



BOARD OF DIRECTORS
FINANCE AND ADMINISTRATION COMMITTEE
February 26, 2025

COMMITTEE MEMBERS

TYRONE JUE – CHAIR
NOELIA CORZO
DAVID HAUBERT
VICKI VEENKER

LYNDA HOPKINS – VICE CHAIR
JUAN GONZÁLEZ III
SERGIO LOPEZ

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

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

**Scott Haggerty Heritage House
4501 Pleasanton Avenue
Pleasanton, CA 94566**

**City of San Leandro City Hall
835 E. 14th Street
2nd Floor, Room 201
San Leandro, CA 94577**

THE FOLLOWING STREAMING OPTIONS WILL ALSO BE PROVIDED

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

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

Members of the public may participate remotely via Zoom at <https://bayareametro.zoom.us/j/88518953922>, or may join Zoom by phone by dialing (669) 900-6833 or (408) 638-0968. The Webinar ID for this meeting is: 885 1895 3922

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

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

FINANCE AND ADMINISTRATION COMMITTEE SPECIAL MEETING AGENDA

WEDNESDAY, FEBRUARY 26, 2025
1:00 PM

Chairperson, Tyrone Jue

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

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

2. **Pledge of Allegiance**

CONSENT CALENDAR (Items 3-5)

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

3. Approval of the Draft Minutes of the Finance and Administration Committee Meeting of December 18, 2024

The Committee will consider approving the Draft Minutes of the Finance and Administration Committee Meeting of December 18, 2024.

4. Hearing Board Quarterly Report - October to December 2024

The Committee will receive the Hearing Board Quarterly Report for the period of October through December 2024.

5. Fiscal Year Ending (FYE) 2025 Second Quarter Reporting of Payments for Routine and Recurring Goods/Services Expenses and Contracts Executed under Delegated Authority

The Committee will receive a report of vendor payments for routine and recurring essential services and contracts executed under delegated authority for the second quarter of Fiscal Year (FY) 2025, which ended December 31, 2024.

INFORMATIONAL ITEM(S)

6. Financial Update for the Second Quarter of Fiscal Year (FY) 2024-2025, Ending December 31, 2024

The Committee will discuss the financial update for the second quarter of Fiscal Year (FY) 2024-2025, which ended December 31, 2024. This item will be presented by Jun Pan, Finance Manager.

7. Proposed Engineering Division Program Managers for Complex Permit Applications

The Committee will discuss a proposed Engineering Program Manager (EPM) program to facilitate complex and challenging permit applications. This change would improve predictability and efficiency for all permitting work. This item will be presented by Meredith Bauer, Deputy Executive Officer of Engineering and Compliance.

OTHER BUSINESS

8. Public Comment on Non-Agenda Matters

Pursuant to Government Code Section 54954.3, members of the public who wish to speak on matters not on the agenda will be given an opportunity to address the Committee. Members of the public will have two minutes each to address the Committee, unless a different time limit is established by the Chair. The Committee welcomes comments, including criticism, about the policies, procedures, programs, or services of the District, or of the acts or omissions of the Committee. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Committee meeting. The District is committed to maintaining a workplace free of unlawful harassment and is mindful that District staff regularly attend Committee meetings. Discriminatory statements or conduct that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is per se disruptive to a meeting and will not be tolerated.

9. Committee Member Comments

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

10. Time and Place of Next Meeting

Wednesday, March 19, 2025, at 1:00 p.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Finance and Administration Committee members and members of the public will be able to either join in-person or via webcast.

11. Adjournment

The Committee meeting shall be adjourned by the Chair.

CONTACT:

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

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

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

Accessibility and Non-Discrimination Policy

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

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

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

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

Questions regarding this Policy should be directed to the Air District's Acting Non-Discrimination Coordinator, Diana Ruiz, at (415) 749-8840 or by email at druiz@baaqmd.gov.

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

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

FEBRUARY 2025

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Special Policy, Grants and Technology Committee	Wednesday	26	10:00 a.m.	1 st Floor, Yerba Buena Room
Board of Directors Special Finance and Administration Committee	Wednesday	26	1:00 p.m.	1 st Floor, Yerba Buena Room

MARCH 2025

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	5	10:00 a.m.	1 st Floor Board Room
Advisory Council Meeting	Monday	10	9:00 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee	Wednesday	12	10:00 a.m.	1 st Floor, Yerba Buena Room
Board of Directors Community Equity, Health & Justice Committee	Wednesday	12	1:00 p.m.	1 st Floor, Yerba Buena Room
Board of Directors Policy, Grants and Technology Committee	Wednesday	19	10:00 a.m.	1 st Floor Board Room
Board of Directors Finance and Administration Committee	Wednesday	19	1:00 p.m.	1 st Floor Board Room
Board of Directors Community Advisory Council Meeting	Thursday	20	6:00 p.m.	Trans Pacific Center California State University East Bay Oakland Professional Development & Conference Center 1000 Broadway, Suite 109 Grand Lake Conference Room Oakland CA 94607

MV 2/19/25 – 9:30 a.m.

G/Board/Executive Office/Moncal

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Tyrone Jue and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: February 26, 2025

Re: Approval of the Draft Minutes of the Finance and Administration Committee
Meeting of December 18, 2024

RECOMMENDED ACTION

Approve the Draft Minutes of the Finance and Administration Committee Meeting of December 18, 2024.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the Draft Minutes of the Finance and Administration Committee Meeting of December 18, 2024.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENT(S):

1. Draft Minutes of the Finance and Administration Committee Meeting of December 18, 2024

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

Finance and Administration Committee Meeting
Wednesday, December 18, 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

CALL TO ORDER

1. **Opening Comments:** Finance and Administration Committee (Committee) Chairperson, Davina Hurt, called the meeting to order at 10:04 a.m.

Roll Call:

Present, In-Person (Bay Area Metro Center, 375 Beale Street, 1st Floor Board Room, San Francisco, CA, 94105): Chairperson Davina Hurt, and Directors Tyrone Jue and Mark Ross.

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

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

Present, In-Person (San Leandro City Hall, 835 E. 14th Street 2nd Floor, San Leandro, CA 94577): Director Juan González III.

Present, In-Person (Santa Rosa Junior College Campus, Doyle Library, Room 148, 1501 Mendocino Ave., Santa Rosa, CA, 95401): Vice Chair Lynda Hopkins.

Absent: Directors Margret Abe-Koga and Katie Rice.

2. **PLEDGE OF ALLEGIANCE**

CONSENT CALENDAR

3. **APPROVAL OF THE DRAFT MINUTES OF THE FINANCE AND ADMINISTRATION COMMITTEE MEETING OF NOVEMBER 6, 2024**

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Haubert made a motion, seconded by Director Jue, to approve the Draft Minutes of the Finance and Administration Committee Meeting of November 6, 2024; and the motion carried by the following vote of the Committee:

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

ACTION ITEM

4. UPDATE ON THE AIR DISTRICT'S INFORMATION SERVICES PROGRAMS AND RECOMMENDATION OF PROPOSED SOFTWARE DEVELOPMENT AND MAINTENANCE CONTRACTS

Patricia Roman, Director of Software Development, and John Chiladakis, Chief Technology Officer gave the presentation *Update on the Air District's Information Services – Programs and Recommendation of Proposed Software Development and Maintenance Contracts*, including: outline; overview of Air District Information Technology (IT) functions; Fiscal Year (FY) 2025 Budget; overview of Air District Information System functions — governance; recent Board actions: modernization and consolidation; Air District Strategic Plan guides IT development; six-month progress report on software development; strategic deliverables for this authorization; vendor qualification; funding and budget impact; and funding request.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed whether the contract length may deviate from 18 months; whether any of the vendors deemed qualified have been contracted with the Air District previously; hopes that vendors that are being proposed for the first time will not repeat poor performances of past contractors; the manner in which the Air District is prioritizing deliverables within the next six months; the process by which the Air District solicits feedback from the stakeholders who use the Air District's dashboard interface; whether the Air District is considering how to utilize artificial intelligence in its IT tools, and whether any of the qualified vendors have expertise in that area; whether Air District Permit applicants can track the real-time status of their application; a request that the Board

receives a report of the current status of permit applications; concerns about the cost of the Air District's website; a request for an update on data security assessment (cybersecurity); and appreciation for the process that has been made.

Committee Action

Director Ross made a motion, seconded by Director Jue, to recommend the Board of Directors approves contracts for software development and maintenance services with qualified fulfillment partners, ClearSparc, DVBE, and Oshyn, over a term of 18 months for a total combined not-to-exceed amount of \$4.371 Million; and the motion carried by the following vote of the Committee:

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

INFORMATIONAL ITEMS

5. PERFORMANCE EVALUATION SYSTEM

Chris Atkinson, Principal Consultant with CPS-HR Consulting, gave the presentation *Performance Evaluation: Process, Evaluation, Design, and Development, December 2024* including: agenda; create and implement a performance evaluation process that facilitates high performance and encourages employee growth and development; methodology of data collection; findings; areas for improvement addressed in the new performance evaluation system; performance evaluation process overview; evaluation-linking performance to the Air District's Strategic Plan; executive core qualifications (ECQ) and employee performance factors; key training concepts; and next steps.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the difference between ECQ and regular employee performance; what prompts the need for a Performance Improvement Plan (PIP); the amount of disciplinary context that the PIP model involves, and the hope that the PIP model includes more constructive, assertive feedback with a goal of hope and improvement (rather than fear of termination); whether a PIP should be developed simultaneously with an annual performance evaluation; the concern that quarterly check-in meetings between staff and their supervisors may be too frequent and result in unintended consequences; whether stakeholders input is sought and included in staff evaluations; how well the 38 focus groups participants (all employees) reflected the diversity of staff the Air District; a desire for employee trainings regarding unconscious bias and inclusivity, and an emphasis on Diversity, Equity, and Inclusion engrained in all operations at the Air District; concern that "communication" is not included as an ECQ; how the hybrid work setting is considered when the goal is to conduct honest and thorough interviews (especially for female staff); the belief

that evaluation performance feedback should be given in person (not via teleconferencing); the suggestion of using “executive, managerial, and individual contributor” definitions; the concern that disconnect, employee frustration, and litigation can occur if the supervisors conducting the interviews are not doing it correctly; and the request for a review of diversity at the Air District at the executive level.

