity price increases may pose a risk to the operational cost savings of electric appliances.

## 2. UPFRONT COSTS

### Average Incremental Costs

The Air District commissioned a study through Rincon to analyze upfront purchase and installation costs for Bay Area HPWHs using incentive data from multiple programs and administrators across the region that was unavailable prior to 2023. Data points for HPWH projects were over four thousand. However, data to calculate upfront costs for new, NOx-emitting natural gas water heating projects were far fewer. Given that some of the data for NOx-emitting natural gas water heaters lacked detail, with one dataset including tanked as well as tankless, and a smaller dataset involving only tanked storage, the study assumed two average upfront costs (\$5,231 and \$3,575). Thus, the incremental cost to install a zero NOx HPWH instead of a NOx-emitting gas water heater is estimated to fall between \$1,840 and \$3,496, on average, as shown further in Table 1 below.

**Table 3: Small Water Heaters Upfront and Incremental Costs Summary**

NOx-emitting Type	End User	NOx-emitting Average Upfront Cost	Zero NOx Average Upfront Cost	Incremental Cost
Tanked + Tankless (N=450)	Single-family	\$5,231	\$7,071	\$1,840
Tanked (N=37)	Single-family	\$3,575	\$7,071	\$3,496
N/A	Multi-family	N/A	\$8,939	N/A

Source: Appendix A

For MF projects, data for new HPWH retrofit projects were limited (n=54) with upfront costs averaging \$8,939 per project; however, it is likely that SF program data includes in-unit MF projects. For “business as usual” comparisons for costs of NOx-emitting water heaters, datasets were unavailable for MF thus incremental cost for MF is not calculated.

The project costs in Table 1 are from incentive programs, and reflect high quality and permitted installations. Given the datasets were collected in late 2023 and are from past program installations, they are likely skewed to historically available 240-volt HPWHs; however, 120-volt HPWHs are a newer technology which are simpler to install and discussed in further detail later in this report. It was difficult to parse out additional project costs such as insulation or panel upgrades as those costs are not reported separately in each program’s datasets.

Given that HPWHs are much more efficient than other Zero NOx water heating technologies, the working assumption is that HPWHs will make up the dominant compliant technology for most cases. However,

<sup>41</sup> <https://www.energy.ca.gov/sites/default/files/2021-06/CEC-500-2019-055-F.pdf>

<sup>42</sup> <https://www.pge.com/assets/pge/docs/account/rate-plans/electric-rate-advisory-2024.01.pdf>

the study does also discuss retail costs for electric resistance tankless on-demand models. For further details see Appendix B.

## D. ONGOING STRATEGIES AND PATH FORWARD

### 3. OPTIONS TO SUPPORT UPFRONT COSTS: INCENTIVES AND FINANCING

#### Incentives

Current and upcoming HPWH and panel upgrade incentives are offered from multiple sources, including federal (Home Efficiency Rebates (HOMES), Home Electrification and Appliance Rebates (HEEHRA)), state (TECH Clean CA and the CEC's Equitable Building Decarbonization program), regional (BayREN), PG&E, as well as local (municipal and CCA) sources. Note that federal incentives may be at risk with a new administration in 2025. For HPWHs at the time of writing this report, these incentives range from \$500 up to \$2,000 each and may be combined. Incentive levels for some programs will vary depending upon income level with low- and moderate-income (LMI) households eligible for increased funds compared to market-rate households. Overall, existing incentives can close the incremental cost gap, and for some LMI households, provide cost savings in comparison with the purchase and installation of a NOx-emitting water heating appliance.

For further detail, please see Table 27 of Appendix B. Note that this is a snapshot in time, and that some program budgets can become fully allocated quickly.

IWG members discussed not only incentive programs, but also the relative accessibility of those programs, especially for lower income households. Given that many incentives are “braidable” or “stackable” (i.e. are eligible to be utilized with other incentives), IWG members expressed concerns regarding the capacity of residents to efficiently navigate the complex incentive landscape. Currently, residents can find information about applicable incentives for their zip code and income level at The Switch Is On.<sup>43</sup> Additional ways to provide incentive application support or technical assistance are also currently being tested. For example, SVCE is currently implementing two pilot programs, one for “concierge services” that offer telephone support technical assistance for building owners,<sup>44</sup> and one through ‘Rock Rabbit,’ an AI-powered mobile app that aims to simplify access to incentives and rebates.<sup>45</sup> Additionally, many incentive programs geared towards equity customers are “direct install” programs where the contractor handles the incentive application for the customer.

The Air District expects an annual turnover of water heaters of around 7 to 8 percent of the installed base of equipment at the time implementation of Rule 9-6 starts in 2027. This timeline suggests that financial incentives to offset the incremental costs of HPWHs will be needed for many years, especially for low-income households. Given the uncertainty of predicting future program budgets and incentive levels, including programs funded by the IRA with the new administration, there is a need for innovative, long-term sources of funding.

Though not a funding source or program like incentives and rebates, one example of new alternative ways to pay for heat pumps could result from SB 1221 Gas Planning Bill<sup>46</sup>, which passed in September

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<sup>43</sup> <https://incentives.switchison.org/>

<sup>44</sup> <https://goelectric.svcleanenergy.org/>

<sup>45</sup> <https://svcleanenergy.org/wp-content/uploads/2024-0508-SVCE-May-BOD-Agenda-Packet-scrubbed.pdf>

<sup>46</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240SB1221](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB1221)

2024. The bill will establish a public process for review of planned gas infrastructure investments and allow utilities to divert those investments to pursue cost-effective pilots of zero emission alternatives or neighborhood-scale electrification. Project participants would receive zero cost full electrification in exchange for decommissioning natural gas service in their neighborhood. PG&E would begin with 30 pilot projects across its service territory and would need to sunset pilots by the end of 2029. Given that aging gas infrastructure across the state could cost ratepayers up to \$20 billion over the next decade<sup>47</sup>, long-term wider adoption of SB 1221 strategies could prove significant in helping some homeowners reduce the cost of zero NOx appliances.

### Green Financing

Many households could also defray upfront costs and lack of upfront cash available for zero NOx water heaters through financing. Current program financing, beyond conventional loan options such as equity line of credit, are now available and tailored to green building upgrades including HPWHs<sup>48</sup>; see Table 2. New green financing programs will also be forthcoming, as discussed below.

**Table 4: Residential Financing Programs for Energy Efficiency, Electrification, and Rooftop Solar**

Program Name	Geographic Availability	Source	Notes
GoGreen	IOU (PG&E) service territory	CA State Treasurers Office, Investor Owned Utilities, Credit unions	Must use a GoGreen or TECH Clean CA participating contractor
Property Assessed Clean Energy (PACE)	Participating communities	Renew Financial; PACE Funding Group; FortiFi Financial; and Ygrene Energy Fund California. <sup>49</sup>	For homeowners only. Qualification is primarily based on the home's equity, not borrower credit score; loan is attached to the lien of the house.
Energy Smart Homes	Nationwide	National Energy Improvement Fund	Must use a NEIF-approved contractor and apply via their application link for an instant credit decision
GreenChoice	Nationwide	Freddie Mac	Can fund emergency replacements. Ask your local lender.

In August 2024, SVCE's Board of Directors approved a 200-household pilot for equitable electrification financing. The program will remove the upfront cost barrier of appliances including HPWHs by providing 0% interest loans that are repaid over about a decade on the utility bill, through gas and electric

<sup>47</sup> <https://www.ethree.com/wp-content/uploads/2024/06/Gas-Decommissioning-Fact-Sheet-2024-06-18.pdf>

<sup>48</sup> <https://switchison.org/financing-options/>

[https://guide.freddiemac.com/app/guide/content/a\\_id/1003471](https://guide.freddiemac.com/app/guide/content/a_id/1003471)

<sup>49</sup> Only the four organizations listed are licensed as program administrators under the California Financing Law:

<https://dfpi.ca.gov/pace-program-administrators/>

savings.<sup>50</sup> Similar to Tariffed On-Bill Financing (TOBF) or utility inclusive investment (IUI), the pilot will require that savings must exceed cost recovery charges (thus is not a blanket solution for all HPWH installations in the Bay Area) and will not be means-tested (will not require minimum credit scores or income levels), among other stipulations. Unlike TOBF and IUI, the pilot program loans will *not* be tied to the utility account, disallowing customers if they relocate to automatically pass along the financing to the next occupant of the home. In this scenario, the original property owner would be required to pay off the loan.

The CPUC is also working through proceeding R2008022<sup>51</sup> to consider TOBF/IUI for all investor-owned utilities in the state including PG&E. At this time, it is unclear whether a PG&E program would be available by the January 2027 implementation of Rule 9-6.

In April 2024, the US EPA announced Greenhouse Gas Reduction Fund winners for the development of new financing programs. The National Clean Investment fund awarded \$14 billion to three awardees, with a minimum 40% commitment towards low-income disadvantaged communities (LIDAC).<sup>52</sup> The Clean Communities Investment Accelerator has also awarded \$6 billion to five awardees, with 100% of the funds to be LIDAC focused.<sup>53</sup> Financing programs resulting from these IRA/EPA funds are expected to become available for borrowers and end-users within the next year. Contracts have already been executed and funds have begun disbursement, thus there is relatively low likelihood of funding claw-back, given other priorities under the new Administration which would be easier to implement.

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<sup>50</sup> <https://svcleanenergy.org/news/groundbreaking-clean-energy-financing-program-will-help-californians-electrify/>

<sup>51</sup> [https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5\\_PROCEEDING\\_SELECT:R2008022](https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5_PROCEEDING_SELECT:R2008022)

<sup>52</sup> <https://www.epa.gov/greenhouse-gas-reduction-fund/national-clean-investment-fund>

<sup>53</sup> <https://www.epa.gov/greenhouse-gas-reduction-fund/clean-communities-investment-accelerator>

## VII. PERMITTING

As with general water heater and furnace replacement projects, installation of zero NOx appliances require permits to ensure equipment is installed to meet basic health and safety standards. Additionally, permits are typically required to receive financial rebates and other incentives.

Implementation of the building appliance rules introduces new technical considerations for both the permit applicant and the permitting agency. First and foremost, installers will need to understand the key differences between NOx-emitting and zero NOx technologies, which generally involves switching from natural gas appliances to those that run on electricity. This shift impacts what types of permits are typically required, contractor licensing requirements, and local building departments' responsibilities regarding reviewing permit applications and performing inspections.

### E. WHAT WE LEARNED

To gain a better understanding of these issues, the Air District commissioned Rincon to evaluate how changes in permitting requirements for zero NOx appliances could affect installation timelines and costs in the Bay Area. As previously noted, the only zero NOx appliance water heating options currently available on the market are electric (e.g. heat pumps, electric resistance storage, and electric on-demand tankless). For this research, Rincon focused on HPWHs as they are the most cost-effective and energy efficient option. Rincon began by conducting a comprehensive review of current permitting processes in the Bay Area, then interviewed building department staff from a range of local jurisdictions, distributed an online survey to relevant stakeholders, and finally hosted virtual interviews with staff from four other Bay Area cities. Table 5 below summarizes the key challenges, potential solutions, related findings and information collected from the surveys and interviews<sup>54</sup>.

**Table 5: Summary of Consultant Findings Regarding Permitting Issues**

Challenge	Survey Results	Solutions
1. Lengthy permit application and approval processes: long lead times result in increased costs and inconvenience for homeowners.	<ul style="list-style-type: none"> <li>Turnaround time for issuance of electric water and space heating appliance permits takes less than 3 days in most jurisdictions.</li> </ul>	<ul style="list-style-type: none"> <li>Offer online and/or same day permit issuance to reduce costs for applicants, create efficiencies for building departments, and increase code compliance.</li> <li>Provide information sheets that spell out code requirements which can increase the quality of installations and building department efficiency.</li> </ul>

<sup>54</sup> Four interviews were conducted with staff from the City of San José, City of Santa Rosa, City of Livermore, and City and County of San Francisco. Staff from nine cities and two counties responded to the survey.

