

BOARD OF DIRECTORS
FINANCE AND ADMINISTRATION COMMITTEE
July 16, 2025

COMMITTEE MEMBERS

LYNDA HOPKINS – CHAIR
NOELIA CORZO
DAVID HAUBERT
VICKI VEENKER

TYRONE JUE – 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 Board Room
375 Beale Street
San Francisco, CA 94105

Office of Alameda County Supervisor
David Haubert
Scott Haggerty House
4501 Pleasanton Avenue
Pleasanton, CA 94566

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/87970893294>, or may join Zoom by phone by dialing (669) 900-6833 or (408) 638-0968. The Webinar ID for this meeting is: 879 7089 3294

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 MEETING AGENDA

WEDNESDAY, JULY 16, 2025

1:00 PM

Chairperson, Lynda Hopkins

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 3-8)

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 April 16, 2025

The Committee will consider approving the Draft Minutes of the Finance and Administration Committee Meeting of April 16, 2025.

4. Hearing Board Quarterly Report - January to March 2025

The Committee will receive the Hearing Board Quarterly Report for the period of January through March 2025.

5. Hearing Board Quarterly Report - April to June 2025

The Committee will receive the Hearing Board Quarterly Report for the period of April through June 2025.

6. Vendor Agreement with Golden Star Technology for Cybersecurity Infrastructure

The Committee will consider recommending to the Board of Directors that the Board authorize the Executive Officer/APCO to enter into a five-year vendor agreement with Golden Star Technology in an amount not to exceed \$468,390 for cybersecurity infrastructure.

7. Financial Update for the Third Quarter of Fiscal Year 2024-2025, Ending March 31, 2025

The Committee will receive the financial report for the third quarter of Fiscal Year 2024-2025, which ended March 31, 2025. The report provides an overview of the General Fund's financial activities for the third quarter, which covers the period from July 1, 2024, through March 31, 2025, including preliminary revenues, expenditures, and cash investment balance results for the reporting period.

8. Fiscal Year 2024-2025 Third 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 third quarter of Fiscal year 2024-2025, which ended March 31, 2025.

INFORMATIONAL ITEM(S)

9. Permitting Strategies

The Committee will consider and discuss an update on permitting strategies. The strategies were developed in response to recommendations from the Engineering Performance Audit and were transformed into the Permitting Actions for the Air District's Strategic Plan. The permitting strategies address the Strategic Plan Goal 4: Be Effective, Accountable, and Customer-Oriented, which focuses on timely, transparent, and consistent permits. This item will be presented by Pamela Leong, Engineering Division Director.

10. Committee Assignments

The Committee will discuss the method in which Board members are assigned to serve on Committees of the Board of Directors and potential changes to the process. This item will be presented by Dr. Philip M. Fine, Executive Officer/Air Pollution Control Officer.

OTHER BUSINESS

11. 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.

12. 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)

13. Time and Place of Next Meeting

Wednesday, September 17, 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.

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

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

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

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

Questions regarding this Policy should be directed to the Air District's Non-Discrimination Coordinator, Diana Ruiz, Acting Environmental Justice and Community Engagement Officer 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

JULY 2025

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Policy, Grants and Technology Committee	Wednesday	16	10:00 a.m.	1 st Floor Board Room
Board of Directors Finance and Administration Committee	Wednesday	16	1:00 p.m.	1 st Floor Board Room
Community Advisory Council Meeting	Thursday	17	6:00 p.m.	1 st Floor, Yerba Buena Room

AUGUST 2025

NO MEETINGS SCHEDULED

SEPTEMBER 2025

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	3	10:00 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee	Wednesday	10	10:00 a.m.	1 st Floor, Yerba Buena Room
Board of Directors Community Equity, Health, and Justice Committee	Wednesday	10	1:00 p.m.	1 st Floor, Yerba Buena Room
Board of Directors Policy, Grants and Technology Committee	Wednesday	17	10:00 a.m.	1 st Floor Board Room
Board of Directors Finance and Administration Committee	Wednesday	17	1:00 p.m.	1 st Floor Board Room
Community Advisory Council Meeting	Thursday	18	6:00 p.m.	TBD

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: July 16, 2025

Re: Approval of the Draft Minutes of the Finance and Administration Committee
Meeting of April 16, 2025

RECOMMENDED ACTION

Approve the Draft Minutes of the Finance and Administration Committee Meeting of April 16, 2025.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the Draft Minutes of the Finance and Administration Committee Meeting of April 16, 2025.

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 April 16, 2025

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

Finance and Administration Committee Meeting
Wednesday, April 16, 2025

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, Lynda Hopkins, called the meeting to order at 1:03 p.m.