Committee Action

No action taken.

6. COST RECOVERY STRATEGY FOR AMENDMENTS TO REGULATION 3: FEES FOR FISCAL YEAR (FY) 2026

Fred Tanaka, Engineering Manager, and Leonid Bak, Senior Advanced Projects Advisor, gave the staff presentation *Cost Recovery Strategy for Amendments to Regulation 3: Fees for Fiscal Year 2026*, including: outcome; outline; cost recovery background; cost recovery background: fee schedules and percent of fee schedule revenue; economic update and forecast; cost recovery trends by Fee Schedule; cost recovery trends (examples by Fee Schedule); cost recovery strategies: historical and options; other related considerations; and next steps: budget and rule developmentschedule.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the request for more transparent data showing fee increases each year (and are they beyond inflation), and how the Air District's fee increases compare with those of other air districts in California of comparable size; the request that staff considers socioeconomic impacts to stakeholders when proposing fee increases; whether the proposed fee increases are incremental versus fully-burdened costs in recovery; the consideration of an optional fee for a complex project facilitator for permitting; the Air District's definition of “small business,” and the desire for the input of the Air District's Community Advisory Council on impacts on small permitted businesses; whether addressing the issue of the permit backlog (bringing in additional resources to help with the backlog) is increasing the cost of future permits; and whether the Air District would reduce fee increases for facilities that are closer to 100% cost recovery, while increasing fees for facilities that are farther from 100% cost recovery.

Committee Action

While no official action was taken, the consensus of the Committee members present was to support Cost Recovery Strategy Option #1 (implemented since FYE 2024) for FYE 2026: fee. If the revenue from a fee schedule is 100% or more and less than 110% of costs, the fees in the schedule will be increased by the annual Consumer Price Index for Bay Area Urban Wage Earners and Clerical Workers (CPI-W). If the revenue from a fee schedule is less than 100% of costs, the fees in the schedule will be increased by 15%.

OTHER BUSINESS

7. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

8. COMMITTEE MEMBER COMMENTS

Director Ross thanked the Committee and Air District staff, as he would be retiring from public office at the end of December 2024, and this was his last Finance and Administration Committee meeting.

Chair Hurt announced that on December 18, 2024, the U.S. Environmental Protection Agency granted waivers to implement and enforce CARB's Advanced Clean Cars II regulations for light-duty vehicles, and its "Omnibus" low-NOx regulation for heavy-duty highway and off- road vehicles and engines.

9. TIME AND PLACE OF NEXT MEETING

Wednesday, February, 26, 2025, at 1:00 p.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Finance and Administration Committee members and members of the public will be able to either join in-person or via webcast.

10. ADJOURNMENT

The meeting was adjourned at 12:18 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Tyrone Jue and Members
of the Finance and Administration Committee

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

Date: February 18, 2025

Re: Hearing Board Quarterly Report: October – December 2024

RECOMMENDED ACTION

No action requested at this time.

DISCUSSION

This report covers the fourth calendar quarter (October – December) of 2024.

- Held two hearings;
- Processed three orders: and
- Collected a total of \$40,650.84 in Hearing Board filing and excess emission fees (including one payment made in Q1 2025)

Below is a detail of Hearing Board activity during the same period (*activities for several dockets extend into Q1 2025*):

Docket: 3754 – Redwood Landfill, Inc. – Request for Interim and Short Variance

Location: Marin County; City of Novato

Regulation(s): Regulation 2, Rule 1, Section 307 (Permits, General Requirements, Failure to Meet Permit Conditions); and Permit Conditions 25634, Section 5.a and 19867, Sections 16 and 18.c

Synopsis: Redwood Landfill and Recycling Center (the “Facility”) is an essential public service Class III landfill that is permitted for and has received non-hazardous municipal solid waste (MSW) since 1958. The Facility covers 420 acres, with 222.5 acres dedicated to waste disposal. Relevant to this variance request, the Facility includes two flares (A-51 and A-60), two landfill gas treatment systems (S-71 and A-80) and two internal combustion (IC) engines (S-64 and S-65) operated at the onsite landfill gas-to-energy plant (the “energy plant”). The Facility operates under an Air District Permit to Operate (PTO) which sets forth conditions for landfill operations, including operation of a landfill gas collection and control system (GCCS). LFG collected in the Facility’s GCCS is routed

through one of two treatment systems (S-71 or A-80) to control total reduced sulfur (TRS) before the LFG is either routed to the energy plant engines S-64 and S-65, which supply power to the PG&E electrical grid, or to one of the Facility's two enclosed flares (A-51 and A-60).

From Petitioner:

On August 22, 2024, the Facility initiated two-day scheduled source tests for engines S-64 and S-65. During the source test for S-64, the engine generator malfunctioned and could not maintain operation long enough to complete testing. Petitioner determined that bearings in the engine's generator had failed, causing significant damage to the rotating shaft inside the generator. These issues resulted in the engine shutting down in the middle of the test. The S-64 generator has been removed and sent to the East Coast for repairs. Consequently, S-64 will be offline for several weeks.

During the testing for S-65, there was a power outage, requiring the test to be cancelled. It was also discovered that there were issues with the urea injection system used for NOx control on the engine.

On August 27, 2024, it was determined that the S-65 NOx control system was compromised to the point that the engine had to be shut down to avoid non-compliance with engine-related permit conditions.

*With both energy plant engines offline, it was necessary to partially open the valve upstream of Flare A-60 (the "east side valve"), which is normally kept closed during routine operations. Opening the valve was necessary to maintain a vacuum on the east side of the GCCS and to prevent fugitive LFG from being emitted. The east side valve is only opened during unforeseen circumstances that threaten proper operation of the GCCS—such as this situation. The result of partially opening this valve is that both treated gas from the west side of the GCCS and untreated gas from the east side are being routed to control device A-60, causing flare inlet H₂S concentrations to increase to approximately 500 ppmv and potentially contributing to exceedances of the 350 ppmv annual average limit for TRS compounds (calculated as H₂S) in collected LFG as stated in PTO Condition 19867, Section 18.c. Further, the routing of untreated LFG to the flare violates the requirement in PTO Condition 25634, Section 5.a. to route all flared gas through A-80. See *id.* at p. 40 (providing that "[w]hen the owner/operator uses A-80 to absorb H₂S for SO₂ control, the owner/operator shall route all of the [LFG] that goes to the flare through A-80").*

On September 10, 2024, Petitioner had a technician from its NOx emission control system vendor, Johnson Matthey, onsite to evaluate S-65. It was determined that the engine's NOx emission control system could not be repaired immediately. Petitioner is awaiting a replacement catalyst and other components needed for full repair. S-65 is thus expected to be out of service for the next few weeks. Because there is no immediate way for Petitioner to operate the GCCS in compliance with the permit terms stated herein, variance coverage is requested.

As the exigent circumstances described could not have been anticipated in sufficient time to issue public notice, good cause exists for an interim variance to be granted. See Cal. Health & Safety Code § 42351(b) (providing that the Hearing Board may grant an interim variance for good cause stated in the order granting such a variance).

Separately, for operational and emission control flexibility, Petitioner has initiated a project to increase the treatment capacity of A-80 and to re-configure the GCCS so that gas from both east and west sides of the system can be routed through A-80 for treatment (the “A-80 upgrade project”). The A-80 upgrade project entails the addition of four (4) 10,000-lb. treatment vessels containing activated carbon, resulting in a significant increase of the system’s treatment capacity. It also requires upgrades and reconfiguration of GCCS piping. To allow additional operational flexibility and gas treatment options in the event of future engine breakdowns, Petitioner further plans to re-establish a preexisting line to serve as a connection point between the S-71 treatment system and the east side of the GCCS. Once re-established, this line will allow Petitioner to move LFG from the east side of the GCCS through the carbon vessels at S-71 before flaring at control device A-60, in case the A-80 treatment system is temporarily unavailable for maintenance or other reasons in the future.

Requested Period of Variance: September 13, 2024, to December 12, 2024, or upon approval and commissioning of the A-80 upgrade project, whichever is sooner.

Estimated Excess Emissions: Although initially there was an estimate of excess emissions, prior to the variance hearing it was determined there were no excess emissions. As a result, the charge of a violation of Permit Condition 19867 Section 18.c was dropped.

Fees collected this Quarter: None for 2024 Q4 (over \$11K was collected in 2024 Q3.)

Status: Application for Interim and Short Variance filed by Petitioner on September 13, 2024; Notice of Hearing for Interim Variance only (September 24, 2024), with Short Variance hearing to be held on a future date, filed and issued September 13, 2024; joint request for 14-day continuance of Hearing for Interim Variance only submitted by both parties on September 18, 2024 (approved by Hearing Board Chair); joint request for both the Interim and Short Variance hearings to be heard on October 8, 2024 submitted by both parties on September 27, 2024 (approved by Hearing Board Chair); Notice of Continued Hearings for both Interim and Short Variances (October 8, 2024) filed and issued on September 27, 2024; Interim and Short Variance hearings held October 8, 2024; Order Granting Interim and Short Variance filed and issued on October 21, 2024.

THE HEARING BOARD ORDERED:

The Petitioner is granted both an Interim and a Short Variance from Regulation 2, Rule 1, Sections 307 and from Permit Conditions 25634, Section 5.a and 19867, Section 16. Combined, the Variances cover the period from September 13, 2024, through December 12, 2024, or upon approval and commissioning of the A-80 upgrade project, whichever is earlier.