2. Number and type of permits: zero NOx water heaters involve both electrical and plumbing work to install.	<ul style="list-style-type: none"> <li>Most cities surveyed have a single permit for heat pump water heaters.</li> </ul>	<ul style="list-style-type: none"> <li>Allow for a single “multi-trade permit” (electrical, plumbing, mechanical and/or building) to reduce the permit issuance timeline.</li> <li>Develop a reduced flat rate fee for the ‘multi-trade permit.’</li> <li>Allow trades to do “ancillary” work outside their designation, e.g. plumbers can do small electrical work when related to their project (or subcontract out).</li> </ul>
3. Plan submittals: requiring overly complex and extraneous information adds time to the process, even more when the installation does not match plan submittals.	<ul style="list-style-type: none"> <li>Five cities require plans for space conditioning equipment, while six cities do not.</li> </ul>	<ul style="list-style-type: none"> <li>Consider waiving plan submittal requirements for simple zero NOx water heater replacements and rely on field inspections to verify code compliance.</li> <li>If requiring plan submittals, create and provide guidance for applicants to develop and submit simplified plans or drawings.</li> </ul>
4. Inspections: requiring multiple inspections is inefficient and results in increased time and costs for the city, contractor, and homeowner.	<ul style="list-style-type: none"> <li>Two jurisdictions currently allow virtual inspections while nine do not, indicating there is opportunity to scale this practice up in more communities.</li> </ul>	<ul style="list-style-type: none"> <li>Allow for virtual inspections.</li> <li>Allow for one multi-trade inspection to reduce costs and decrease timeline.</li> </ul>
5. Potential noise impacts from certain zero NOx installations.	<ul style="list-style-type: none"> <li>Survey for water heater permitting – seven districts with no issues. For space heating, nine responses of it being not an issue.</li> </ul>	<ul style="list-style-type: none"> <li>Develop sound-level thresholds and guidelines and checklists (e.g. preferred locations for outdoor equipment) that address and mitigate potential sound issues.</li> </ul>

Interviews generated several additional recommendations for permit process streamlining, such as:

- Conduct outreach and education for the public to increase public awareness and understanding.
- Create and distribute guides on the differences between NOx-emitting and zero NOx appliances, and their respective impacts on the permit submittal and approval process.
- Waive or reduce permit fees for applicants switching from NOx-emitting to zero NOx appliances.
- Institute automatic (online, same day) permitting systems.

## F. PILOTS AND FINDINGS FROM OTHER RESEARCH

As part of their research on permitting challenges and opportunities, Rincon also identified several independent efforts related to increasing engagement with, and understanding among, building and permitting departments regarding the rules.

- BayREN and TECH Clean California Permitting Pilot
  - The TECH Clean California program is working with BayREN to support building departments by creating awareness and providing resources to overcome hurdles in creating one-day permit approvals for HPWHs. Goals of the pilot program include the following:
    - Identifying ways to simplify the permitting process for heat pump projects.
    - Developing a model single-day permit for HPWH conversions that can be adopted by jurisdictions statewide.
    - Training building departments on heat pump best practices to improve their familiarity and comfort with this technology.
- San Mateo County – Heat Pump Water Heater Permit Requirements and Costs
  - County staff surveyed building department staff from 18 jurisdictions about permit and document requirements, fees, insurance and inspection timelines, online permit processing, and electrical panel upsizing related to installing zero NOx appliances. Findings indicate significant variations in local documentation requirements, timing, permit sign-off, and fees, and that more harmonization among the approaches could bring significant efficiencies to the process.
- SVCE – Permit Modernization Phase 2: Baseline Assessment and Recommendations
  - The SVCE study focuses on identifying opportunities and barriers in the permitting processes related to electrification technology and is intended to inform efforts to streamline permit processes for SVCE member jurisdictions, with the overall goal of providing agency-specific recommendations to make permit processes easier and more cost-effective for member agencies. Key findings generally point to situations that increase permit staff time, such as when a specific permit type fails initial inspection due to discrepancies between the submitted plans and the installed conditions, or when multiple permits are required. Staff resource constraints are the main barrier to instituting improvements that could simplify the process. Offering multi-trade permits and simplifying or waiving plan submittal requirements would reduce these challenges.

## VIII. WORKFORCE AVAILABILITY AND READINESS

Given the relatively low sales and saturation levels of HPWHs and other Zero NOx water heating in California compared to NOx emitting water heaters, there has been public concern on the numbers of contractors who are familiar with these technologies. The Air District received past comment and anecdotes on difficulty of finding available contractors who could install zero NOx water heaters within a timely manner, and heard concern about potential difficulty for future broad-scale installer availability and readiness in time for Rule 9-6 compliance.

### G. WHAT WE LEARNED

IWG discussion amongst participating contractors largely concluded that there are Bay Area contractors able to perform the installations as well as local training resources, and that contractors currently unfamiliar with zero NOx water heating technologies would be motivated to pursue training and hiring based on market demand.

To gain a detailed understanding of workforce availability and readiness issues across the Bay Area, the Air District commissioned BW Research to analyze relevant workforce numbers and conduct surveys and interviews with contractors and other workforce stakeholders during the first quarter of 2024. The research developed a snapshot of contractor availability and thoughts on hiring; local training resources; contractor familiarity with heat pump technologies, incentives and the upcoming rules; and recommendations. For further information, the full memo is available in Appendix F. *Workforce Challenges for Zero-NOx Requirements*.

#### 1. WORKFORCE NUMBERS IN THE BAY AREA

Based on Bureau of Labor Statistics numbers, employment of Electricians and Plumbers, Pipefitters, and Steamfitters totals over 30,500 in the Bay Area with further detail shown in Table 6 below.<sup>55</sup>

**Table 6: Key Occupations and Employment Numbers in the Bay Area**

Occupation	Total Employment	Location Quotient	Number of Establishments
Electricians	19,632	0.98	2,090
Plumbers, Pipefitters, and Steamfitters	10,887	0.86	2,180
Heating, Air Conditioning, and Refrigeration Mechanics and Installers	9,339	0.87	

Source: Appendix F

To put these numbers into context, the Location Quotient is the concentration of employment in the Bay Area relative to national averages. The closer the Location Quotient is to 1, the closer the workforce is to

<sup>55</sup> Note that California licensed HVAC/R contractors are included because they are allowed to install HPWHs. See: [https://www.cslb.ca.gov/Resources/GuidesAndPublications/2023/Fast\\_Facts\\_for\\_Heat\\_Pump\\_Water\\_Heaters\\_and\\_HVAC\\_Heat\\_Pumps.pdf](https://www.cslb.ca.gov/Resources/GuidesAndPublications/2023/Fast_Facts_for_Heat_Pump_Water_Heaters_and_HVAC_Heat_Pumps.pdf). Though some HVAC/R contractors surveyed mentioned lack of comfort with the technology, pointing to opportunities for training as discussed further in the BW Research memo.



national averages. The Location Quotient range of 0.86-0.98 demonstrates that the relevant workforce in the Bay Area is comparative to national levels.

To further understand contractor availability, the survey asked contractors about customer wait times when there is an emergency failure. Responses showed the majority of contractors are available to service emergency failures within a couple days; 51% cited typical response times of two days or less, and 33% cited three days to 1 week.

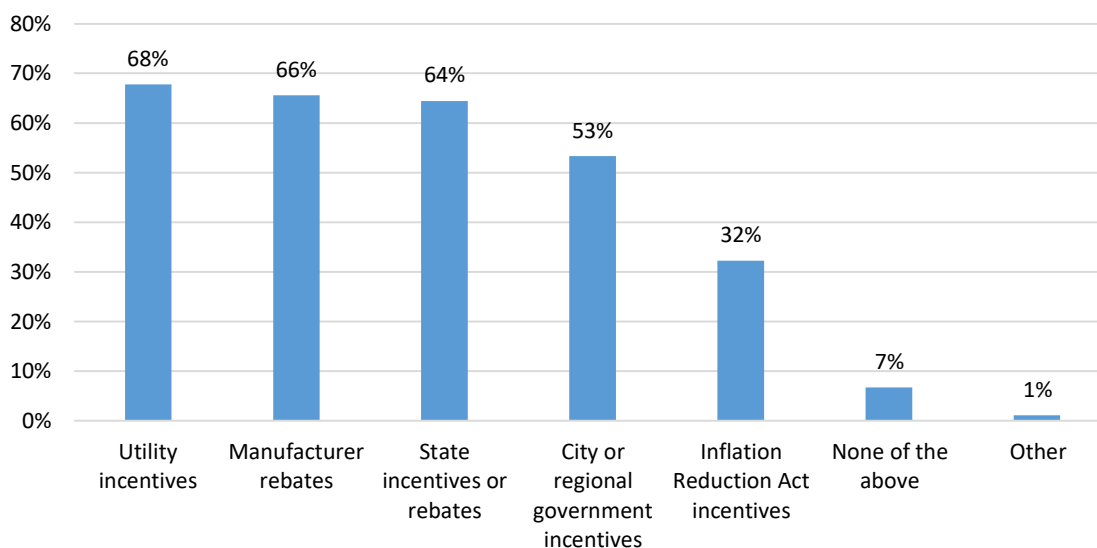
Furthermore, the survey showed that many contractors (between 44% and 61%) plan to hire more employees by 2027, the first compliance date for Rule 9-6. From the contractor firms planning to grow, the average growth rate was 23% for plumbers, 15% for electricians and 14% for HVAC/R<sup>56</sup> technicians.

More questions and discussion of contractor firm thoughts on hiring, including hiring challenges, is in the full research in Appendix F.

## 2. CONTRACTOR AWARENESS OF BUILDING APPLIANCE RULES, INCENTIVES AND TECHNOLOGIES

Two-thirds (68%) of contractors surveyed were already aware of upcoming Air District requirements under Rule 9-6 for natural gas-fired water heaters to emit zero NOx after the rule compliance dates based on manufacturing date. Two-thirds of contractors were also familiar with at least one incentive category as shown in Figure 6 below.

**Figure 4: Familiarity of Incentives Among Surveyed Firms**



Source: Appendix F

However, only approximately half (46%) of surveyed contractors participate in incentive programs due to lack of time (40%), financial viability (13%), or eligibility and qualifications (7%). This largely echoes many of the contractor challenges highlighted during IWG discussion, and in particular that many residential

<sup>56</sup> HVAC/R stands for heating, ventilation, air conditioning and refrigeration and generally refers to the mechanical systems used in the heating, cooling and ventilation of indoor environments. The people who service them are called HVAC/R technicians; the trade involves installing, maintaining and repairing climate-control devices such as air conditioners, furnaces, refrigerators and freezer units.

contractors are small businesses and thus face constraints, such as administrative resources, cash flow financing for rebate programs, and the cost of lost wages when attending training. Survey responses do point to potential for further outreach and increased participation from contractors; 24% of surveyed firms not already participating in incentive programs responded that they are just not familiar with these programs and 9% felt unclear about the program application requirements.

While approximately half (46%) of surveyed contractors did not feel additional heat pump training was necessary, 29% said they planned to provide staff additional heat pump training. The remainder responded that they did not work with heat pump technologies (11%) or did not know/did not answer (14%).

## H. ONGOING STRATEGIES AND PATH FORWARD

Further analyses on training including a Bay Area inventory of training resources, a discussion on supply of workers including key skills and certifications, as well as forecasted hiring is included in Appendix F.

Appendix F also includes recommendations to increase support of relevant training for new hires and experienced contractors; improve instructor pay and access to training and apprenticeships; improve connections between training providers and employers; and more. IWG discussion of and feedback on those recommendations included the following themes:

### **Outreach to contractors:**

- Engage through current training and other events provided by labor unions and distribution centers
- Focus on small, independent contractors; utilize trade associations for this purpose
- Recommend and uplift several existing HPWH training programs
- Use multi-media approaches

### **Discussion and caveats on workforce recommendations:**

- Education and training – residential sector does not reward training
- Need for compensation for instructors and participants/contractors
- Small business constraints
- Gaps between workforce and employers

Though many of the recommendations fall outside of the Air District's purview, the Air District plans to provide increased outreach and engagement with contractors through partnerships with stakeholders such as CCAs, incentive program providers, and local government permitting offices. The goal will be to achieve 100 percent awareness of the rules by implementation dates, and uplift accessible training<sup>57</sup>, incentive programs and subsidies that cover training time<sup>58</sup>.

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<sup>57</sup> <https://www.switchison.org/techcleanca/training>

<https://pge.docebosaas.com/learn>

<https://aea.us.org/electrification-knowledge-hub/>

<sup>58</sup> <https://mcecleanenergy.org/grow-your-business-expertise/>

<https://svcleanenergy.org/futurefit-fundamentals/>

## IX. GRID AND RELIABILITY IMPACTS

As buildings across the Bay Area switch from gas to electric appliances for space and water heating, the demand for electricity is expected to increase. This section summarizes research conducted into how the zero-NOx requirements are expected to impact reliability of the electric grid as it manages higher demands. This includes information related to the operational reliability of gas versus electric appliances during power outages. Detailed findings related to these topics can be found in Appendix E. *Grid Related Impacts on the Implementation of Rules 9-4 and 9-6.*

### I. WHAT WE LEARNED

#### 1. New Electric Loads from Zero NOx Appliances and Grid Reliability

A key issue raised by stakeholder during the rulemaking process for the zero NOx requirements was the potential for additional power outages due to building electrification. There is little evidence that increased levels of building electrification would lead to additional outages. It is very rare for power outages to be caused by a shortfall of electricity generation due to high loads, and utilities and system operators are planning for increased electricity demand that will result from state legislation and policies regarding building and vehicle electrification.

More common types of power outages, like those caused by equipment damage or when there are public safety power shutoffs (PSPS) to reduce wildfire risks, have little correlation to electricity demands on the system at the time of the outage. Increased levels of electrification would not impact the frequency of these types of outages and reporting from the CPUC indicates the number of PG&E customers impacted by PSPS events peaked in 2019 and has significantly decreased in the following years.<sup>59</sup>

Although PG&E has moved away from issuing PSPS events, the frequency of overall outages has increased in recent years in PG&E's service territory as they issue more frequent, shorter outages that are targeted at as few customers as possible. PG&E plans to continue to make significant investments in hardening its system to improve reliability and reduce outages. In addition, PG&E has been exploring new approaches to reduce the impact of outages during times of high wildfire risk, which may significantly reduce the duration of outages. Further information on outages and the expectation that outages should decrease in length in the coming years can be found in Appendix E.

Additional information related to grid impacts and the evaluation of the additional load added to the grid by the zero NOx requirements can be found in Appendix D to the Staff Report associated with the rule amendments, *Electric Infrastructure Impacts from Proposed Zero NOx Standards*.<sup>60</sup>

#### 2. Zero NOx Appliances and Resilience

While some older models of NOx-emitting tanked gas water heaters that have a continuously burning pilot light will continue to operate during an electrical power outage, most modern gas water heaters will not function without electric power. Most new gas furnaces and heating and cooling systems require electricity for the fan and air circulation, while most new natural gas-fired tanked water heaters require electricity for the pilot light. Accordingly, most natural gas-consuming devices will also have reliability

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<sup>59</sup> CPUC Public PSPS Dashboard ([arcgis.com](https://arcgis.com)). Accessed October 2024.

<sup>60</sup> *Electric Infrastructure Impacts from Proposed Zero NOx Standards* ([baa.qmd.gov](https://baa.qmd.gov)). November 2022

challenges in electrical power outages. Tanked water heaters, including HPWHs, can stay hot for several hours during an electrical outage, especially when installed with a cold water mixing valve. Since HPWHs can provide thermal storage, the technology is increasingly being used for demand response, helping to improve grid reliability. Battery storage and bidirectional electric vehicle charging can be solutions to appliance resiliency challenges.

## X. MARKET READINESS AND SALES TRENDS

In California, most homes currently rely on gas appliances that emit NO<sub>x</sub> for heating and cooling. Although the upcoming zero NO<sub>x</sub> requirements are technology neutral, the most cost-effective compliant technology currently available for most consumers will likely be electric heat pump water heaters (HPWHs) and heat pump space heaters (HP HVAC). For the purposes of this report, the focus will be on HPWHs, which are subject to a January 1<sup>st</sup>, 2027 compliance date.

According to the latest Census data (2022), the nine counties in the Bay Area contain 2.96 million housing units. The Air District estimates a 13-year lifespan for small water heating appliances regulated under Rule 9-6. As the millions of NO<sub>x</sub>-emitting gas water heaters in Bay Area homes reach the end of their lifespan, regulatory changes under Rule 9-6 will drive their replacement with zero NO<sub>x</sub>-emitting water heaters. Current estimates from a 2022 study<sup>61</sup> by the CPUC project the annual demand for HPWHs to be approximately 202,000 units per year in the Bay Area, with a total of 141,000 units installed nationally.<sup>62</sup>

In this section, we will discuss current and projected market trends for zero NO<sub>x</sub> appliances that meet Rule 9-6 requirements and how these trends may impact rule compliance. A key issue raised by stakeholders during the rulemaking and IWG process was whether the market, including manufacturers, distributors, and contractors, could meet the rising sales trends and increased demand for HPWHs. Additionally, these manufacturers, distributors, and contractors emphasized the importance of streamlining the new requirements across the state to ensure consistency and facilitate a smoother transition to this evolving market.

## J. WHAT WE LEARNED

In order to evaluate the current state of the HPWH market the Air District commissioned a study by Rincon Consultants, Inc. (Rincon) to assess current and projected market trends and sales data and to conduct contractor and distributor interviews.

### 3. ZERO NOX WATER HEATERS IN THE U.S.: A FOCUS ON HEAT PUMPS

Sales of HPWHs in the U.S. grew by 35% in 2023, the largest increase in units (50,000) based on historical data. Although HPWHs have a market share of less than 3%, Energy Star data shows consistent growth in HPWH shipments over the past 12 years, with figures that may now represent “hockey stick” growth (see Figure 7).<sup>63</sup>

The federal Inflation Reduction Act (IRA), passed in 2022, aims to promote clean energy nationwide by investing in clean energy on a national scale, and includes tax incentives for renewable energy, energy-efficient appliances, and electric vehicles as well as funding for new manufacturing facilities for green technologies including heat pumps<sup>64</sup>. While the IRA began offering tax credits in 2023, its impact is only

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<sup>61</sup> CPUC and Opinion Dynamics, 2022. *California Heat Pump Residential Market Characterization and Baseline Study*. <https://www.calmac.org/publications/OD-CPUC-Heat-Pump-Market-Study-Report-5-17-2022.pdf>

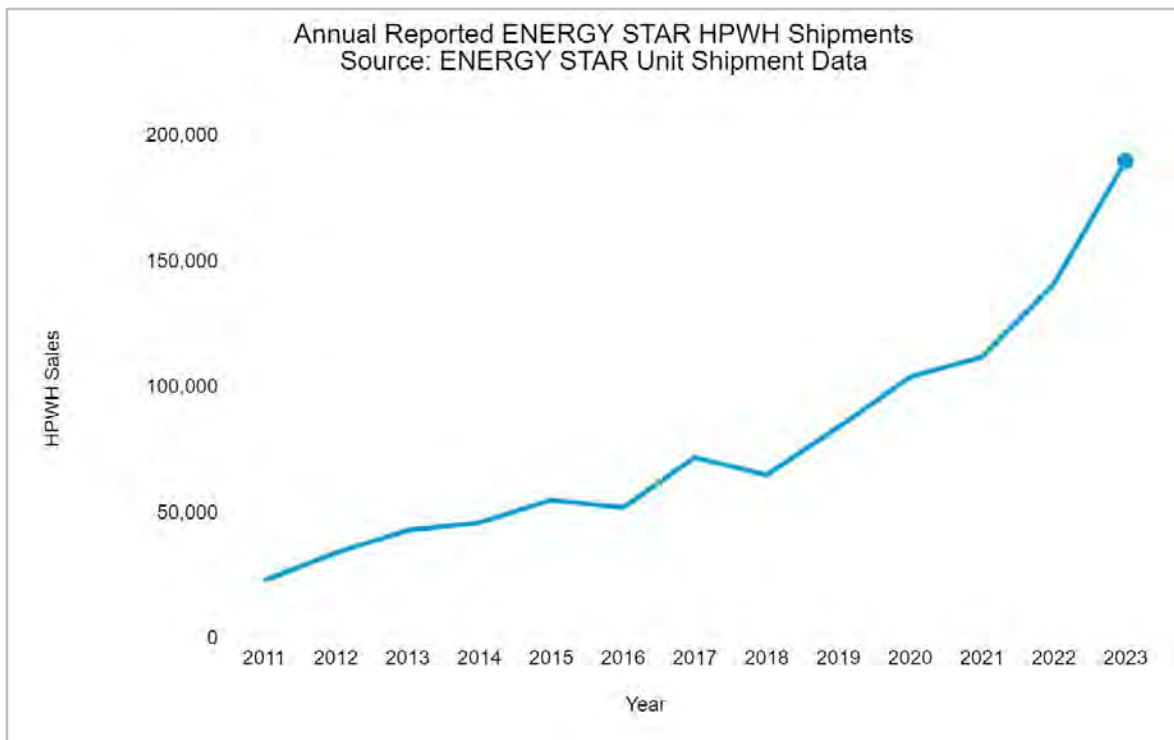
<sup>62</sup> Note that for multi-family housing in California, half of units utilize in-unit water heaters and the remaining half centralized systems.

<sup>63</sup> [https://www.energystar.gov/partner\\_resources/products\\_partner\\_resources/brand-owner/unit-shipment-data](https://www.energystar.gov/partner_resources/products_partner_resources/brand-owner/unit-shipment-data)

<sup>64</sup> <https://www.energy.gov/mesc/enhanced-use-defense-production-act-1950>

starting to be reflected in the 2023 data, and is expected to further drive national HPWH adoption. Given the November 2024 election results and a new administration, future scaling back of the IRA is a risk.

**Figure 7: HPWH US Shipments from Energy Star Manufacturer from 2011-2023**

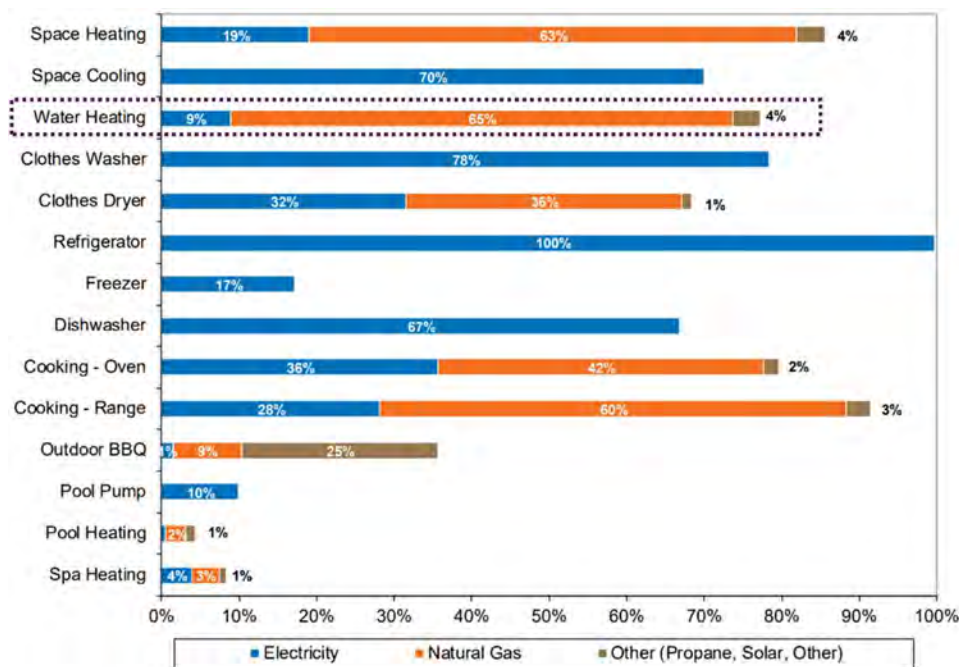


Source: Advanced Water Heating Initiative

#### 4. ZERO NOX SALES TRENDS IN CALIFORNIA

The research conducted by Rincon found that from 2019 onwards, HPWH technologies have seen rapid growth in California with approximately 121,000 units installed. As illustrated in Figure 8 below, a 2019 survey by the California Energy Commission (CEC) indicated that 9% of all water heating in the state was provided by high-efficiency electric appliances. This figure includes both HPWHs and electric resistance units, as the report did not distinguish between the two. Despite this growth, desktop research by Rincon suggests that only 1% of all water heaters in use are HPWH.

**Figure 8: CEC Survey Results of Statewide Energy Use for Each Appliance, Based on 2019 Data**



Source: CEC. 2019 California Residential Appliance Saturation Survey (RASS)<sup>65</sup>.

In recent years these numbers have increased, with the 2022 Census data reporting 146,000 electric water heating appliances (also including electric resistance units) and 2023 research and data by the CEC showing that HPWHs are present in 16% of newly constructed single-family homes.

The Rincon report indicates that California incentives and policies have contributed to the current rise in sales and will continue to contribute to the projected rapid policy-driven future sales growth.

## 5. AVAILABILITY OF ZERO NOX APPLIANCES IN THE BAY AREA

Rincon conducted outreach to appliance distributors and local contractors to gain additional insights into the current HPWH market. A total of 3 distributors and 11 contractors responded to survey questions. While the sample size is relatively small, it likely reflects broader trends across the Bay Area.