The Short Variance granted is subject to the following conditions set forth in modified Joint Exhibit 1 and replicated here:

1. *Redwood shall provide three analyses of sulfur compounds in the landfill gas.
 - a. *The first two analyses shall be of the landfill gas before it is abated by either S-71 or A-80 (“pre-abated landfill gas”). Two pre-abated landfill gas samples shall be drawn from locations upstream of both S-71 and A-80.*
 - b. *The third analysis shall be of the landfill gas post-abatement. The post-abatement landfill gas to be analyzed shall be drawn from the sample point upstream from primary flare, A-60.*
 - c. *All samples shall be drawn on the same calendar day and shall be drawn within seven (7) calendar days from the date the Variance Order is issued, while the S-64 and S-65 engines are offline and during the A-80 upgrade project while landfill gas is abated only by the existing 6,000-lb vessels in the A-80 treatment system and the existing vessels in the S-71 system.*
 - d. *The samples shall be analyzed by laboratory testing and the test results shall be reported to the District within three (3) calendar days from the date that lab results are received.**
 2. *Redwood shall send the District weekly updates regarding the repair and operational status of S-64 and S-65. Redwood shall submit the first update within seven (7) calendar days from the date the Variance Order is issued and on a weekly basis thereafter or as requested by the District.*
 3. *Redwood shall notify the District within 24 hours of S-64 and S-65 each returning to full operation.*
 4. *Redwood shall record the position (e.g., “open” or “closed”) of the East side valve and the S-71 valve whenever the position of the valves change, including the date and time of the change. Redwood shall begin recording the positions of the East side valve and S-71 valve – including dates and times of changes – within 24-hours of the issuance of the Variance Order. Redwood shall make these records available upon request by the District.*
 5. *Redwood shall submit the requested information to the District via email to the following email addresses: lgriswold@baaqmd.gov, rmurray@baaqmd.gov, compliance@baaqmd.gov, and mnishiki@baaqmd.gov.*
-

Docket: 3755 – Quality Investment Properties Santa Clara, LLC – Request for Short Variance

Location: Santa Clara County; City of Santa Clara

Regulation(s): Permit Condition #100073

Synopsis: Petitioner is a data center facility authorized to operate emergency generators.

From Petitioner:

Three emergency generators (S2, S3, and S4) require a replacement of their control panels and Programmable Logic Control (PLC) Systems. For each emergency generator, their existing control panels and PLC systems have reached the end of their usable life and their components are no longer available from the manufacturer. Therefore, it is necessary to upgrade to avoid component failure. An additional 7 hours per emergency generator for maintenance and testing is requested to perform the controller and PLC unit replacement. The project is estimated to take place between 10/28/2024-11/22/2024. A temporary generator will be brought onsite to support the building in place of S2, S3, and S4 as each generator is taken out of service for the maintenance to be performed. The temporary generator will be a Portable Equipment Registration Program (PERP) certified unit and operated in accordance with BAAQMD 2-1-105 and CARB Rule 2453(m)(4)(E)(2). The temporary generator will run for approximately 3 hours (1 hour per generator) to confirm operational ability but will only run beyond that for power outages should they occur during the project timeline.

Requested Period of Variance: October 28, 2024 to November 22, 2024.

Estimated Excess Emissions: (From Petitioner) QTS estimates approximately 7 hours of run time per generator. The schedule for testing has not yet been established, therefore it was conservatively estimated that one generator would undergo all 7 hours of testing in one day. The chart below provides the emissions of one generator per day, and the facility total emissions (each generator operating 7 hours per day, for one day during the project duration). Based on the short duration of the project, additional mitigation efforts outside of minimizing run time for testing have not been pursued.

Pollutant	Individual Generator Excess Emissions (lb/day)	Project Total Excess Emissions (lb)
NOX	199.800	599.40
CO	45.788	137.36
VOC	5.828	17.48
PM2.5/PM10	5.869	17.61
SO2	5.869	17.62
Benzene	0.101	0.303
Toluene	0.043	0.129

Xylenes	0.016	0.047
Formaldehyde	0.011	0.032
Acetaldehyde	0.004	0.013
Acrolein	0.001	0.004
Naphthalene	0.000	0.001
Total HAP	0.007	0.022

Fees collected this Quarter: \$6,391.00 in filing fees and \$6,580.84 in excess emissions fees.

Status: Application for Short Variance filed by Petitioner on October 11, 2024; Notice of Hearing (October 29, 2024) filed and issued October 21, 2024; proposed conditions submitted by both parties on October 25, and then on October 29, 2024, prior to the hearing (approved by Hearing Board Chair); hearing held on October 29, 2024; Order Granting Short Variance filed and issued on October 31, 2024.

THE HEARING BOARD ORDERED:

The Petitioner is granted a Short Variance from Permit Condition # 100073. The variance covers the period from October 28, 2024, through November 22, 2024. The Short Variance granted is subject to the following conditions, proposed by the Respondent and agreed to by the Petitioner:

1. QTS shall submit revised emissions calculation which include runtime estimates for the generator that are updated to reflect a revised total of 10 hours of operation per generator, replacing the previous estimate of 7 hours.

2. QTS shall calculate the excess emissions fees associated with the generators, in accordance with Section 3-301 of the District's Regulations, and shall revise their petition to include the anticipated amount in fees.

3. QTS shall submit estimated excess emissions calculations as a part of the variance application for the PERP Engine that will be used to support continuous operation at the Facility in the event of emergency conditions while S-2, S-3 and S-4 are under maintenance.

4. QTS shall submit calculations of emissions fees, in accordance with Section 3-301 of the District's Regulation, for the PERP Engine that will be used to support continuous operation at the Facility in the event of emergency conditions while S-2, S-3 and S-4 are under maintenance.

5. Within 30 days of the completion of activities authorized by this variance, QTS shall pay to the District via check the excess emission fees for all actual excess emissions that result from the requested variance, in accordance with Section 3-301 of the District's Regulations. This includes excess emissions associated with the generators and the PERP Engine.

6. QTS shall complete all actions subject to this variance by November 22, 2024. QTS shall provide to the District the following measurements by December 3, 2024

a. Amount of excess emissions produced per generator of each pollutant listed below:

<i>Pollutant</i>	<i>Individual Generator Excess Emissions (lb/day)</i>	<i>Project Total Excess Emissions (lb)</i>
<i>NO_x (nitrogen oxides)</i>		
<i>CO (carbon monoxide)</i>		
<i>VOC (volatile organic compounds)</i>		
<i>PM_{2.5}/PM₁₀ (particulate matter)</i>		
<i>SO₂ (sulfur dioxide)</i>		
<i>Diesel PM</i>		

7. QTS shall maintain a daily log of the hours of operation for each source. The maximum achieved operating load must be included for each hour of operation, at minimum. QTS must ensure that each generator under the scope of this variance is equipped with a non-resettable hour meter that records the actual hours of operation.

8. QTS shall submit the requested information listed in Sections 1 through 7 above to the District via email to the following email addresses: hdegenova@baaqmd.gov, lhalvorson@baaqmd.gov, cfee@baaqmd.gov, and JMarvin@baaqmd.gov

Docket: 3756 – Ameresco Keller Canyon RNG LLC – Request for Regular Variance (1 of 2)

Location: Contra Costa County; City of Pittsburg

Regulation(s): Regulation 8, Rule 34, Section 412 (Organic Compounds, Solida Waste Disposal Sites, Compliance Demonstration Test); Regulation 2, Rule 1, Section 307 (Permits, General Requirements, Failure to Meet Permit Conditions); and Permit Conditions #27707.12 and #27708.12

Synopsis: *(From Petitioner) In April 2024, Ameresco Keller Canyon RNG LLC (Ameresco) began commissioning of a renewable natural gas (RNG) facility (Facility) that was built to receive landfill gas (LFG) from the Keller Canyon Landfill (Facility #A4618) (Landfill) and process the LFG into RNG for injection into a nearby PG&E pipeline (process S-1). Ameresco began pipeline injections in September 2024. Ameresco takes a waste that would otherwise be unused (that is, LFG) and processes it into a valuable commodity (RNG), reducing the need for the production and use of conventional natural gas, and thereby eliminating criteria pollutant and greenhouse gas emissions that would otherwise occur. The Facility is permitted, owned, and operated separately from the Landfill. The Facility utilizes one Thermal Oxidizer (A-1) and one Enclosed Flare (A-2) to control waste gas emissions from the RNG processing operations.*

The Facility’s ATC requires that an initial source test be conducted on the Thermal Oxidizer and Flare within 1,920 operating hours, not to exceed 120 days from the start of operation. On September 24, 2024, the Hearing Board granted Ameresco a short variance (Docket No. 3753), which allowed Ameresco to extend the initial source testing

deadline until November 20, 2024. The Hearing Board's Order Granting Short Variance explained that before Ameresco could conduct an accurate source test of the Thermal Oxidizer and Flare, Ameresco was required to satisfy specific PG&E pre-injection testing requirements. The Order also explains that following the start of injection into the commercial pipeline, Ameresco will require several weeks to tune the plant so that it can process higher flows of LFG. At the time of the Order, Ameresco expected that ramp-up could be completed and source testing could be accomplished prior to November 20, 2024. However, as Facility start-up is ongoing and due to limited LFG availability from the Landfill, the Facility has not been able to operate at or near its permitted capacity. While at times the Facility has been able to operate at approximately 50% of its permitted capacity (as measured by plant inlet flows), typical operations currently average around 35% of the Facility's permitted capacity (that is, current average plant inlet flows are approximately 1700 SCFM, and permitted capacity is 4700 SCFM).

Even though the Facility has not been able to operate at its maximum permitted capacity, Ameresco conducted source testing of the Thermal Oxidizer on November 5, 2024. However, Ameresco was unable to complete testing of the Flare, which had been scheduled for November 7, 2024, due to a utility power outage and subsequent difficulty restarting the Facility. Upon completing the source testing of the Thermal Oxidizer, Ameresco contacted District Principal Air Quality Engineer - Source Test Section, Marco Hernandez to ask whether completing the Thermal Oxidizer source testing while the Thermal Oxidizer was operating around 30% of its permitted capacity was compliant with the initial source testing requirement (Condition 27707.12) in Ameresco's ATC, consistent with USEPA's national source testing guidance, which states that if a facility contacts the relevant agency before the test deadline has passed and requests additional time to conduct an initial stack test because it is unable to reach its maximum production rate within the start-up period, it may be appropriate to postpone the test because the information obtained during the test would not be meaningful in determining compliance with the underlying emissions requirements.¹ Mr. Hernandez directed Ameresco to District permitting staff. Ameresco reached out to permitting staff but has not received a definitive response. Ameresco does not believe a variance is needed for the initial source testing requirement for the Thermal Oxidizer, but Ameresco is still working on confirming this point with District staff.