Overall, the distributors surveyed indicated that the timelines for acquiring HPWHs are comparable to those for gas appliances, and that they expect wait times to decrease further with rising HPWH demand. They also noted that wait times have remained stable despite changes in the market landscape and new policies and programs that support heat pump adoption. Additionally, the distributors emphasized that subsidies and incentives have been crucial in making HPWHs more cost competitive.

About 54% of the contractors that responded to the survey reported that they can obtain HPWH equipment in less than two days, as shown in Figure 9. Roughly 18% of contractors surveyed indicated they could source the equipment the same day if needed. Lastly, 55% of contractors surveyed indicated they have not experienced longer timelines than those for NOx emitting water heaters.

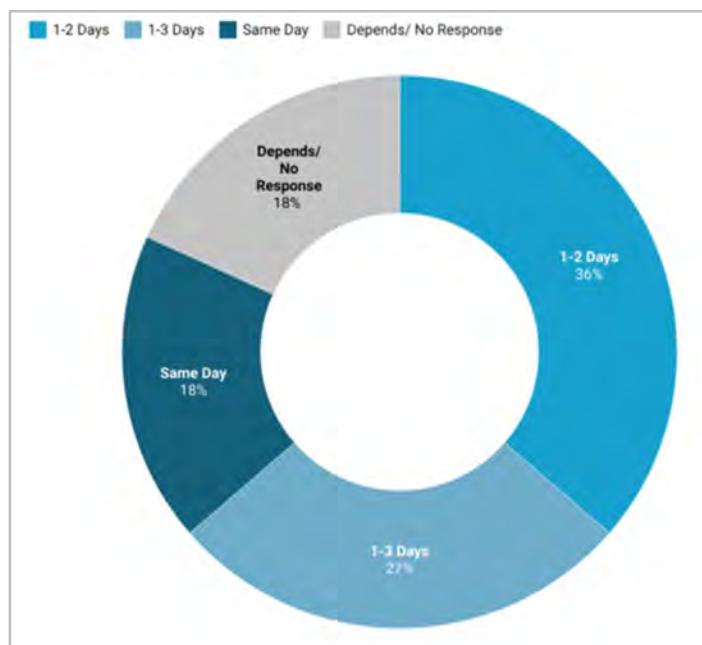
<sup>65</sup> <https://www.energy.ca.gov/data-reports/surveys/2019-residential-appliance-saturation-study>

Contractors also highlighted the following potential challenges related to this market shift to HPWHs:

- Addressing hurdles for smooth installation of equipment
- Ensuring consistency between manufacturer equipment rating and real-world use
- Ensuring workforce is properly trained and compensated
- Performing additional outreach to homeowners explaining HPWH technologies

A deeper discussion and review of workforce availability and readiness was covered at greater length in **Section VIII. Workforce Availability and Readiness** of this report.

**Figure 9: Contractors Wait Times for HPWH Equipment in the Bay Area**



Source: Appendix C

## K. ONGOING STRATEGIES AND PATH FORWARD

California and the Bay Area have been at the forefront of paving the way for zero NOx building appliances, including HPWHs, through building appliance requirements, policy, and funding programs. National efforts have also accelerated this progress through various programs and subsidies to incentivize the shift. The advancements in policies and funding programs are highlighted below and explored in more detail in Appendix C. *Market and Sales Trends for Zero-NOx Appliances.*

- **TECH Clean California** – In 2018, SB 1477 established the Technology and Equipment for Clean Housing Program (TECH) Clean California program. This multi-year initiative helps drive down costs, incentivize adoption, and expand access to heat pumps. In 2023, in addition to ongoing project incentives and growing the trained contractor pool, TECH also focused on pilots for making installations faster and simpler; layering compatible programs for wrap-around services; solutions for renters; addressing key challenges in multifamily properties; and models for reaching underserved communities. Lastly, TECH shares its program and pilots insights via its website - [TECHCleanCA.com](https://TECHCleanCA.com) - to further inform market development and policymaking.



- CA's 6 Million by 2030 Heat Pump Goal and CA Heat Pump Partnership – The California Heat Pump Partnership<sup>66</sup> launched in May of this year<sup>67</sup> to align state and industry leaders to meet California's 6 million heat pump goal. The State's energy agencies and Governor's Office are working with manufacturers, retailers, distributors, utilities, and other market stakeholders to address key barriers and rapidly scale the heat pump market. The group plans to release a Blueprint with near-term priority strategies and launch a marketing campaign in 2025.
- CARB Zero-Emissions Space and Water Heaters by 2030 – CARB is working on a proposal to require zero-emissions space and water heating appliances in all new construction and existing building replacements by 2030. This proposal is still under consideration and is anticipated to go to the CARB Board of Directors for adoption in 2025.
- SCAQMD Zero-NOx Rulemaking Efforts – SCAQMD is undergoing a rule amendment effort to adopt zero-NOx standards for residential and commercial building appliances. SCAQMD's Governing Board has recently approved the funding of a pilot incentive program called "Go Zero" with 21 million dollars to provide rebates, provide installer training, and perform outreach.<sup>68</sup> The program was funded from an existing SCAQMD fund intended to address excess emissions from gas-fired furnaces. The Air District does not have a similar source of funding.
- Federal Department of Energy (DOE) Appliance Efficiency Standards – This standard passed in 2024 aimed at electric resistance water heaters over 35 gallons, will lead to over 50% of new electric tanked water heaters nationally using heat pump technology starting in 2029, pushing manufacturers to focus further on HPWHs.<sup>69</sup>
- Inflation Reduction Act of 2022 – Provides tax credits and rebates for heat pump retrofits, with \$528 million allocated to California for a 10-year rebate program, covering a limited number of installations, while additional uncapped tax credits are also available.
- Defense Production Act of 2023 – \$169 million allocated to boost heat pump manufacturing at 15 sites, leveraging the Defense Production Act to enhance domestic energy technology production.

Prior to the adoption of recent policy drivers, HPWH technologies were already experiencing considerable growth as natural gas usage began to decline. This trend has been accelerated by a combination of incentives, workforce development, and forthcoming regulations at the regional and state levels.

As shown in Figure 10 below, without policy interventions, the projected growth of HPWH market share would have remained modest, with only single-digit annual increases (based on country-wide 2021 consumer patterns). However, the introduction of building electrification for new construction and efficiency and performance standards starting around 2023 initiates a shift in the market dynamics. These policies are expected to steadily increase HPWH adoption, primarily by replacing existing natural gas and electric resistance water heaters.

By 2027, the graph shows a significant upward shift, corresponding to the implementation of more stringent building performance standards and appliance emissions standards. These standards drive a

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<sup>66</sup> [6M Heat Pumps by 2030 \(heatpumppartnership.org\)](https://heatpumppartnership.org/)

<sup>67</sup> [California Heat Pump Partnership Aims to Scale Up Electrification of HVAC | ACHR News](#)

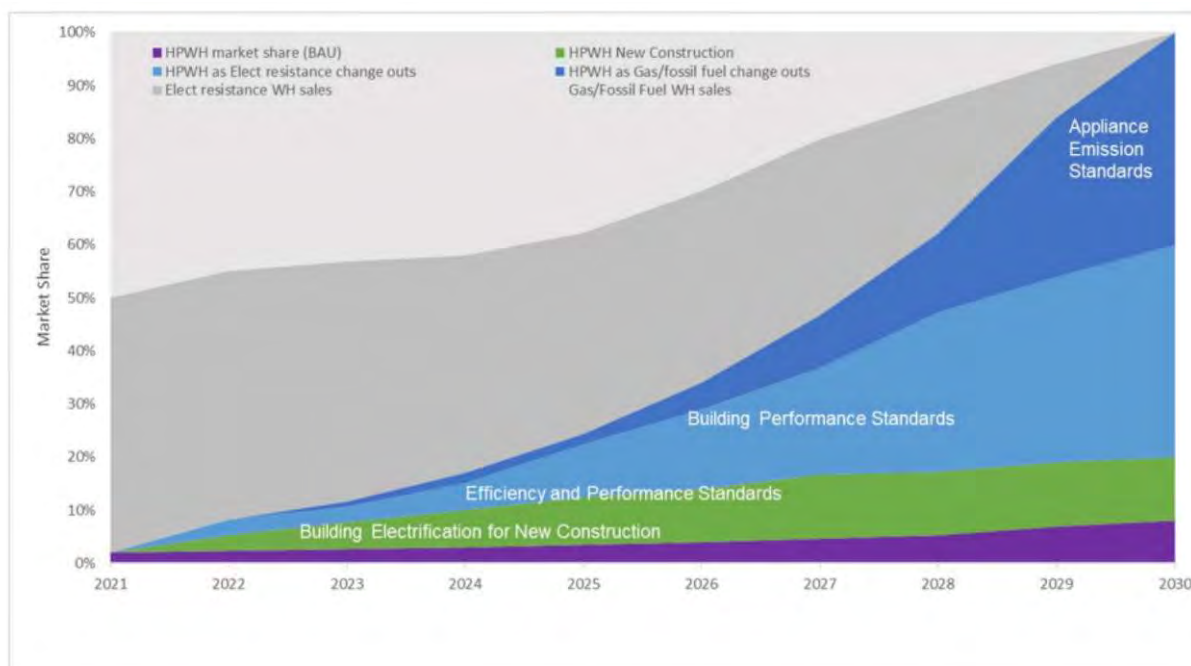
<sup>68</sup> <https://www.aqmd.gov/home/rules-compliance/residential-and-commercial-building-appliances>; funding for "Go Zero" is from SCAQMD Rule 1111 Air Quality Investment Fund.

<sup>69</sup> <https://www.energy.gov/articles/doe-finalizes-efficiency-standards-water-heaters-save-americans-over-7-billion-household>

marked increase in HPWH adoption, particularly in new construction and as replacements for fossil fuel-based water heating systems. By 2030, HPWH market share is expected to rise sharply, occupying a substantial portion of the water heater market as the transition towards zero NOx technologies accelerates in response to regulatory changes.

The clear delineation of market growth between policy-driven scenarios (indicated in blue and green) versus business-as-usual (shown in gray) demonstrates the profound impact that regulatory interventions will have on shifting the market towards cleaner, zero-emission technologies. This graph highlights the critical role of policy in achieving large-scale reductions in NOx emissions by promoting widespread adoption of HPWHs in both residential and commercial sectors.

**Figure 10: Projected HPWH Sales in Relation to Policy Interventions (New Buildings Institute)**



Source: Appendix C

## XI. CONCLUSION AND NEXT STEPS 2025-2026

### A. AIR DISTRICT OUTREACH AND COMMUNICATIONS

The Air District will be implementing an advertising, communications and outreach campaign to inform residents, contractors and installers, local governments and building departments, as well as other relevant stakeholders about the January 2027 Rule 9-6 implementation. The Air District expects to kick off the campaign by Q3 2025 and fully roll out advertising by Q1 2026. The Air District will also be partnering with key organizations such as community-based organizations in DACs, incentive administrators, CCAs, and the Switch Is On to ensure that information on upcoming compliance is widely disseminated and shared.

Staff anticipate that the communication effort and related resources required to effectively implement the zero NOx requirements of the building appliance rules will be significant. The Air District will be seeking to hire a third-party contractor to assist in delivering the communication campaign as well as dedicating significant staff time to this effort, with the possibility of seeking approval for additional staff to be hired. At this time, Staff estimates that the communication effort will require at least \$500,000 on an annual basis from 2026 to 2033 for contracting and advertising as well as two additional full-time employees.

### B. COMPLIANCE AND ENFORCEMENT

The Air District will develop a compliance assistance plan to promote awareness and understanding of the requirements of this rule. We will develop compliance and education materials, an outreach plan, and we will start working with manufacturers to process submittals and develop lists of compliant water heater models meeting the zero NOx standards in Q4 2025. The Air District will work with distributors and retailers starting in Q2 2026 to ensure that only eligible zero NOx water heating appliances manufactured after January 1, 2027 are sold within the Bay Area. Air District staff will develop an enforcement program focused on distribution centers and retailers, which needs to be efficient and aligned with the Air District's 2024-2029 Strategic Plan.

The Air District has received questions regarding whether local governments can permit appliances that do not comply with the rules. While local governments are not legally required nor obligated to enforce the Air District building appliance rules, they may *choose* to withhold permits until installations comply with all applicable regulations, including appliance emissions standards. Starting in 2027, if local governments come across permit applications or installations that are non-compliant with the rules, their staff can e-mail the Air District <compliance@baaqmd.gov> and include the following information:

- Installer name
- Contractor license number
- Contact information
- City of installation
- Either
  - Information on non-compliant appliance — Make, Model, Serial #, Build Date, gallon capacity OR
  - Photos of equipment nameplate and location

## C. UPCOMING RULE CHANGES

Staff plans to make administrative changes to the building appliance rules in 2025.

In December of 2023, CARB submitted the building appliance rules (Rules 9-4 and 9-6) to the EPA for inclusion in the State Implementation Plan (SIP). This action was approved by the Air District Board of Directors in June of 2023 as Staff saw a need for emission reductions expected from the building appliance rules to be included in the Bay Area's plan for reducing particulate matter concentrations below the revised EPA standard. EPA has reviewed the submitted rules and identified areas that need to be updated to align with existing rules in the SIP and their requirements for enforcement. Staff believe these changes are administrative and do not materially impact the implementation of or compliance with the building appliance rules. While these changes are only administrative, they will require Staff to undertake a full rulemaking process including public noticing and public comment. Staff anticipate that this process will begin by mid-2025.

Throughout the IWG process, other potential changes to the building appliance rules have been identified. Any additional changes would be reviewed and analyzed through a formal rulemaking process. Staff intend for this process to be separate from the administrative rule change described above but started on a parallel time frame. Any non-administrative changes may require re-calculation of emissions estimates and revised analyses including socio-economic impacts and impacts under the California Environmental Quality Act. Staff plan to communicate any intended changes as soon as possible and provide information to stakeholders so they have time to plan accordingly. Potential changes that could be evaluated in this process include:

- Alignment with the California Department of Housing and Community Development on the definition of manufactured and mobile homes.
- Alignment with other jurisdictions that are developing similar rules such as the SCAQMD and CARB to facilitate streamlined compliance
- Considerations for challenging installation cases such as modifications that require construction or additional electric service.

Staff will discuss the process for potential modifications to the building appliance rules at the Air District Board of Directors meeting on December 4, 2024 following the presentation of the findings presented in this report as well at subsequent public meetings in 2025 as necessary.

## D. SUMMARY OF RECOMMENDATIONS FOR THE AIR DISTRICT

As mentioned throughout this report, there are opportunities to support more equitable and smoother implementation of Rule 9-6 for water heaters less than 75,000 BTU/hr. The summarized list of those recommendations are:

- **Challenging Installations and Emerging Solutions**
  - Minimize electric work needed and panel upsizing:
    - Air District Staff should continue to monitor the development of new HPWH and other zero NOx water heating technologies.
    - Air District will highlight educational resources encouraging panel optimization (where applicable) in its outreach and education.
  - Assist households with utility service upsizing:

- Air District Staff will continue to monitor future phases of the Energization proceeding (R.24-01-018) to understand service upsizing timelines, and Phase 4 of the Building Decarbonization proceeding (R.19-01-011) regarding assisting single- and multi-family building owners with costs to electric service line upsizing.

Emergency replacement loaners and opportunities for faster installation:

- Air District should consider supporting research or pilots to reduce the number of contractors needed and facilitate plumbers performing “incidental electrical work,” and to support local government permitting offices in clarifying definitions and local permitting requirements.

Encourage pre-planning and readiness:

- Air District should provide informational support for local governments considering reach codes that can encourage planning and readiness.
- Air District should provide education and outreach on the upcoming rules to residents and building owners, and work with partners on education regarding preplanning and electrification readiness.

- **Potential Housing Impacts**

- Air District should engage with local governments, legal service providers, tenant representation organizations, and others to gain more insight regarding how different local renter protection policies (e.g. ‘right to return’ ordinances, relocation assistance and eviction protections, pass throughs and rent stabilization) are implemented “on the ground,” and how they interact with one another, to identify specific ways to minimize impacts on renters that could result from zero NOx appliance installations.
- Air District should continue multi-agency coordination and information sharing with SCAQMD, CARB and other agencies regarding the potential impacts of appliance rules on renters and identify implementable next steps, key partners, and timelines.

- **Costs**

- Air District should monitor pilots that offer phone and mobile app technical assistance and incentives application support and consider opportunities for expansion.
- Air District Staff should continue to monitor green financing program development.

- **Permitting**

- Air District should continue working with key stakeholders such as BayREN, local governments, and other organizations that work on building codes to support best practices that reduce timelines and streamline processes for zero NOx appliance installations.

- **Market Development**

Support the Expansion of Incentives, Funding, and Workforce Development

- Air District should find ways to support the continuation and expansion of programs like TECH Clean California that reduce costs for HPWH installations, particularly in underserved communities.
- Air District should explore investing in contractor training programs, similar to SCAQMD’s “Go Zero” and TECH Clean California’s growing contractor pool, that prepare the workforce to install HPWHs at scale, particularly for zero NOx technologies.

Prioritize Policy Development and Adoption

- Air District should continue to coordinate on and support the adoption of policies like CARB’s Zero-Emissions Space and Water Heaters by 2030 and SCAQMD’s zero-NOx standards for building appliances.

Monitor Federal Regulations and Leverage National Support

- Air District should continue to monitor the Department of Energy's 2024 Appliance Efficiency Standards and explore strategies to maximize potential federal funding, such as the Inflation Reduction Act tax credits and Defense Production Act allocations.

Educate Consumers and Contractors on Building Appliance Rules

- Air District should launch outreach and education campaigns to raise awareness of zero NOx technologies among consumers and contractors.
- Air District should partner with others to emphasize the benefits of HPWHs, available incentives, and policy requirements to accelerate market adoption.
- **Workforce Availability and Readiness**
  - Air District should support and uplift accessible, existing training programs for heat pump water heaters, and partner with incentive programs to incorporate incentive program education in outreach and engagement to contractors.
- **Grid and Reliability Impacts**
  - Air District should continue to coordinate with the CEC to ensure integration of appliance rules into capacity planning, and with PG&E to understand reliability trends and grid work.
- **Rule Development**
  - Evaluate potential for and impact of additional rule amendments to Regulation 9, Rule 6 to address remaining challenges.

## APPENDICES

- A. [Installation Costs for Zero-NOx Space and Water Heating Appliances](#)
- B. [Challenging Use Cases and Emerging Solutions for Zero-NOx Appliances](#)
- C. [Market and Sales Trends for Zero-NOx Appliances](#)
- D. [Permitting Requirements for Zero-NOx Appliances](#)
- E. [Grid Related Impacts on the Implementation of Rules 9-4 and 9-6](#)
- F. [Workforce Challenges for Zero-NOx Requirements](#)
- G. [Renter Protections Policy Landscape Summary and Recommendations](#)
- H. [Lived Experience Interviews with Renters Report 2024](#)



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

**AGENDA: 25**

# **Staff Update: Rule 9-6, Zero NOx Residential Water Heaters**

**Board of Directors Meeting  
December 4, 2024**

**Amy Dao, Senior Environmental Planner, Planning & Climate Protection**

**[adao@baaqmd.gov](mailto:adao@baaqmd.gov)**

**Jennifer Lam, Assistant Manager, Rules & Strategic Planning**

**[jlam@baaqmd.gov](mailto:jlam@baaqmd.gov)**



# Outline



- Overview of Zero Nitrogen Oxide (NOx) Amendments to Rules 9-4 and 9-6
- Purpose and Scope of Informational Update
- Implementation Working Group
- Findings
- Equity Concerns
- Next Steps

# Why are building appliances important?

**Because building appliances can emit NO<sub>x</sub> and other harmful air pollutants**

## What is NO<sub>x</sub>?

Nitrogen Oxides (or NO<sub>x</sub>) contribute to the:

- Development or worsening of respiratory illnesses
- Formation of particulate matter (or PM) and ozone (main component of smog)

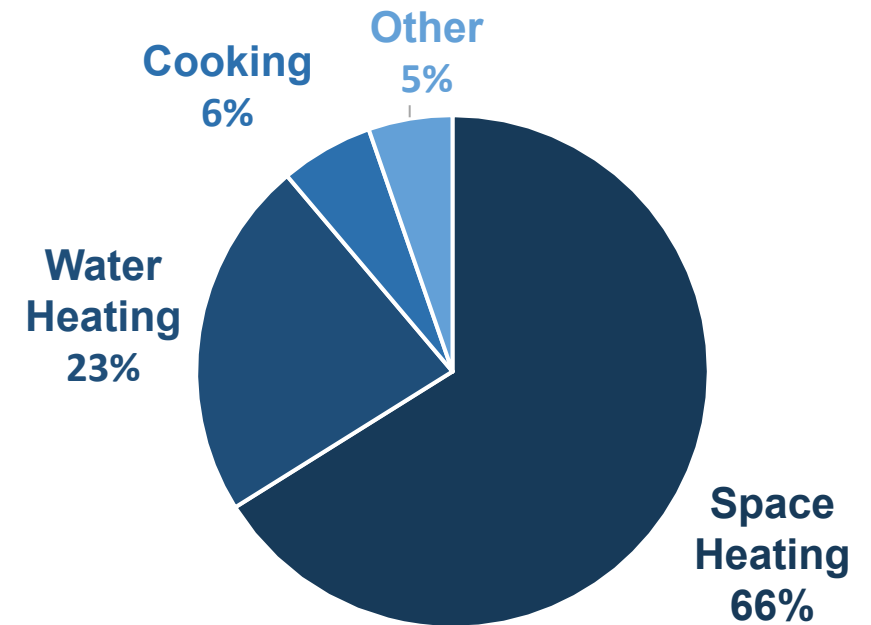
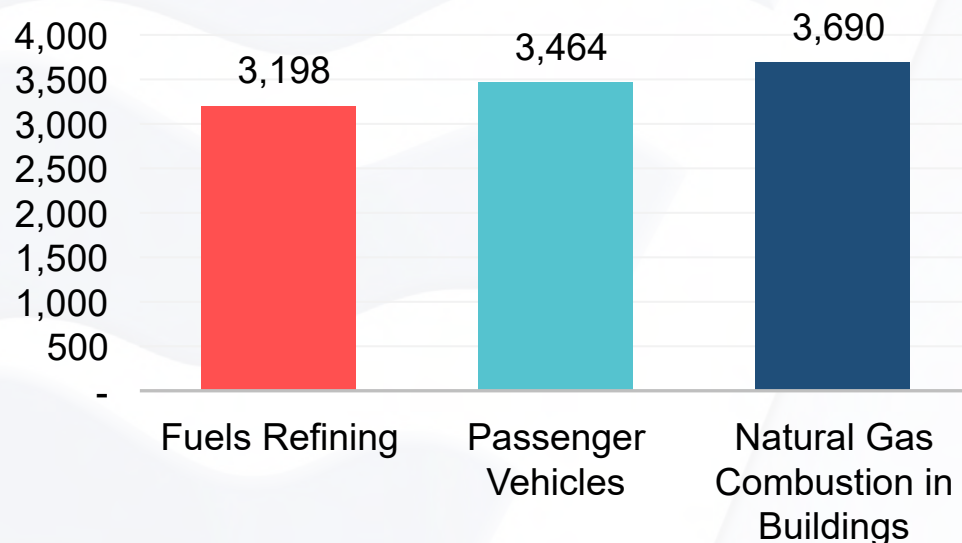


*Source: Stock photo owned by Air District*

# Residential Appliance Emissions

Natural gas combustion from space and water heating emits more NOx than either fuels refining or passenger vehicles in the Bay Area!