Thus, Ameresco is requesting an extension of the November 20, 2024, source testing deadline for the Flare to allow sufficient time to reschedule and complete the postponed test. Ameresco requests an additional 40 days, until December 30, 2024, to complete the initial source testing for the Flare, which is required by Condition 27708.12.

In addition, if Ameresco is required by the District to source test the Thermal Oxidizer at higher fuel flow rates than those occurring during the November 2024 source test to comply with Condition 27707.12, Ameresco respectfully requests additional time to comply with Condition 27707.12 because Ameresco has not been able to receive enough LFG to operate the Facility at or near full capacity. (Ameresco believes that its November 2024 source test suffices to comply with Condition 27707.12 but includes this condition in the variance petition out of an abundance of caution, in case the District determines that testing at higher fuel flow rates is required.) While difficult to predict accurately, Ameresco anticipates that there will be sufficient LFG supply to operate the Thermal

Oxidizer at or near its full permitted capacity prior to the end of 2025. Thus, if additional source testing is required for the Thermal Oxidizer, Ameresco requests until November 15, 2025 to complete the initial source testing required by Condition 27707.12.

Requested Period of Variance: Request to begin variance on November 20, 2024. Request to end variance on December 30, 2024 for Condition #27708.12 and, if needed, on November 15, 2025 for Condition #27707.12, but only if additional source testing is required for the Thermal Oxidizer.

Estimated Excess Emissions: None.

Fees collected this quarter: \$10,644.00 in filing fees.

Status: Application for Regular Variance filed by Petitioner on November 20, 2024; Notice of Hearings for both Docket Nos. 3756 & 3757 (January 21, 2025) filed and issued on November 27, 2024; on January 14, 2025, parties submitted joint continuance request to move the matter to February 18, 2025 (Hearing Board Chair approved); on January 17, 2025, Clerk filed and issued Notice of Continued Hearing (February 18, 2025); on February 6, 2025 parties submitted joint continuance request to move the matter to the Consent Calendar on the Hearing Board's March 4, 2025 meeting agenda (Hearing Board Chair approved.)

Docket: 3757 – Ameresco Keller Canyon RNG LLC – Request for Regular Variance (2 of 2)

Location: Contra Costa County; City of Pittsburg

Regulation(s): Permit Conditions #27705.3; #27707.9.c; #27708.9.c; #27707(9)(a); #27708 (9)(a); and #27707 (9)(d)(iii)

Synopsis: (From Petitioner)

This new regular variance application addresses certain sulfur limits at Ameresco's Keller RNG facility in Pittsburg and is regarding a different issue than last week's variance petition (Docket No. 3756) for this facility, but is related to the same equipment. Ameresco has been working with Air District staff for over a year on related permit modifications, but those modifications are still pending, so Ameresco is filing this second regular variance petition to request variance relief until the permit modifications are finalized.

Ameresco respectfully requests this variance due to erroneous partially processed RNG (PPRNG) total reduced sulfur (TRS) concentration and Thermal Oxidizer and Enclosed Flare post-combustion SO₂ mass emissions limits in its ATC. Ameresco seeks a variance for increased limits while the District processes Ameresco's pending permit application seeking the same.

Ameresco treats all LFG received from the Landfill in the Facility's H₂S treatment system, which removes nearly all hydrogen sulfide (H₂S) from the LFG. However, non-H₂S species of sulfur cannot reasonably be removed from the LFG.

During initial permitting, Ameresco and District engineering staff correctly identified low levels of H₂S in gas that is treated by the H₂S scrubber. However, it was not recognized at the time that non-H₂S sulfur species would be present in the gas treated by the H₂S treatment system (known as PPRNG following treatment). As a result, Ameresco's ATC includes PPRNG TRS and SO₂ emissions limits that are too low - and unintentionally fail to allow Ameresco to fully utilize Facility capacity to process LFG (that would otherwise be flared directly to the atmosphere) into RNG.

Upon realizing that the permit's TRS and SO₂ limits were too low, Ameresco notified District engineering staff, and Ameresco has been working with the District since November 2023 to modify the TRS concentration and SO₂ emissions limits in its permit. (Please see Ameresco ATC Modification Application, dated November 16, 2023.)

As of the date of this variance petition, Ameresco is continuing to work with District staff to amend the permit to increase the fuel sulfur concentration and sulfur mass emissions limits. However, an updated permit has not yet been issued, and Ameresco desires to process increased quantities of LFG now that commissioning is complete and injection to the PG&E pipeline has commenced.

Absent variance coverage, the Facility is expected to exceed the fuel sulfur concentration and SO₂ mass emissions limits in its permit applicable to the Thermal Oxidizer and Enclosed Flare controlling waste gas from RNG processing operations.

The Facility's ATC includes Thermal Oxidizer and Enclosed Flare mass emissions limits that do not account for the levels of non-H₂S sulfur that cannot be removed and may pass through the H₂S treatment system. As such, when the Facility operates at its full permitted capacity, the non-H₂S in the treated LFG stream is expected to cause the SO₂ emissions from the Thermal Oxidizer to exceed the 7.23 pounds per day emissions limit and could cause the SO₂ emissions from the enclosed Flare to exceed the 6.40 pounds per day emissions limit. However, because the Facility has not yet operated at full capacity (and because the Facility does not yet have source testing results to verify compliance with the Thermal Oxidizer and Enclosed Flare SO₂ emissions limits),¹ the Facility has not confirmed any exceedances of the Thermal Oxidizer or Enclosed Flare SO₂ emissions limit. That said, now that the Facility is moving beyond its initial start-up and troubleshooting phase of operations, the Facility will need to increase production and operate at higher capacity. When Ameresco operates the Facility at its full permitted capacity, it anticipates that it will not be able to operate in compliance with the Thermal Oxidizer and Enclosed Flare mass SO₂ emissions limits.

Further, the Facility's ATC permit provides for Ameresco to conduct monthly portable analyzer measurements of the PPRNG H₂S concentration and use a multiplier of 1.2 to estimate the PPRNG TRS concentration. Although Facility analyzer testing to date yields results that, when multiplied by 1.2, are less than 10 ppmv, Ameresco believes that the 1.2 multiplier may be underestimating the actual TRS concentration, and laboratory

testing conducted in November 2024 may show noncompliance with the PPRNG TRS limit. As a result, Ameresco proactively requests variance coverage for this PPRNG TRS concentration limit as well.

Ameresco respectfully requests this variance to allow it to operate the Facility notwithstanding the mistakes in the permitting process, which are likely to result in exceedances of the permit’s PPRNG TRS concentration and SO2 emissions limits. While Ameresco is actively working with District staff to revise its ATC to accurately reflect the TRS concentration of PPRNG entering the Thermal Oxidizer and Enclosed Flare, and the potential SO2 emissions from those devices, such revisions have not been finalized and, as a result, Ameresco requires this second variance to continue to operate the Facility.

Requested Period of Variance: April 1, 2024 to March 31, 2025 (or as soon as the Air District issues a revised permit).

Estimated Excess Emissions: (From Petitioner) Excess emissions are calculated based on a worst-case scenario of 50 ppm TRS in the PPRNG, which is the concentration Ameresco understands the District is currently considering with respect to Ameresco’s pending permit application. Assuming all sulfur is sent to the Thermal Oxidizer via PPRNG and waste gas for worst-case emissions estimation purposes, the maximum daily SO2 exceedance for the Thermal Oxidizer is 49.97 lbs/day. Assuming all sulfur is sent to the Enclosed Flare via PPRNG and waste gas for worst-case emissions estimation purposes, the maximum daily SO2 exceedance for the Enclosed Flare is 50.80 lbs/day.

Pollutant	Total Estimated Excess Emissions (lbs /day)	Reduction due to Mitigation (lbs/day)	Net Emissions after Mitigation (lbs/day)
SO ₂	50.80	0	0

Fees collected this quarter: \$10,644.00 in filing fees.

Status: Application for Regular Variance filed by Petitioner on November 26, 2024; Notice of Hearings for both Docket Nos. 3756 & 3757 (January 21, 2025) filed and issued on November 27, 2024; Petitioner requested to withdraw Docket No. 3757 regular variance application on January 14, 2025 (Hearing Board Chair agreed); Order for Dismissal of Docket No. 3757 filed and issued on January 17, 2025.

Docket: 3758 – Caliber Holdings LLC, doing business as Caliber Collision Centers – Request for Short Variance

Location: Santa Clara County; City of San Jose

Regulation(s): Regulation, 2, Rule 1, Section 307 (Permits, General Requirements, Failure to Meet Permit Conditions); and Permit Condition #100002

Synopsis: (From Petitioner) The Petitioner is requesting a short-term variance to permit the use of a larger volume of Clean Up Solvent than authorized under the current permit. The solvent is an integral product in the collision repair process and is used for cleaning

surfaces in preparation for painting and cleaning the spray guns in enclosed gun washers. We have been working with our local operations team, environmental consultant, waste company, and paint supplier to evaluate the feasibility of reducing cleaning solvent usage in the short term while we wait for the amended permit to be processed. Despite our best efforts, we have been unable to identify any feasible way to reduce net cleaning solvent usage to below 300 gallons on a rolling 12-month basis. Given that the cleaning solvent has already been used, there is no way to adjust current usage to fall below the rolling 12-month threshold. Therefore, the only possible way to fall below the current 300-gallon limitation would be to close the center and totally suspend all operations for several months.

Requested Period of Variance: November 18, 2024 to February 1, 2025 (pending issuance of permit modification from Air District.)

Estimated Excess Emissions: None.

Fees collected this quarter: \$6,391.00 in filing fees.

Status: Application for Short Variance filed by Petitioner on December 26, 2024; Notice of Hearing (January 28, 2025) filed and issued January 8, 2025; Petitioner submitted request to continue the hearing to unspecified date on January 21, 2025; Notice of Continued Hearing (March 4, 2025) filed and issued on January 23, 2025.

Docket: 3747 – APCO vs. Berkeley Landfill – Accusation of Violation of Regulation 8-34-301.1 and Request for Order of Abatement

Location: Alameda County; City of Berkeley

Regulation(s): Regulation 8, Rule 34, Section 301.1 & 113.2 (Organic Compounds, Solid Waste Disposal Sites, Landfill Gas Collection and Emission Control System Requirements)

Synopsis: The Berkeley Landfill, which has been closed since 1983, and developed as a City park known as Cesar Chavez Park, is undergoing post-closure monitoring and maintenance through various programs administered by CalRecycle, San Francisco Bay Regional Water Quality Control Board, and the Air District. The City of Berkeley (Applicant) owns and operates Berkeley Landfill.

In February 2024, the Hearing Board issued an Order of Abatement with numerous conditions and with Hearing Board jurisdiction extending to February 5, 2025. In January 2025 both parties filed a stipulated motion to extend the Hearing Board's jurisdiction until all conditions are met.

Fees collected this quarter: N/A

Status: Accusation filed by Complainant on November 14, 2023; Notice of Hearing (December 5, 2023) filed and issued on November 27, 2023; request for continuance

submitted by Facility on November 28, 2023; Complainant filed Response to the Applicant's Notice of Defense on November 29, 2023; Notice of Continued Hearing (January 23, 2024) filed and issued on November 30, 2023; Complainant submitted [Proposed] Findings and Decision for an Order of Abatement on January 19, 2024 (rejected by Hearing Board); first day of hearing held on January 23, 2024; Notice of Continued Hearing (additional date of February 6, 2024) filed and issued on January 25, 2024; second (and final) day of hearing held February 6, 2024; Findings and Decision for Conditional Order of Abatement filed February 16, 2024; on January 16, 2025, Complainant filed Stipulated Motion to Amend Order of Abatement to extend the Hearing Board's jurisdiction over this matter (which was set to end February 5, 2025) and requested the matter be placed on the Consent Calendar of the Hearing Board's January 18, 2025 meeting agenda; due to a variety of other calendar changes, the Hearing Board Chair continued this matter to February 18, 2025 and Clerk filed and issued Notice of Hearing (February 18, 2025) and Complainant filed revised Stipulated Motion to Amend Order of Abatement to reflect new hearing date.

THE HEARING BOARD ORDERED:

Respondent to immediately cease and desist from operating Respondent's closed Landfill in a manner that violates Air District Reg. 8-34-301. 1 or that violates the Landfill's P/C 1826, which require both the continuous operation of its landfill gas (LFG) collection system, consisting of 42 vertical wells, 2 horizontal collectors, 14 trench collectors, and the proper maintenance of and continuous operation of Flare A-4 combusting the collected LFG at a temperature of at least 1,400 degrees Fahrenheit, unless and until the Air District determines compliance action conditions and increments of progress as set forth in 11 conditions have been met. [\(Detailed order language can be found here.\)](#)

Respectfully submitted,

/S/ Valerie J. Armento

Valerie J. Armento, Esq.
Chair, Hearing Board

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Tyrone Jue and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: February 26, 2025

Re: Fiscal Year Ending (FYE) 2025 Second Quarter Reporting of Payments for
Routine and Recurring Goods/Services Expenses and Contracts Executed
under Delegated Authority

RECOMMENDED ACTION

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

BACKGROUND

The Board of Directors has authorized the Executive Officer/Air Pollution Control Officer (APCO) to execute certain contracts without further Board approval as a matter of administrative convenience. This authorization is provided in the Administrative Code and Procurement Policy. The Administrative Code and Procurement Policy require the Executive Officer/APCO to provide a report of such activities to the Board of Directors.

DISCUSSION

Contracts and Payments for Select Goods/Services Expenditures

The Air District's Procurement Policy, Section 8.d, authorizes the Executive Officer/APCO to renew contracts for specific categories of routine, recurring goods and services without requiring formal Board of Directors approval. This provision is intended to streamline procurement for essential expenditures that have been pre-approved by the Board due to their recurring nature.

To ensure transparency, staff are required to report all contract renewals executed and expenditures made under this procurement provision to the Board of Directors with the quarterly financial report. This informational report provides a summary of such contract renewals for the second quarter of Fiscal Year (FY) 2025 and expenditures related to these categories for the first and second quarter of Fiscal Year (FY) 2025 to accompany the second quarter FY 2025 financial report, which will be presented at today's Committee meeting.

The eligible categories of goods and services under this provision are strictly limited to essential and recurring needs, including utilities, employee benefits, insurance, fuel, shared facility expenses, property leases, software services, and equipment-related costs. These expenditures support the Air District's ongoing operations and ensure continuity of critical services.

The tables below list all such goods and services contract renewals executed, and payments made, in the reporting period.

Q2 FY2025 Contract Renewals Executed for Select Essential Goods/Services:

Three (3) contracts related to software support services were renewed under this provision during the second quarter of Fiscal Year (FY) 2025.

Vendor	Synopsis	Renewal Amount	Total Contract Value	Date Executed
Microsoft Licensing, GP	Annual license for Microsoft Premier Support, 24-25 (Unified Agreement # 188544387)	\$600,000.00	\$1,502,805.00	18-Nov-24
Denovo Ventures, LLC	Managed cloud application services for JD Edwards for a 5-year term	\$1,364,307.00	\$2,111,789.00	23-Dec-24
Oracle	Annual renewal for Oracle-JDE Unified Support Services	\$79,408.06	\$155,822.27	30-Dec-24

FY 2025 Routine and Recurring Vendor Payments by Category:

The following payments were made under this provision during first and second quarter of Fiscal Year (FY) 2025.

Payment Categories	Amount Paid July 2024 - Dec 2024
AIR DISTRICT INSURANCE	
BENEFIT COORDINATORS CORPORATION - LIFE INSURANCE	\$675,197
METROPOLITAN LIFE INSURANCE CO	\$25,080
BAY AREA HEADQUARTERS AUTHORITY (SHARED SERVICES EXPENSES)	
BAY AREA HEADQUARTERS AUTHORITY	\$1,652,899
CLOUD BASED INFORMATION INFRASTRUCTURE AND SERVICES	
CONCUR TECHNOLOGIES, INC	\$19,650
DAYFORCE US, INC.	\$198,264
EMPLOYEE HEALTH + BENEFITS	

BENEFIT COORDINATORS CORPORATION - DENTAL	\$375,242
CA PUBLIC EMP RET SYSTEM - HEALTH	\$5,568,916
CA PUBLIC EMP RET SYSTEM - PENSION	\$4,840,585
CALIFORNIA VISION SERVICE PLAN	\$66,775
CONCENTRA MEDICAL CENTERS	\$8,467
MAGELLAN BEHAVIORAL HEALTH	\$7,124
P & A ADMINISTRATIVE SERVICES	\$184,958
SEDGWICK CLAIMS MANAGEMENT SER	\$515
EQUIPMENT LEASES	
CANON FINANCIAL SERVICES, INC.	\$30,138
ENTERPRISE FLEET SERVICES	\$282,173
FUEL	
WEX FLEET UNIVERSAL-CHEVRON/TE	\$1,395
WEX FLEET UNIVERSAL-ENTERPRISE	\$65,582

Payment Categories	Amount Paid July 2024 - Dec 2024
PROPERTY LEASES AND LICENSE AGREEMENTS	
2060 WALSH, LLC	\$9,053
B9 SEQUOIA CONCORD OWNER LP -B	\$28,650
CHABAD OF NOVATO	\$7,672
CITY OF BERKELEY	\$4,724
CITY OF CAMPBELL	\$1,200
CITY OF FREMONT	\$300
CITY OF GILROY	\$221
CITY OF LIVERMORE	\$196
CITY OF RICHMOND	\$132
CONTRA COSTA FIRE PROTECTION D	\$450
DELIN LARS & CRISTINA	\$3,000
EXTRA SPACE MANAGEMENT INC.	\$10,654
GROVE, RONALD	\$9,125
HANQI INVESTMENT INC.	\$10,369
HAYWARD BUSINESS PARK INC.	\$10,612
HOLLIS PROPERTY	\$72,850
LAO FAMILY COMMUNITY DEVELOPME	\$37,748
LAVEZZO A.M. & FAVARO B.J.	\$16,449
LIVERMORE CENTER, LLC	\$5,662
LIVERMORE VALLEY UNIFIED SCHOO	\$5,670

MARINA BAY CROSSING, LLC	\$32,588
MPLC PARTNERS, INC.	\$11,549
NIBBI INVESTMENTS	\$21,618
PAC WEST DIVERSIFIED LP	\$18,067
PACIFIC GAS AND ELECTRIC COMPA	\$1,250
PACIFIC GATEWAY PROPERTIES, IN	\$38,720
SAN MATEO COUNTY HARBOR DISTRI	\$390
SMITH, MATHEW & JEFFREY	\$14,583
SOUTH BEACH HARBOR	\$500
STATE OF CALIFORNIA - DOT	\$2,022
TOMBE REALTY	\$14,851
UNIVERSAL BUILDING SERVICES &	\$10,960
WANG BROTHERS INVESTMENTS, LLC	\$235,404
WESTERN PACIFIC PROPERTY, LLC	\$47,942
ZUCKERMAN CONSTRUCTION CO	\$24,319

Payment Categories	Amount Paid July 2024 - Dec 2024
OEM EQUIPMENT WARRANTIES	
ACCELERATED TECHNOLOGY LAB., I	\$14,421
SOFTWARE LICENSES, WARRANTIES, MAINTENANCE, AND SUPPORT SERVICES	
BONFIRE INTERACTIVE LTD.	\$12,148
CLAY TABLET	\$6,750
DENOVO VENTURES, LLC	\$112,289
DOCUSIGN	\$5,648
ESRI	\$1,440
F.H. BLACK & COMPANY INCORPORA	\$15,750
INFO CUBIC LLC	\$10,461
JDETIPS, INC.	\$1,235
LEASEQUERY, LLC	\$20,081
NAVIANT, INC	\$107,223
NEOGOV	\$9,868
OFFICESPACE SOFTWARE INC.	\$18,729
OPENGOV, INC.	\$124,377
ORACLE AMERICA, INC.	\$28,800
QUESTICA LTD	\$66,582
SALESFORCE.COM, INC.	\$44,667

UTILITIES	
AT & T CALNET; AT&T; AT&T MOBILITY; AT&T U-VERSE	\$36,363
CENTURYLINK	\$1,345
COGENT COMMUNICATIONS, INC.	\$29,100
COMCAST; COMCAST CABLE COMMUNICATIONS	\$120,174
MDRR-CONCORD	\$1,695
NAPA RECYCLING & WASTE SERVICE	\$288
PACIFIC GAS & ELECTRIC COMPANY	\$146,732
PIVOTEL CONNECTED LLC	\$9,561
RECOLOGY SAN MATEO COUNTY	\$250
RECOLOGY VALLEJO	\$1,518
REPUBLIC SERVICES, INC.	\$2,295
SAN FRANCISCO WATER, POWER & S	\$253
VERIZON WIRELESS	\$141,279
WAVE BROADBAND	\$1,053

Contracts Executed under Board-Delegated Contracting Authority

Under Section 9.4(b) of the Administrative Code, the Executive Officer/APCO is delegated the authority to execute contracts in an amount that does not exceed two hundred thousand dollars (\$200,000) without further approval by the Board of Directors. The Executive Officer/APCO is required to report such contracts to the Board of Directors if they exceed one hundred thousand dollars (\$100,000).