2019 Air District NOx Emissions (tons)



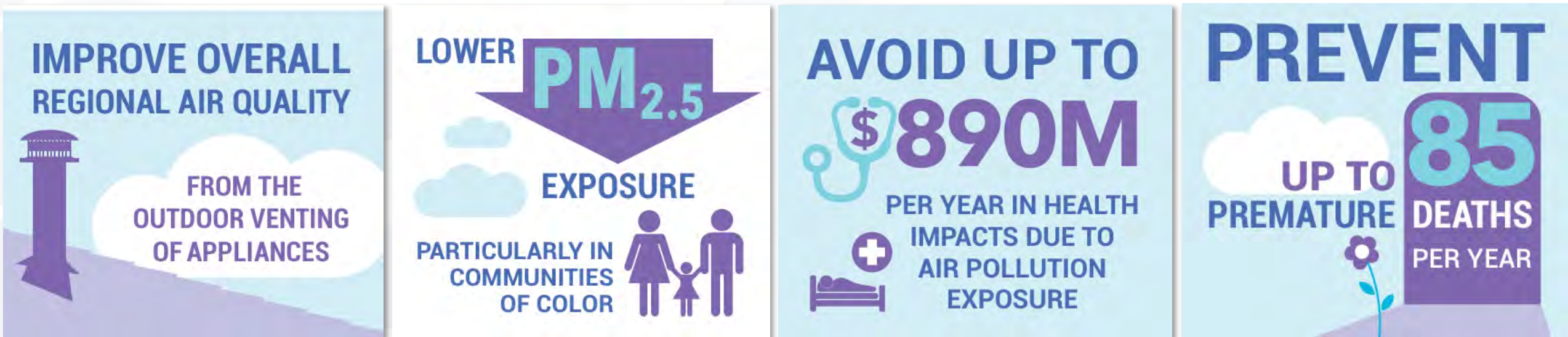
Air District Residential Natural Gas Combustion NOx Emissions (2019)

Water and space heating account for about 90% of residential natural gas combustion NOx emissions



# Significant Public Health Benefits

## From Zero NOx Amendments to Rules 9-4 and 9-6



# Rules 9-4 and 9-6 Overview

- **Regulation 9, Rule 4:** Nitrogen Oxides from Fan Type Residential Central Furnaces
- **Regulation 9, Rule 6:** Nitrogen Oxides from Natural Gas-Fired Boilers and Water Heaters
- **Zero NOx amendments** adopted on March 15, 2023, with future implementation dates:

1/1/2027	Water heaters less than 75,000 BTU/hr*
1/1/2029	All applicable natural gas-fired furnaces (e.g., residential and commercial; including direct-vent units)
1/1/2031	Water heaters 75,000 to 2 million (M) BTU/hr

\*BTU/hr = British thermal units per hour

# Purpose and Scope of Informational Update

- Rule 9-6 section 404 requires informational updates two years prior to each compliance date
- This update focuses on the January 2027 compliance deadline for <75,000 BTU/hr water heaters
  - Includes tanked ~75 gallon and below
- This update does NOT include:
  - Tanked water heaters greater than 75 gallons
  - Gas tankless on-demand water heaters
  - Central water heaters seen in large multi-family buildings

# Implementation Working Group (IWG)

**Advisory group** that helped inform staff update to Air District Board on two aspects of rule implementation:



Technical Readiness



Equitable Transition

**40+ members**

- Environmental Justice and Community-Based Organizations
- Subject Matter Experts on Energy, Buildings, and Technology
- Regional/Local Government and State Agencies
- Labor and Trade Organizations
- Utilities and Community Choice Aggregators

## Meetings

- 6 Public Plenary
- 5 Steering Committee
- 5 Technical Subcommittee
- 5 Equity Subcommittee

# **Additional Engagement 2023 – 2024**

## **Community Outreach**

- Invited Community Advisory Council (CAC) to join IWG Equity Subcommittee; three members participated in meetings and follow-up discussions
- Conducted lived experience interviews with nine Bay Area renters
- Engaged with over 12 additional Community-Based Organizations to those in the IWG
- Held Public Learning Session on building appliance rules in October 2024

## **Coordination with State and Local Agencies**

- Met regularly with California Air Resources Board (CARB) and South Coast Air District to discuss their upcoming building appliance rules



# Additional Engagement 2023 – 2024 (cont.)

## Coordination with Utilities and Community Choice Aggregators (CCAs)

- Met with Pacific Gas & Electric (PG&E), California Public Utilities Commission, and California Energy Commission to discuss energy code, proceedings, pilots, grid, etc.
- Met quarterly with CCAs on outreach and heat pump programs

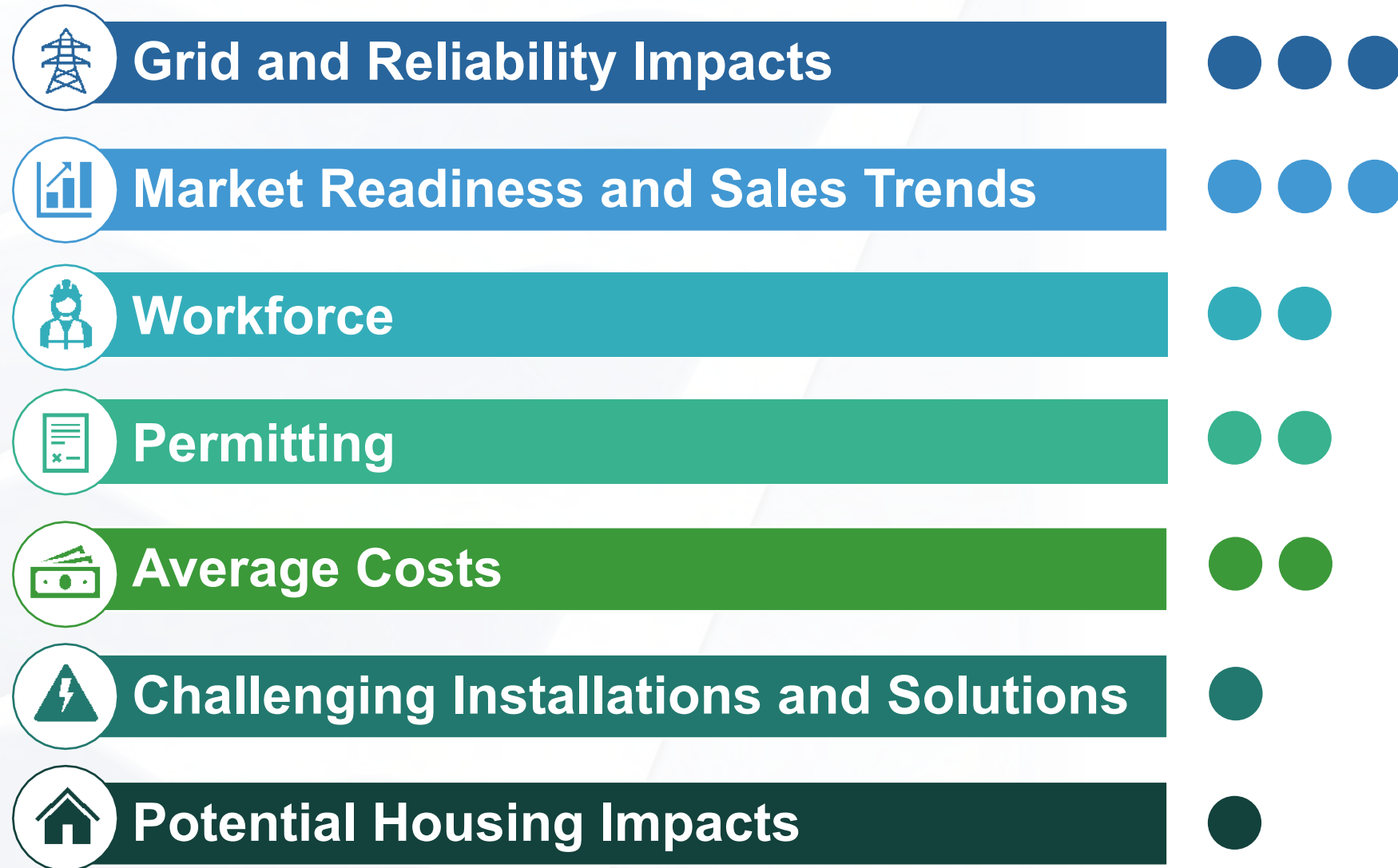
## Participation at Public Events and other Forums

- Presented at 12 events including electrification fairs, contractor education and workforce events, and forums on zero NOx rules, permitting, building electrification, sustainability, etc.



Source: Microsoft stock photo

# Topic Overview



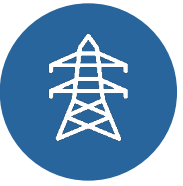
**LEVELS**

● ● ● READY

● ● ON-TRACK

● MORE WORK NEEDED

# Grid and Reliability



- New electrical loads resulting from rule implementation are highly unlikely to cause power outages
- Large majority of power outages are caused by physical impacts (downed trees, storms, etc.) or public safety power shutoffs, which have significantly declined since 2019
- At the appliance level, zero NOx and new NOx-emitting gas water heaters have similar reliability in power outages



Source: Microsoft stock photo

# Market Readiness: Public Drivers



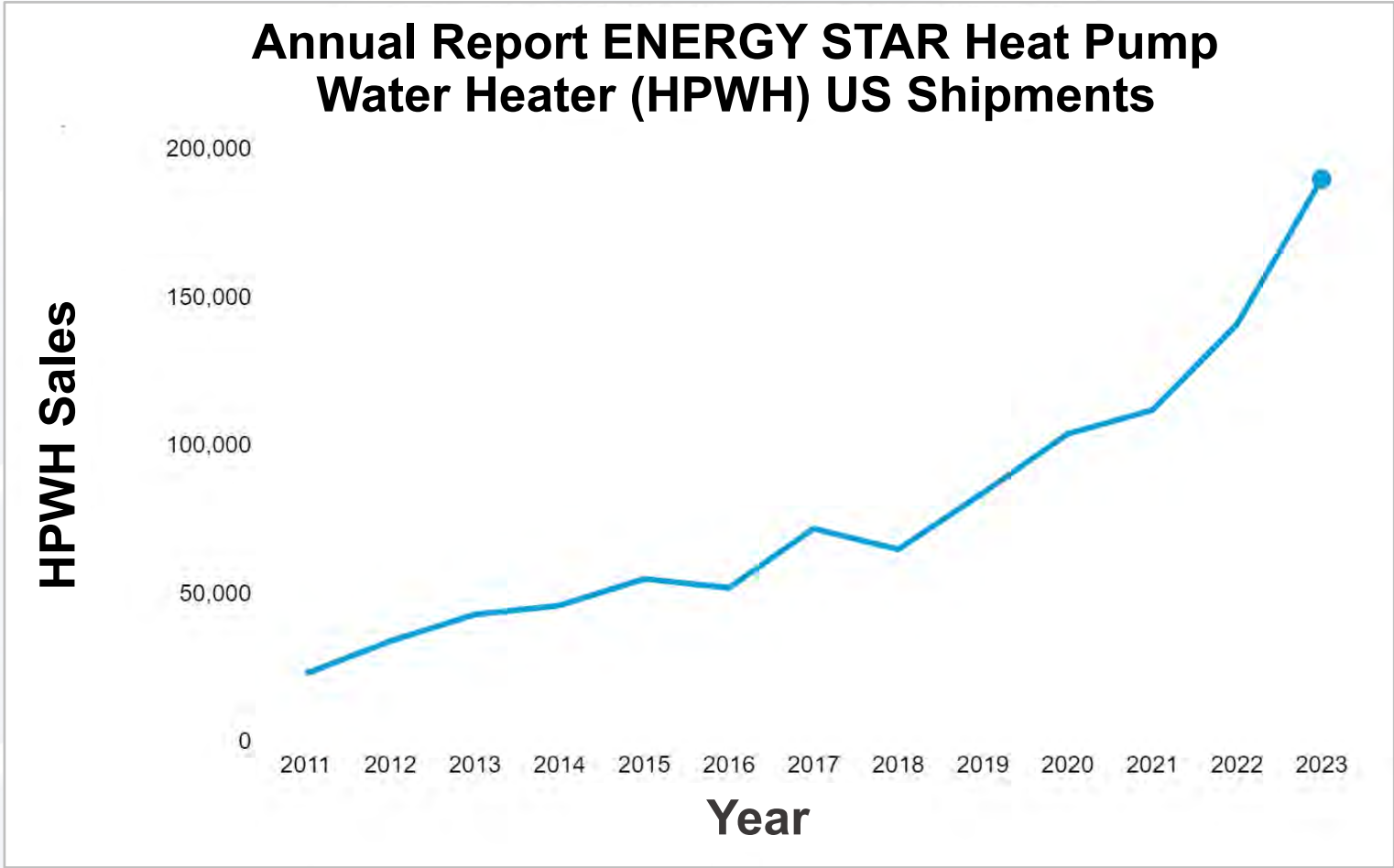
- Local programs, pilot programs, and policies from cities, CCAs, and Bay Area Regional Energy Network
- State market development through programs including TECH Clean CA and CA Heat Pump Partnership
- Federal Inflation Reduction Act (IRA) funds and US Department of Energy electric water heater efficiency standards passed in 2024