Additionally, per Section 9.4(c) of the Administrative Code and Section 8.d of the Procurement Policy, the Executive Officer/APCO may execute amendments to previously approved contracts over \$200,000 without approval by the Board of Directors provided that the amendment does not exceed the lesser of \$200,000 or 25% of the last Board-approved contract value. If an amendment increases the contract value by more than 10%, it must be reported to the Board.

For reporting purposes, the total contract value is calculated by combining the base contract value with any approved amendments and option years.

The following tables provide a summary of contracts and contract amendments executed under these provisions during the second quarter of Fiscal Year 2025.

New Contracts Executed Under Section 9.4(b):

Vendor	Synopsis	Total Contract Value	Date Executed
Prodigy Consulting, LLC	Azure Cloud Migration and Analysis Services	\$156,000.00	18-Dec-24

Contract Amendments Executed Under Section 9.4(c):

Vendor	Synopsis	Previous Approved Amount	Increase	Total Contract Value	Date Executed
Cascadia Consulting Group	Amendment to extend term and add funds for support for community engagement for BARCAP initiative	\$248,910.00	\$57,735.00	\$306,645.00	31-Dec-24
ITHelp, LLC	Amendment to extend term and add funds for technical support for network, storage, and servers	\$260,000.00	\$65,000.00	\$325,000.00	18-Dec-24
Kaleidoscope Group, PBC	Amendment to extend term and add funds for Scholarship Program Development for the Marie Harrison Scholarship	\$70,000.00	\$70,000.00	\$140,000.00	11-Oct-24

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Erica Flahan
Reviewed by: Hyacinth Hinojosa

ATTACHMENT(S):

None

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Tyrone Jue and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: February 26, 2025

Re: Financial Update for the Second Quarter of Fiscal Year (FY) 2024-2025,
Ending December 31, 2024

RECOMMENDED ACTION

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

BACKGROUND

A financial report is submitted to the Committee each quarter in accordance with the Air District's Administrative Code for the relevant reporting period. The report provides an overview of the General Fund's financial activities for the fiscal year, including preliminary results for revenues, expenditures, and cash investment balance for the reporting period.

DISCUSSION

Attachment A provides the financial report for the second quarter of FY 2024-2025, from July 1, 2024, to December 31, 2024, and encompassing both the first and second quarters.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Jun Pan
Reviewed by: Stephanie Osaze

ATTACHMENT(S):

1. Attachment A -FYE 2025Q2 2024-12-31 Financial Report-final
2. FYE 2025 Q2 2024-12-31 Financial Report Presentation

Attachment A: Financial Summary for the Second Quarter of Fiscal Year (FY) 2024-2025

This report provides an update on the Air District's financial results for the second quarter of the 2024-2025 fiscal year.

FINANCIAL RESULTS

The following information summarizes those second quarter financial results for fiscal year (FY) 2024-2025

GENERAL FUND: STATEMENT OF REVENUES – Comparison of Prior Year Quarter Actual and Current Year Budget to Actual:

REVENUE TYPE	2nd QTR FY 2024	2nd QTR FY 2025	FY 2025 - % of BUDGETED REVENUES
Property Tax	\$14,355,574	\$15,611,299	34%
Permit Fees	\$43,737,461	\$45,562,144	68%
Penalty Assessment	\$2,382,627	\$4,026,530	101%
Grants (includes AB617)	\$274,969	\$16,752	0%
Other Revenues	\$1,876,504	\$3,384,137	61%
Total Revenues (exclude transfers)	\$62,627,135	\$68,600,862	48%

GENERAL FUND: STATEMENT OF EXPENDITURES - Comparison of Prior Year Quarter Actual and Current Year Budget to Actual:

EXPENDITURE TYPE	2nd QTR FY 2024	2nd QTR FY 2025	FY 2025 - % of BUDGETED EXPENDITURES
Personnel - Salaries	\$26,258,967	\$30,379,411	43%
Personnel - Benefits	\$15,405,566	\$16,649,243	50%
Operational Services and Supplies	\$12,925,113	\$12,657,622	22%
Capital Outlay	\$2,068,903	\$4,466,314	38%
Total Expenditures (General Fund)	\$56,658,549	\$64,152,590	37%

CASH INVESTMENTS IN COUNTY TREASURY – Account Balances as of the First Quarter:

CASH/INVESTMENTS	2nd QTR FY 2024	2nd QTR FY 2025
General Fund	\$120,024,070	\$237,762,214
Transportation for Clean Air (TFCA)	\$131,400,214	\$158,361,325
Mobile Source Incentive Fund (MSIF)	\$72,269,201	\$83,451,570
Carl Moyer	\$78,314,341	\$127,890,706
CA Goods Movement	\$22,192,455	\$20,769,367
Air Quality Projects (Other)	\$1,665,892	\$1,570,706
Vehicles Mitigation	\$25,147,034	\$60,553,844
Total	\$451,013,206	\$690,359,731



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 6

Second Quarter Financial Update Fiscal Year Ending (FYE) 2025

**Finance and Administration Committee
Meeting
February 26, 2025**

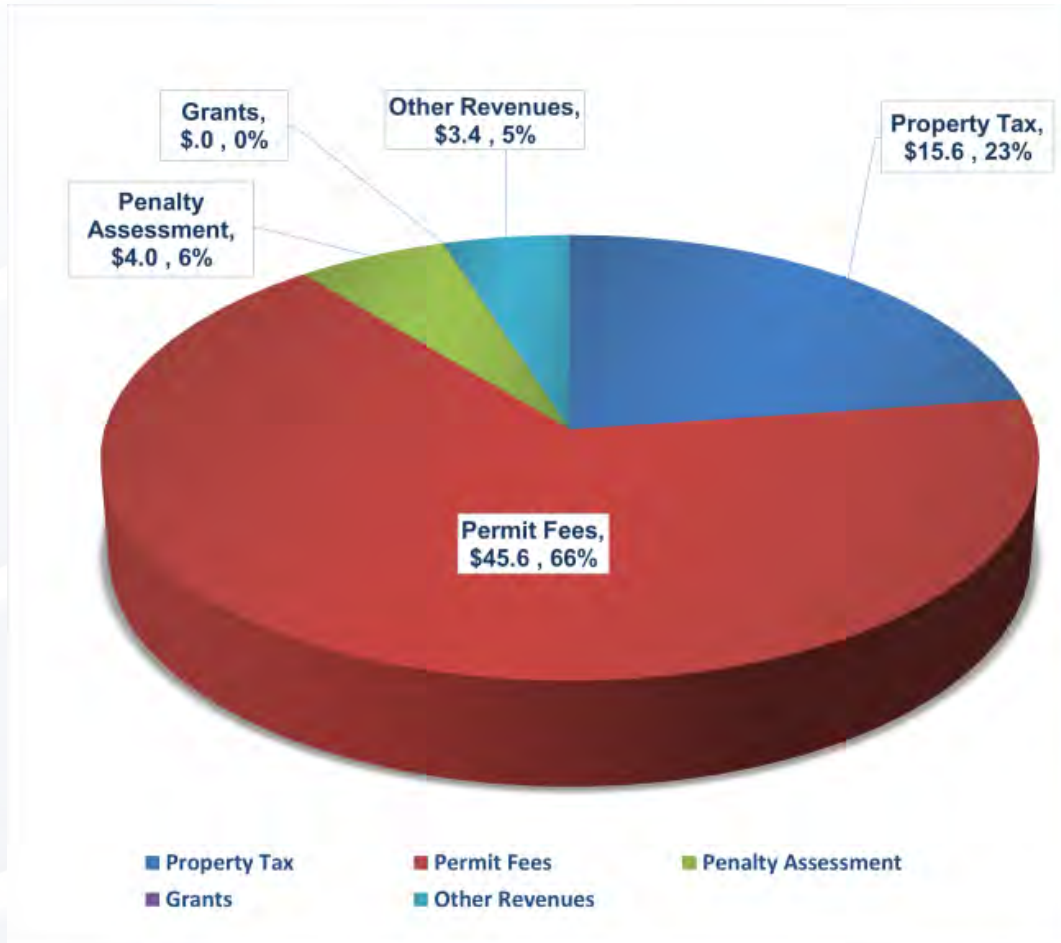
**Jun Pan
Finance Manager
jpan@baaqmd.gov**

Presentation Outline

Provide a financial update which covers the second quarter activities for the fiscal year ending June 30, 2025

- Revenues
- Expenditures
- Cash and Investment Summary

FYE 2025 General Fund Revenue Overview



FY 2025 Q2 (as of 12/31/2024) General Fund Revenues	in Millions	% of Total
Property Tax	\$15.6	23%
Permit Fees	\$45.6	66%
Penalty Assessment	\$4.0	6%
Grants	\$0.0	0%
Other Revenues	\$3.4	5%
Total	\$68.6	100%

General Fund Revenue – Budget vs Actual

(In Millions \$)

Categories	FYE 2025 Adopted Budget	FYE 2025 Amended Budget	FYE 2025 Actual (as of 12/31/2024)	Percentage of Amended Budget
Property Tax	\$46.3	\$46.3	\$15.6	34%
Permit Fees*	\$67.0	\$67.0	\$45.6	68%
Penalty Assessment	\$4.0	\$4.0	\$4.0	101%
Grants (includes AB617)	\$20.5	\$20.5	\$0.0	0%
Other Revenues	\$5.6	\$5.6	\$3.4	61%
Total Revenues	\$143.3	\$143.3	\$68.6	48%

* Permit Fees				
Application & Renewal Fees	\$46.8	\$46.8	\$33.1	71%
Title V Permit Fees	\$8.1	\$8.1	\$4.8	60%
Asbestos Fees	\$3.7	\$3.7	\$1.7	47%
Toxic Inventory Fees	\$1.3	\$1.3	\$1.3	104%
Community Health Impact Fees	\$1.2	\$1.2	\$0.9	79%
Criteria Toxic Reporting Fees	\$1.7	\$1.7	\$1.1	65%
Greenhouse Gas Fees	\$3.9	\$3.9	\$2.3	59%
Other Fees	\$0.4	\$0.4	\$0.2	54%
Total Permit Fees	\$67.0	\$67.0	\$45.6	68%

- Property tax is at 34% this is normal due to timing of the revenues received
- Permit fees are consistent with the annual progress of the permit revenue
- Other revenues are greater due to higher interest income resulting from higher interest rates
- Grant revenues recognition occurs in the second half of the fiscal year

General Fund Revenue Comparison

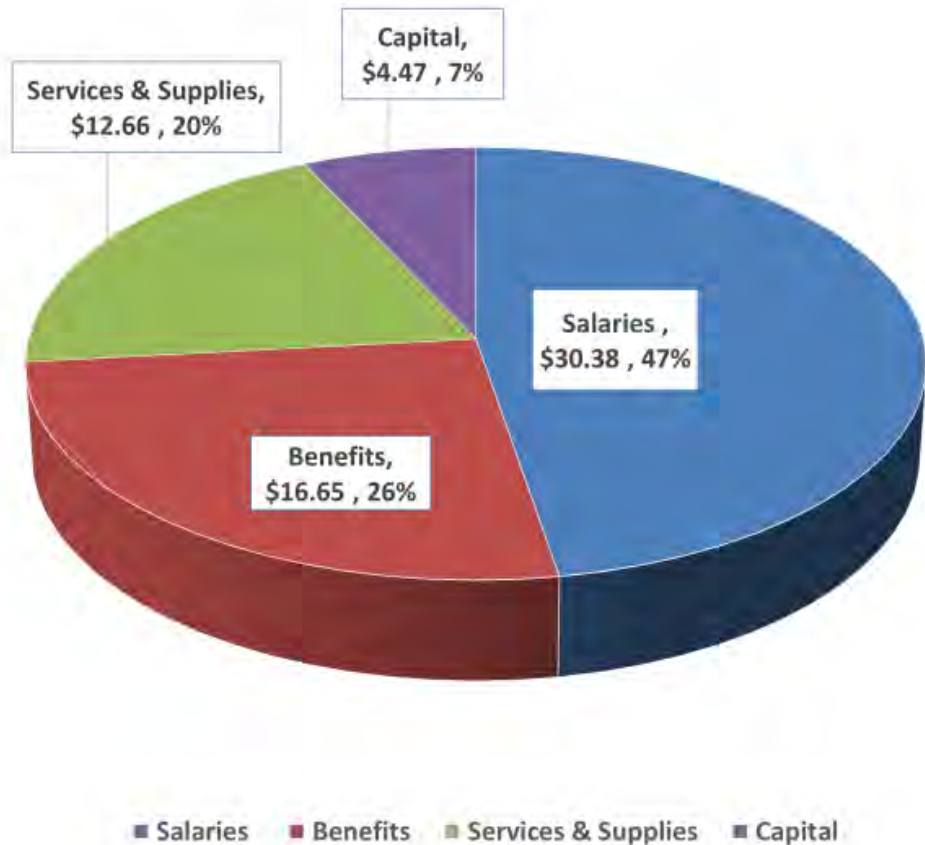
Prior Year vs. Current Year (In Millions \$)

Major Categories	FYE 2024 (As of 12/31/2023)	FYE 2025 (As of 12/31/2024)	\$ DIFFERENCE
Property Tax	\$14.4	\$15.6	\$1.3
Permit Fees*	\$43.7	\$45.6	\$1.8
Penalty Assessment	\$2.4	\$4.0	\$1.6
Grants (includes AB617)	\$.3	\$.0	(\$.3)
Other Revenues	\$1.9	\$3.4	\$1.5
Total Revenues	\$62.6	\$68.6	\$6.0

*Permit Fees	(As of 12/31/2023)	(As of 12/31/2024)	\$ DIFFERENCE
Application & Renewal Fees	\$31.4	\$33.1	\$1.8
Title V Permit Fees	\$4.6	\$4.8	\$.2
Asbestos Fees	\$1.7	\$1.7	\$.0
Toxic Inventory Fees	\$1.5	\$1.3	(\$.2)
Community Health Impact Fees	\$.8	\$.9	\$.1
Criteria Toxic Reporting Fees	\$1.0	\$1.1	\$.1
Greenhouse Gas Fees	\$2.5	\$2.3	(\$.2)
Other Fees	\$.2	\$.2	\$.1
Total Permit Fees	\$43.7	\$45.6	\$1.8

- Property tax increase as expected due to growth in tax assessment roll from prior year
- Permit fees increase consistent with fee rate increase
- \$4M Penalty assessment represents the General Fund portion only
- Other revenue represents increased interest income

FYE 2025 General Fund (GF) Expenditure Overview



FY 2025 Q2(as of 12/31/2024) General Fund Expenditures	in Millions	% of Total
Salaries	\$30.38	47%
Benefits	\$16.65	26%
Services & Supplies	\$12.66	20%
Capital	\$4.47	7%
Total	\$64.15	100%

General Fund Expenditure - Budget vs Actual

(In Millions \$)

Major Categories	FYE 2025 Adopted Budget	FYE 2025 Amended Budget	FYE 2025 Actual (as of 12/31/2024)	Percentage of Amended Budget
Personnel - Salaries	\$70.6	\$70.6	\$30.4	43%
Personnel - Benefits	\$33.0	\$33.0	\$16.6	50%
Operational Services and Supplies	\$43.5	\$57.8	\$12.7	22%
Capital Outlay	\$7.2	\$11.6	\$4.5	38%
TOTAL	\$154.3	\$173.0	\$64.2	37%

*Consolidated Personnel Salaries & Benefits				
Personnel - Salaries	\$76.5	\$76.5	\$32.9	43%
Personnel - Benefits	\$35.6	\$35.6	\$18.1	51%
Total	\$112.1	\$112.1	\$51.1	46%

*Consolidated includes both General Fund and Special Fund

- Amended Budget includes carryover of FYE 24 encumbrances as authorized by the approved budget resolution
- Salaries and benefits are tracking consistently with the budgeted projections for the quarter
- Actual Services/Supplies and Capital expenses are lower due to timing of payments for services rendered

Expenditures Comparison

Prior Year vs. Current Year (In Millions \$)

Major Categories	FYE 2024 (As of 12/31/2023)	FYE 2025 (As of 12/31/2024)	\$ DIFFERENCE
Personnel - Salaries	\$26.3	\$30.4	\$4.1
Personnel - Benefits	\$15.4	\$16.6	\$1.2
Operational Services and Supplies	\$12.9	\$12.7	(\$0.3)
Capital Outlay	\$2.1	\$4.5	\$2.4
Total Expenditures	\$56.7	\$64.2	\$7.5

***Consolidated Personnel Salaries & Benefits**

Personnel - Salaries	\$28.8	\$32.9	\$4.2
Personnel - Benefits	\$16.4	\$18.1	\$1.7
Total Consolidated	\$45.1	\$51.1	\$5.9

*Consolidated includes both General Fund and Special Fund

- Salary expenses are higher in FYE 25, due to general wage adjustments and more filled positions
- Benefit expenses are higher in FYE 25 due to the higher insurance premiums and retirement costs
- Capital costs are higher in FYE 25 due to a combination of IT infrastructure and lab equipment purchases

Cash and Investment Summary

Cash and Investments with County Treasury:

(Based on Dec 2024 Account Balance)

(In Million \$)

General Fund	\$237.8
Transportation for Clean Air (TFCA)	\$158.4
Mobile Source Incentive Fund (MSIF)	\$83.5
Carl Moyer	\$127.9
CA Goods Movement	\$20.8
Air Quality Projects	\$1.6
Vehicles Mitigation	\$60.6
TOTAL	\$690.4

- Air District's \$690.4 million cash represents 7.7% of the \$8.9 Billion in the San Mateo County Investment Pool
- Dec 2024 Interest Rate is 3.741%
- The second quarter GF Interest is \$1.81M

Questions?

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Tyrone Jue and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: February 26, 2025

Re: Proposed Engineering Division Program Managers for Complex Permit
Applications

RECOMMENDED ACTION

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

BACKGROUND

The Committee will receive a presentation on the proposed Engineering Program Manager (EPM) program. The proposed program is designed to improve service delivery and implement the Air District's 2024-2029 Strategic Plan. It also addresses several key findings from the 2023 Engineering Performance Audit and subsequent Corrective Action Plan improving efficiency and the timely issuance of permit applications.

Creating a facility-funded EPM position for the Engineering Division would allow staff to work with applicants with complex permits prior to submittal, and to manage the permit project during the evaluation of the application. The benefits of creating this functionality in the Engineering Division include:

- providing predictability to applicants;
- promoting the submittal of approvable permit applications;
- expediting permit review for all permits, including routine permits that are delayed due to workload constraints created by the complex permits;
- improving transparency in permit review; and
- preventing unnecessary delays in facility projects.

DISCUSSION

Air District Regulation 2, Rule 1 requires that owners and/or operators of new and modified existing sources of air pollution obtain an Authority to Construct and/or Permit to Operate unless a source qualifies for an exclusion or exemption. New and modified sources must meet the requirements of New Source Review (Air District Regulation 2, Rule 2 and Regulation 2, Rule 5) and be shown to comply with all applicable Air District, state, and federal prohibitory air pollution emission standards and requirements.

The Air District receives about 1,000 new permit applications per year. Although most permit applications are routine, a significant number of permit applications are projects that are not standard and require additional time for review and analyses. For example, emission factors are often not available for new technologies and previously unregulated sources or processes. Further, large facilities commonly have multiple emission points and inter-dependencies with other aspects of their operations that need review. Finally, non-standard projects often change in the middle of the permit process as the project develops.