Source: Microsoft stock photo

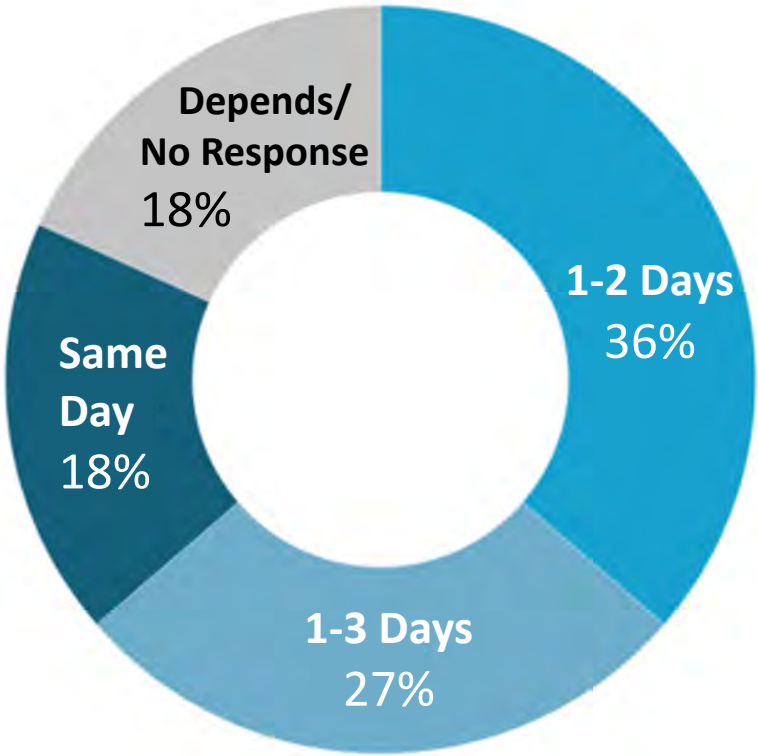


# Market Readiness: Wait Times and Sales Trends



Source: Advanced Water Heating Initiative

## Bay Area contractors wait times for HPWHs



Source: Appendix C of Staff Report: Informational Update on Rule 9-6

# Workforce: Benchmarking and Surveys



**National metrics show Bay Area workforce concentration is close to national averages (0.86 – 0.98)**

## Findings from surveys and interviews

- Majority of contractors are available for emergency failures within a couple of days
- About 2/3 of contractors had awareness of zero NOx amendments and incentive programs
- Almost 1/3 of contractors plan to provide additional heat pump training to their staff
- Almost 1/4 of plumbers expect to expand their workforce



Source: Microsoft stock photo

# Permitting: Local Building Permits



## Findings from surveys and interviews with 11 Bay Area local governments:

- Turnaround time for zero NOx water heater permits takes less than 3 days in most jurisdictions
- Most cities surveyed have a single permit for HPWHs
- Growing number of local jurisdictions are pursuing best practices for HPWH permitting, informed by efforts from:
  - BayREN and TECH Clean California's Permitting Pilot
  - San Mateo County
  - Silicon Valley Clean Energy (SVCE)



Source: Microsoft stock photo

# Costs: Billing Impacts



- Most high-usage households (5,000 kWh or more annual usage before electrifying) see savings
- Some low-usage households see increase of ~\$2 per month
- Discount rate for low-income and electrification-specific rate are key

Usage	Sector	Customer	% Customers who Switch to E-ELEC	Bill Impact	% Customers	Avg \$/Month
Low	SF Res	CARE	8%	Increase	12%	\$1.33
				Decrease	88%	-\$8.28
		Non-CARE	10%	Increase	34%	\$1.73
				Decrease	66%	-\$7.51
	MF Res	CARE	13%	Increase	10%	\$1.33
				Decrease	90%	-\$7.89
		Non-CARE	18%	Increase	59%	\$2.09
				Decrease	41%	-\$7.65
High	SF Res	CARE	62%	Increase	4%	\$1.50
				Decrease	96%	-\$15.38
		Non-CARE	64%	Increase	5%	\$1.71
				Decrease	95%	-\$32.97
	MF Res	CARE	48%	Increase	7%	\$1.42
				Decrease	93%	-\$16.58
		Non-CARE	76%	Increase	3%	\$1.24
				Decrease	97%	-\$27.59

SF Res = Single-family Residential  
MF Res = Multifamily Residential

E-ELECT = Electric Home Rate Plan  
CARE = California Alternate Rates for Energy

Source: Appendix A of Staff Report: Informational Update on Rule 9-6



# Average Costs: Upfront Purchase and Installation



End User	NOx-emitting Baseline Type	NOx-emitting Average Upfront Cost	Zero NOx Average Upfront Cost	Incremental Cost
Single-family	Tanked + Tankless (N=450)	\$5,231	\$7,071	<b>\$1,840</b>
Single-family	Tanked (N=37)	\$3,575	\$7,071	<b>\$3,496</b>
Multi-family	Tanked, tankless	No data	\$8,939	Not available

- Current and upcoming incentives offered at multiple levels: Federal, State, PG&E, and local
- After incentives and tax credits, upfront costs for a new zero NOx water heater can be less than for a new NOx-emitting water heater

# Challenging Installations: Cost of Edge Cases



- The majority of the ~4k HPWH projects evaluated are close to the median and average of ~\$7k for total upfront costs
- But TECH data shows statistical outliers and “edge cases”

Source: Appendix A of Staff Report: Informational Update on Rule 9-6 & TECH Clean CA December 2023

# Challenging Installations: Space Constraints and Emerging Solutions



Early research show space constraints in up to  
~1/4 of homes

- Ventilation measures will be mostly low cost (avg.=\$208; max=\$1.7k) vs. other measures, especially relocation (avg.=\$1.3k; max=\$4.5k)

## Emerging solutions:

- Split-system HPWHs – with unattached, outside condenser or heat pump (*top photo*)
- Electric on-demand tankless water heaters (*bottom photo*)



Source: Embertec.com and Homedepot.com

# Challenging Installations: Panel Upsizing and Emerging Solutions



**Only 3% of single-family and 10% of multi-family homes statewide will need panel upsizing for *full* electrification**

- 120V HPWHs are “plug and play”
  - Growing market: Energy Star lists 68 records
  - \$800 – \$15,000 cost savings vs. 240V HPWH install
- Bay Area projects validated *full* electrification on 100 amps through “watt diet” panel optimization
  - Circuit splitting, sharing, or pausing
  - Smart panels
  - Low-amperage appliances



Source: Grainger.com

# Emerging Solutions: Emergency Replacements



**75 – 90% of water heater replacements only happen when there is a failure**

- New “loaner” programs and pilots from Palo Alto, SVCE, Peninsula Clean Energy, and Marin Clean Energy (MCE)
- Opportunities to encourage pre-planning and readiness:
  - Senate Bill (SB) 382 *Notice to Homebuyers* passed in 2024
  - Potential local government ordinances (e.g., City of Piedmont, Mountain View)
  - Education and outreach
- Potential to speed up installations through contractors, training, and permitting



# Potential Housing Impacts



## Findings from detailed policy research and engagement with key stakeholders, experts, and other agencies

- Capital cost pass-throughs and/or potential rent increases (cost recovery) is a priority issue
- Potential for temporary evictions from construction activities required to make zero NOx replacements (“substantial repair”)



Source: Microsoft stock photo

# Potential Housing Impacts: Lived Experience Interviews with Bay Area Renters



“I am aware of rebates, for switching from gas to electric appliances. My landlord has not taken the measure yet, but he is interested in changing from gas to electric...My landlord should be the one to take care of figuring out the switch.”

“[The water heater] works, but I don’t like it because it’s gas and very old. I don’t feel safe.”

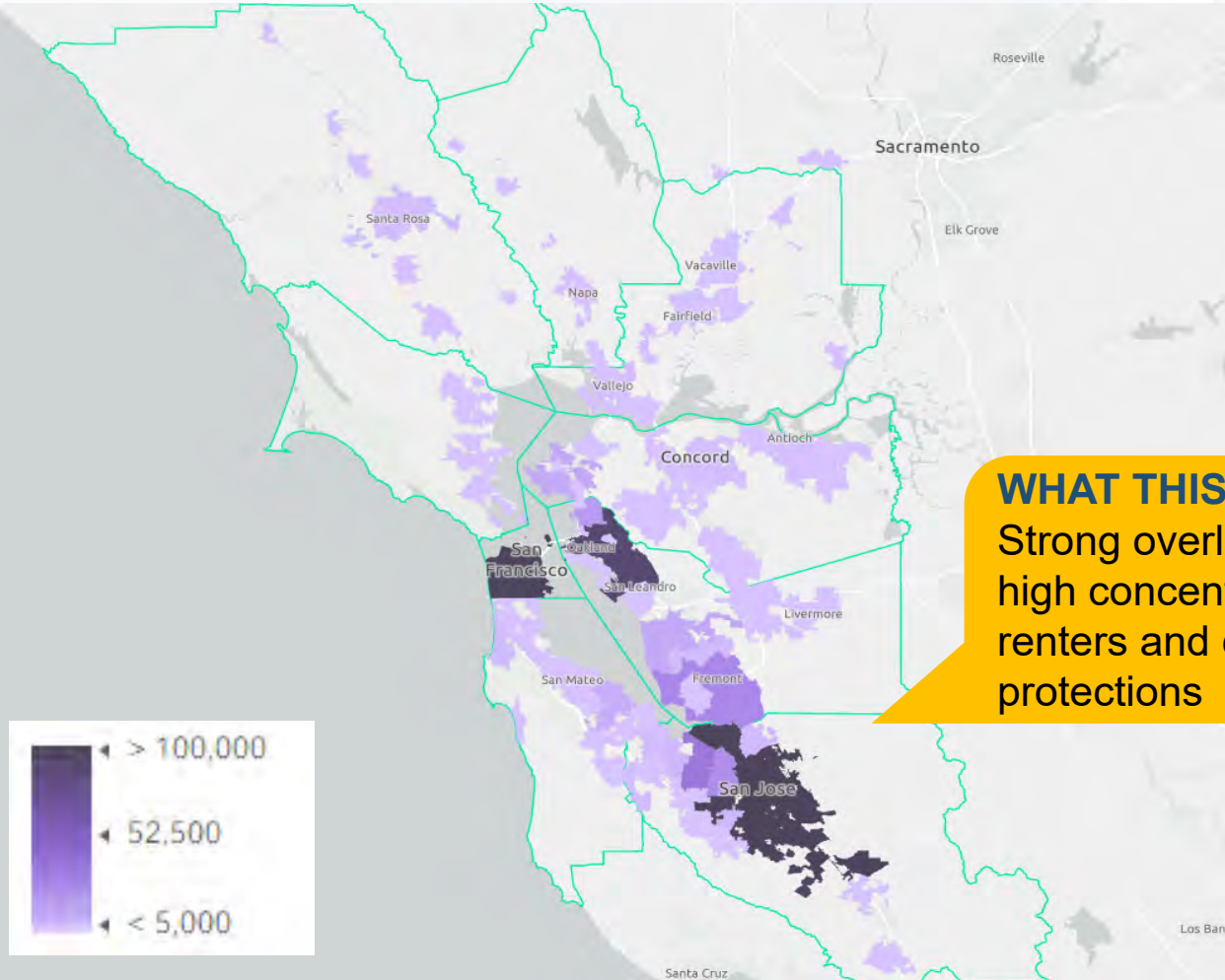
“I didn’t have a contract and it was an informal agreement. Many people like to rent without a formal contract, because sometimes the requirements are a lot, especially for Latinos. I have experienced housing discrimination for being Latino.”

“Disposable income needs to be considered with this trend (electrification), and tenants might not be able to afford the transition. It needs to be affordable.”

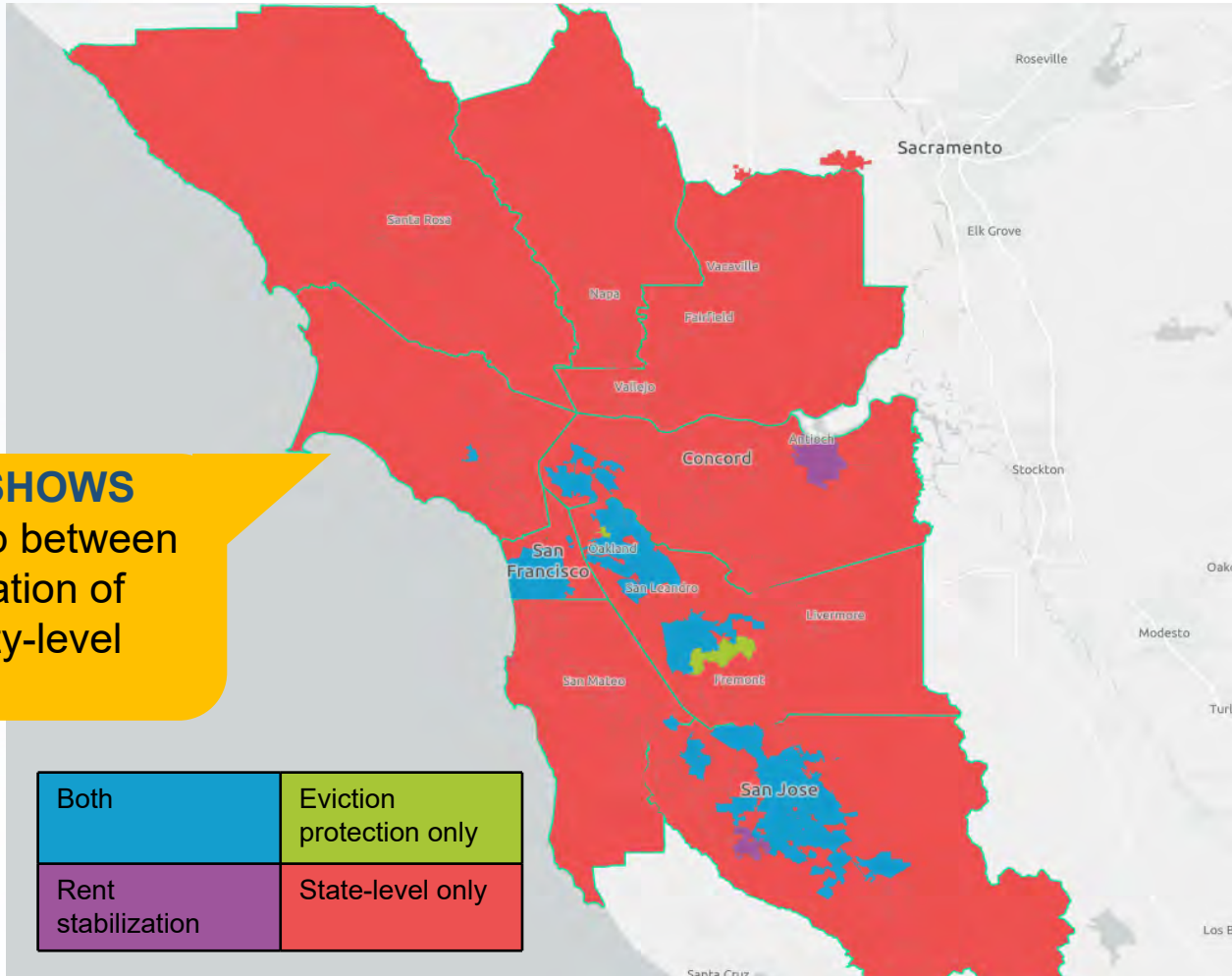
# Key Finding: Cities with the strongest protections have the highest percentage of renters



Total Rented Households (Census Data)



Types of Protections in Place by Jurisdiction



**WHAT THIS SHOWS**  
Strong overlap between high concentration of renters and city-level protections

Both	Eviction protection only
Rent stabilization	State-level only



# Potential Housing Impacts: Emerging Solutions



## Pass Throughs

- Consider ways to *prohibit or limit pass through* costs for zero NOx appliance upgrades in local rent laws
- Conduct *outreach to landlords* to increase participation in incentive programs to lower costs and pass through amounts

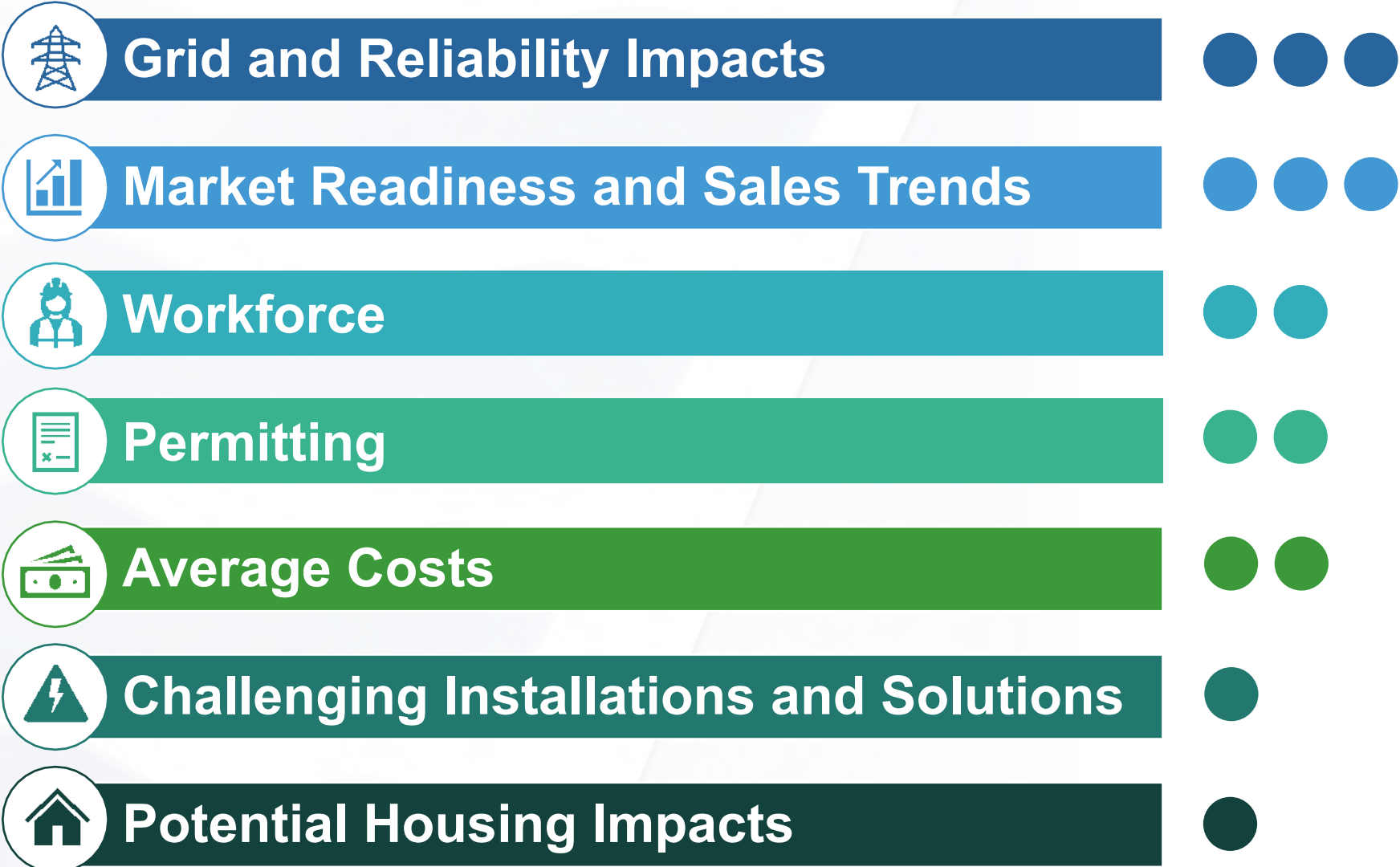
## Eviction Protections

- Explore ways to limit “substantial repair” for zero NOx appliance replacements
- Expand relocation assistance for affected tenants
- Address and prevent “renovictions”



Source: Microsoft stock photo

# Current Implementation Readiness



**LEVELS**

● ● ● READY

● ● ON-TRACK

● MORE WORK NEEDED

# Equity Concerns: Costs

- Higher upfront incremental costs without incentives
- Scale and continuity of incentives
  - Approximately 120k Bay Area small water heaters will be replaced annually, with a substantial number of those being in lower-income households
  - Current and upcoming electrification and energy efficiency incentives that include HPWHs offered from multiple sources: federal, state, PG&E, local utilities and CCAs
  - Funding programs are a snapshot in time



Source: Microsoft stock photo

# Equity Concerns: Potential Housing Impacts

- Cost pass throughs from owner to tenant in privately-owned rented buildings
- Potential temporary displacement of tenants due to additional construction activities for more complex installations; for example:
  - Electrical service upgrades
  - Building constraints for installation that require reconfiguration

# Next Steps: Communications and Outreach

- Continue and grow robust key stakeholder engagement
  - Local government and CCAs
  - Contractors
  - Multifamily building owners and residents
- Research and advocacy for funding and policy changes to address remaining challenges
- As implementation dates near
  - Broader public education and outreach campaign



Source: Microsoft stock photo



# Next Steps: Rule Development

EPA requested changes  
for State Implementation  
Plan compliance

Conditional approval  
expected in January 2025

Administrative rule changes  
to be completed in 2025

Possible changes to  
introduce flexibility

Stationary Source  
Committee planned for  
Quarter 2 2025

Discuss strategies to  
address remaining gaps  
including benefits and  
resource implications

EPA = Environmental Protection Agency

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Davina Hurt and Members  
of the Board of Directors

From: Philip M. Fine  
Executive Officer/APCO

Date: December 4, 2024

Re: Election and Federal Policy Impacts

RECOMMENDED ACTION

None; the Board will discuss but no action is requested at this time.

BACKGROUND

Former President Donald Trump won the 2024 Presidential Election. This will lead to changes in policy which reflect the priorities and policies of the incoming administration.

DISCUSSION

Air District leadership will discuss, together with the Board, the Air District's authorities as a special district of the State of California, potential funding impacts to Air District programs, and how to think about regional air quality and climate policy given likely changes in federal policy.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Alexander Crockett, Arsenio Mataka, Greg Nudd, Viet Tran  
Reviewed by: Greg Nudd

ATTACHMENTS:

1. Election and Federal Policy Impacts





BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

**AGENDA: 26**

# **Election and Federal Policy Impacts**

**Board of Directors Meeting  
December 4, 2024**

**Dr. Philip M. Fine**  
**Executive Officer / Air Pollution Control Officer**  
[pfine@baaqmd.gov](mailto:pfine@baaqmd.gov)

# Presentation Outline

Review potential impacts on the Air District's work from the upcoming change in Presidential administration in the following areas:

- Legal authorities
- Funding impacts
- Policy work

# Air District Legal Authority

- **Air District regulations come from state law, not federal law**
  - Exercise of the state's police power under the California Constitution
  - California Legislature provides authority in the Health & Safety Code
  - If Congress were to repeal the Clean Air Act (CAA), California law would still stand
- **Federal law can override conflicting state/local laws and regulations under the Supremacy Clause in the US Constitution**
  - E.g., motor vehicle emissions standards
    - Trump administration could deny California "waiver"
    - First Trump Administration tried this – California, Bay Area Air Quality Management District (BAAQMD) & others sued
- **Supremacy Clause concerns mostly affect mobile source regulation**
  - For stationary sources, CAA explicitly authorizes more stringent local regulations

# Funding Impacts

- **Federal funding of Air District activities**

- Two recurring grants from United States Environmental Protection Agency (US EPA) totaling \$1.7 million (M); these funds are about 1.5% of total recurring revenue
- These funds have been stable through past changes in administrations

- **Federal pass-through, project and incentive funds**

- \$1.5 M for the Biowatch program; this is a Homeland Security project that we outsource to contractors, these funds are not used for internal staffing or other Air District expenses
- \$1.5 M for projects that the Air District is conducting; these grants have been awarded and the funds are in our bank accounts
- \$2 M for incentive program to replace wood stoves with heat pumps; awarded in 2021, we are reimbursed after we fund projects
- \$5 M in Congestion Mitigation Air Quality funds to support Electric Vehicle (EV) programs; >\$4 M received
- \$15 M for charging infrastructure (only initial \$1.6 M currently under contract)

- **Federal Funds that Support Air District Priorities**

- Funding for clean vehicles and related infrastructure (EV rebates)
- Funding for clean building appliances (heat pump rebates)

# Air District Leadership into the Future

- **Leading Locally for Lasting Change: Our Strategic Plan in Action**
  - Even as federal support fluctuates, our Strategic Plan empowers us to drive meaningful, lasting improvements in air quality, climate resilience, and public health across the Bay Area
  - Still laser-focused on Environmental Justice
- **Bridging Federal Shortfalls with State and Local Incentives**
  - In the face of reduced federal support, collaboration with state partners is essential to expand and optimize incentives. At same time, state budget constraints call for prioritizing high-impact funding streams that drive air quality improvements beyond regulatory requirements and sustain progress
- **Standing with Partners to Challenge Illegal Rollbacks**
  - As in the first Trump administration, the Air District can partner with the California Attorney General, like-minded states, and others to challenge any illegal rollbacks of air quality and climate regulations or initiatives