These non-standard, “complex” permit applications often require research, analyses, additional information, multiple iterations, and project alterations in order to be approved. Complex applications take significantly longer than the timeframes established in our permit regulations and cause delays for routine permit reviews due to competing staff time. Therefore, this program should provide a secondary benefit for non-complex applications.

Often, complex applications can be delayed because the initial submittal is missing necessary information to complete the Air District review. Working with applicants in advance of application submittal would expedite the review. The Air District does not collect any fees for applications that have not been submitted. Moreover, complex permits require significant project management to make decisions in a timely and efficient way, but the Engineering Division does not currently have this function.

The following two phases outline the plan to launch and sustain the program:

Phase 1:

- Phase 1 will be a pilot program for three (3) years.
- The position would be recruited to manage permit-related work for that facility or group of facilities. Examples of specific job duties include:
 - Working with facilities prior to permit application submittal to ensure: all elements of permit requirements are addressed in the application; determine type of permit application (e.g., alteration versus modification); and identify any additional requirements or steps needed for permitting such as compliance with Best Available Control Technology, offsets, public noticing, compliance with California Environmental Quality Act (CEQA), and title V revisions;

- Coordinating with Air District permit engineers on a permit review project plan once the permit application has been submitted;
- Tracking permit preparation and review and ensuring responsiveness to permit processing needs by applicants and the Air District; and
- Identifying roadblocks and working quickly to resolve them. This may include meetings with the applicant, coordination with staff outside the Engineering Division, and/or elevating to leadership for decisions, if required.
- Fee Structure
 - This program would receive financial support through a funded agreement paid to the Air District through a Memorandum of Understanding (MOU) by participating facilities. The funds would be paid upfront and would support three years of salary for two EPM positions, each equivalent to a fully-funded Manager position at Step C, adjusted for inflation.
 - For Fiscal Year Ending (FYE) 2025, the cost of a fully-funded manager position is \$363,146.

Phase 2:

- Upon the successful completion of Phase 1, this program would transition to an optional fee-funded program and permanent staff positions.
- Allow the option for a facility owner/operator, or group of facilities, to pay for an EPM. The fee will cover the position for no less than three years and up to five years. The fee will be equivalent to a fully-funded Manager position, adjusted to an appropriate level of inflation.
- The job duties would be the same as Phase 1.
- Fee Structure:
 - The fee for this program would be assessed at the current fiscal year's rate for a fully-funded Manager position at Step C, or similar level determined by the Air District for the permanent positions, for the term of the program with a projected increase equivalent to the 3-year average of the Consumer Price index for Bay Area Urban Wage Earners and Clerical Workers (CPI-W) adjusted each year.
 - This fee would be paid upfront.
 - This fee is non-refundable unless the Air District terminates the program.
- If the external parties decide not to renew the program after the end of any term, the Air District would assess the staffing needs in the Engineering Division, historically between five to seven vacancies per year.
 - Advanced notice would help the Engineering Division strategically plan for this scenario.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Phase 1 will be funded through a funding agreement paid to the Air District through a MOU by participating facilities. The program in Phase 2 is funded by a voluntary fee paid by participating entities.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Fred Tanaka
Reviewed by: Pamela J. Leong and Dr. Meredith Bauer

ATTACHMENT(S):

1. Proposed Facility Funded Engineering Presentation



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 7

Proposed Facility Funded Engineering Program Manager Positions

**Finance and Administration Committee
February 26, 2025**

**Meredith Bauer
Deputy Executive Officer of Engineering and
Compliance**

mbauer@baaqmd.gov

Presentation Outcome

- The Finance and Administration Committee will receive a presentation on the proposed creation of Engineering Program Manager (EPM) positions to manage complex permit applications.

Presentation Outline

- Background
- Overview of proposed Engineering Program Manager positions and approach to launch this program
- Strategic Plan alignment
- Role of Engineering Program Managers
- Benefits of Engineering Program Managers
- Next steps

Requested Action

- None; informational only.

Background

- Each year the Air District receives roughly 1000 new permit applications
- Routine Permits
 - Most new permit applications are for standard equipment with known operating parameters and emission factors
 - Examples: coating operations, boilers, back-up generators
- Complex Permits
 - Sources/projects that require additional information, analyses, coordination, research, and/or policy evaluation

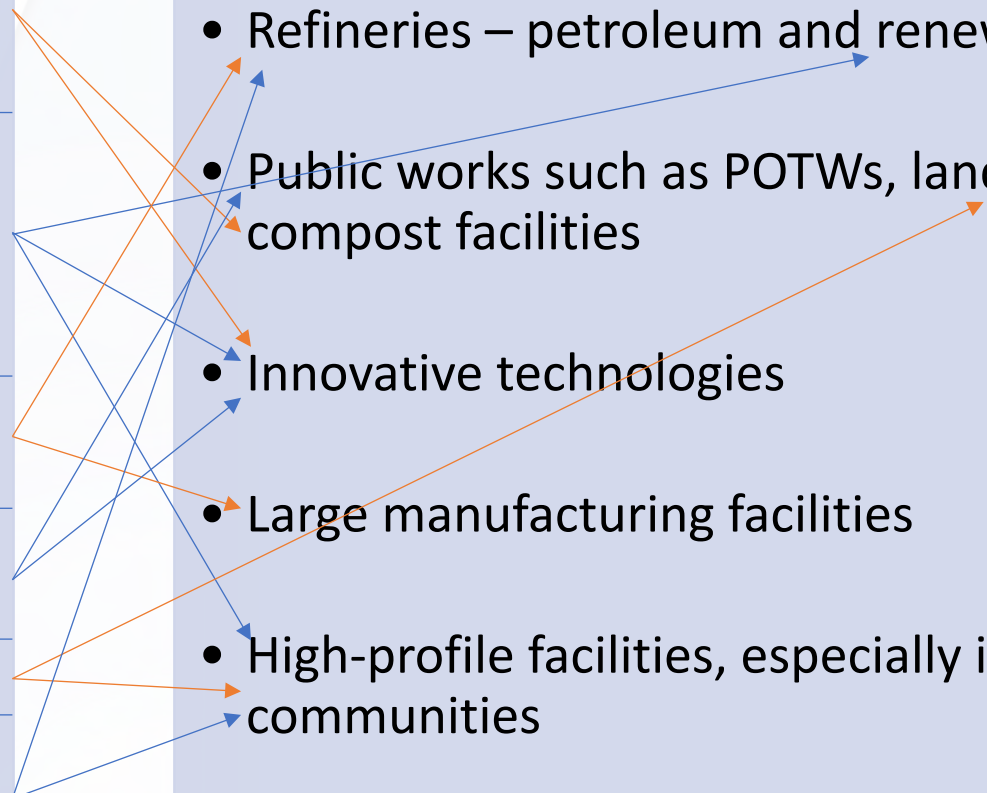
Background: Complex Permit Applications

Causes

- Emission factors that are not: known, verified, repeatable, and/or applicable to specific source
- Non-standard operations or equipment (e.g., new technology, novel uses of existing technology, uncertain locations or times of use)
- A project that affects processes in upstream and/or downstream units
- A project that is subject to mid-permit changes
- Challenging compliance requirements
- Stakeholder interest (e.g., community concerns)

Common Facilities

- Refineries – petroleum and renewable fuel
- Public works such as POTWs, landfills, compost facilities
- Innovative technologies
- Large manufacturing facilities
- High-profile facilities, especially in EJ communities



Overview of Proposed EPM Positions and Approach

Need Engineering Division positions to:

- Work with applicants with complex permit applications prior to submittal
 - How will the California Environmental Quality Act (CEQA) compliance be handled? Upstream/downstream unit information? Source test for emission factor verification? Public notice?
 - Modification vs. alteration?
 - Is the siting and/or project designed to meet Air District regulations?
- Keep projects on a schedule
- Coordinate timely exchange of information
- Resolve roadblocks and elevate for management decision as needed

Approach

- Create two positions during a 3-year pilot phase through a funding agreement paid to the Air District by participating facilities
- After the initial pilot phase, the positions would be funded by a voluntary fee and could support additional Engineering Program Managers, as needed

Strategic Plan Alignment

Goal 4: Be Effective, Accountable, and Customer-service Oriented



- **Strategy 4.1 Timely Permits:** We will improve the timeliness of permit decisions.
- **Strategy 4.2 Transparent Permit Process:** We will improve our permitting process to be more transparent and accountable to applicants and the public.
- **Strategy 4.3 Consistent Permits:** We will ensure Air District regulations and associated air quality permits issued are clear, consistent, and enforceable so that air pollution affecting communities is minimized.

Role of Engineering Program Managers

Expected job duties of the EPMs include:

- Review projects prior to submittal and coordinate with facility to ensure all information and steps have been completed for issuance of permit
- Create timeline of permit application review, including required steps such as CEQA, source tests, public notice, etc.
- Track, document, and communicate permit application review status
- Interpret and communicate Air District requirements, as needed
- Coordinate cross-Divisional tasks to align with permit application review schedule
- Identify and resolve roadblocks, including elevating for policy decisions
- Set up and run effective meetings, both internal and external, to promote transparent and efficient permit application review and action
- Find creative and defensible solutions to atypical permit situations

Program Benefits

- Having dedicated Engineering Program Managers for complex projects and the associated permit applications would:
 - Allow Permit Engineers to focus on the technical evaluation, which allows for more timely and consistent permit application processing
 - Promote submittal of complex permit applications with much more transparency and predictability, especially regarding permit approvability and timeline
 - Simultaneously improve permit application review efficiency and health protection by working with applicants in advance to consider how project design such as siting or equipment selection will affect health risks, permit requirements, source test requirements, and permit approvability
 - Expedite permit review for ALL permit applications, including routine permits
 - Complex permit applications create workload constraints and delays for all permit application reviews at the Air District
- **More effective management of complex permit applications allows more time to be devoted to all other permits**

Next Steps

- Include proposed positions for Board of Director consideration in Fiscal Year 26 budget
- Solicit interest from facilities that typically have complex permit applications
- Develop selection criteria
- Create funding agreement
- Hire staff
- Implement program

Questions?