Note: General Counsel Alexander Crockett announced that the Zoom link for this meeting was not working, due to a worldwide outage of the Zoom platform. Mr. Crockett noted that the Brown Act does not require a Zoom link to be made available, and that the agenda for this meeting notes that the link is provided for the public's convenience only and that the Committee expressly reserves the right to conduct the meeting without the Zoom link. Mr. Crockett also noted that the Beale Street location in San Francisco and the Scott Haggerty Heritage House location in Pleasanton are open for members of the public to attend and participate in the meeting, and he explained that members of the public could also email any comments using a link provided on the Air District's website and a staff member will read them out for the Committee during the public comment portions of the meeting. Members of the public were also able to observe the meeting via a streaming link available on the website.

Roll Call:

Present, In-Person (Bay Area Metro Center (375 Beale Street, 1st Floor Board Room, San Francisco, California, 94105): Chairperson Lynda Hopkins; and Directors Noelia Corzo, Juan González III, Sergio Lopez, and Vicki Veenker.

Present, In-Person Satellite Location (Scott Haggerty Heritage House, 4501 Pleasanton Avenue, Pleasanton, CA 94566): Director David Haubert.

Absent: Vice Chairperson Tyrone Jue.

2. **PLEDGE OF ALLEGIANCE**

CONSENT CALENDAR

3. APPROVAL OF THE DRAFT MINUTES OF THE FINANCE AND ADMINISTRATION COMMITTEE MEETING OF MARCH 19, 2025

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director González made a motion, seconded by Director Veenker, to **approve** the Draft Minutes of the Finance and Administration Committee Meeting of March 19, 2025; and the motion **carried** by the following vote of the Committee:

AYES:	Corzo, González, Haubert, Hopkins, Lopez, Veenker.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Jue.

ACTION ITEMS

4. CHANGES TO MANAGEMENT CLASSIFICATIONS

Lisa Baker, Human Resources Director, gave the staff presentation *Changes to Management Classifications*, including: outline; classification and compensation study background and update; classification study findings; proposed management classification changes; and recommended action.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed whether “officer” and “director” positions are at will positions; and the manner in which the classification study focuses on equity.

Committee Action

Director González made a motion, seconded by Director Corzo, to recommend the Board take the following proposed actions:

Remove these 36 outdated and redundant management classifications	Revise these five existing management classifications to align with updated job functions, duties, and responsibilities	Approve the creation of these five new management classifications <i>*The Director/Officer classification is separated into their own distinct classifications based on span of control and complexity of work.</i>
Air Monitoring Manager	Staff Attorney / Staff Attorney Trainee	Assistant Deputy Executive Officer
Air Quality Engineering Manager	Assistant Counsel I/II	*Director
Air Quality Planning Manager	Senior Assistant Counsel	*Officer
Air Quality Program Manager	Deputy Executive Officer	Manager I
Assistant Manager	Manager II	Senior Manager
Audit and Special Projects Manager		
Business Manager		
Civil Rights Officer		
Communications Officer		
Deputy Air Pollution Control Officer		
Director of Administration		
Director of Communications and Outreach		
Director of Enforcement		
Director of Engineering		
Director of Information Services		
Director of Planning and Research		
Director of Public Information		
Director of Strategic Incentives		
Director of Technical Services		
Director/Officer		
Engineering Project Processing Manager		
Executive Operations Manager		
Finance Manager		

Fleet and Facilities Manager		
Health Officer		
Health and Science Officer		
Human Resources Manager		
Human Resources Officer		
Information Systems Manager		
Information Technology Officer		
Laboratory Manager		
Manager of Executive Operations		
Meteorology and Data Analysis Manager		
Research and Modeling Manager		
Senior Policy Advisor		
Strategic Facilities Planning Manager		

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

AYES: Corzo, González, Haubert, Hopkins, Lopez, Veenker.
NOES: None.
ABSTAIN: None.
ABSENT: Jue.

5. RECOMMEND CANDIDATES FOR APPOINTMENT TO THE AIR DISTRICT'S HEARING BOARD

Hyacinth Hinojosa, Deputy Executive Officer of Finance and Administration, gave the staff presentation *Recommend Candidates for Appointment to the Air District's Hearing Board*, including: background; and discussion.

Mr. Hinojosa explained the following:

At the Committee's March 19, 2025, meeting, the Committee was asked to consider candidates for five appointments to the Air District's Hearing Board. The Committee recommended the three Hearing Board incumbents for re-appointment, leaving the following two positions still vacant, effective April 6:

1. Alternate Member in the Attorney category; and
2. Alternate Member A in the Public Category

At the March 19, 2025, meeting, the Committee interviewed four out of five applicants for the Alternate Member (Attorney Category) and Alternate Member A (Public Category) seats. Due to a scheduling error, one applicant was unable to attend the March 19, 2025, meeting, so committee recommendations were deferred until this applicant could be interviewed, which

would have been the April Finance and Administration Committee meeting. However, on April 2, 2025, and unrelated to the scheduling error, that applicant who was unable to attend interviews on March 19 informed staff of their official withdrawal from consideration. Therefore, the following candidates (who have already been interviewed) are to be considered for the following positions at the April Finance and Administration Committee meeting:

Attorney (Alternate) Category

Stephanie Oxley – Kensington, 94707

Public A (Alternate) Category

John Dvorak – Albany, 94706

Teron McGrew – Oakland, 94609

Wayne Farrens – Sacramento, 95817

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director González made a motion, seconded by Director Lopez, to recommend the Board approve the appointment of Stephanie Oxley to the position of Alternate Member in the Attorney Category of the Air District's Hearing Board, and the appointment of Wayne Farrens to the position of Alternate Member A in the Public Category of the Air District's Hearing Board; the motion carried by the following vote of the Committee:

AYES:	Corzo, González, Haubert, Hopkins, Lopez, Veenker.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Jue.

INFORMATIONAL ITEMS

6. AIR DISTRICT FINANCIAL AUDIT REPORT FOR FISCAL YEAR ENDING (FYE) 2024

Joseph Moussa of Simpson & Simpson LLP, gave the presentation *Fiscal Year 2024 Bay Area Air Quality Management District Presentation of Audit Results to the Finance and Administration Committee*, including: agenda; auditor's required communication Statements on Auditing Standards (SAS) 114; auditor's results and highlights of the basic financial statements; and audit results and highlights of the single audit.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the Air District's first contribution (\$10 million [M]) into the California Employers' Pension Prefunding Trust (CEPPT); considerations regarding the prevention of fraud risk and conflict of interest risk; and the root cause of deficiencies in internal control over compliance (specifically regarding professional service fees charged by a vendor and paid by the Air District for eight positions were either not listed or was in excess of the rates established in the Professional Services Contract).

Committee Action

No action taken.

7. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS)

Leonid Bak, Senior Advanced Project Advisor, gave the staff presentation *Pension Funding – Background and Status*, including: outline; define the terms; Air District's pension funded ratio; Board actions on pensions funding; background on policy options for unfunded retirement liabilities – 2019; financial performance: California Employers' Retiree Benefit Trust (CERBT); financial performance: California Employers' Pension Prefunding Trust (CEPPT), projected versus actual; is transferring a lump sum to the Public Employees Retirement Fund (PERF) now a good option; summary: options to reduce unfunded liabilities; and questions for discussion.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the Committee's desire for an increase in prefunding liabilities; the breakdown of the Air District's pension trust (77% funded = 72% from CalPERS and 5% from CEPPT); OPEB liability; the advantages and disadvantages of one day making direct annual payments to CalPERS, and other options to reduce unfunded liability; the Air District's historical annual OPEB contributions, and methodologies used to make those assessments; whether required contributions for CalPERS have increased over time for the Air District, as they have for local governments; the history of the Air District's participation in the San Mateo County Investment Fund that is regulated by the California Government Code under the oversight of the Treasury of the County of San Mateo; the desire for the Air District to use its reserves to significantly pay down its unfunded CalPERS liability (perhaps an annual amount of \$20 M instead of \$5 M); and potential risk regarding creating too many new reserves, and the suggestion of hiring a consultant to help the Air District make those decisions to make meaningful progress.

Committee Action

No action taken.

OTHER BUSINESS

8. PUBLIC COMMENTS ON NON-AGENDA MATTERS

No requests received.

9. COMMITTEE MEMBER COMMENTS

None.

10. TIME AND PLACE OF NEXT MEETING

At the end of this meeting, the next meeting of the Finance and Administration Committee was scheduled for Wednesday, May 21, 2025. After the meeting adjourned, the next meeting was scheduled for Wednesday, June 18, 2025 and then re-scheduled for July 16, 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 meeting was adjourned at 2:26 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members
of the Finance and Administration Committee

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

Date: July 16, 2025

Re: Hearing Board Quarterly Report: January – March 2025

RECOMMENDED ACTION

No action requested.

DISCUSSION

This report covers the first calendar quarter (January – March) of 2025.

- Held one hearing;
- Processed five orders; and
- Collected a total of \$7,117.84.00 in Hearing Board filing & excess emission fees

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

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 (Organic Compounds, Solid Waste Disposal Sites, Landfill Gas Collection and Emission Control System Requirements)

Synopsis: The Berkeley Landfill, which has been closed since 1983, is currently developed as a City park known as Cesar Chavez Park, and 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.

The Air District seeks an Abatement Order to require testing for possible offsite migration of landfill gas; locate, repair, and operate lost landfill gas collection wells; repair leaks; and implement better inspection, repair and monitoring of Respondent's flare and Landfill Gas Collection and Control System (GCCS), including landfill gas collection wells and other piping. These measures are all necessary to reduce emissions of landfill gas to the atmosphere.

The APCO seeks an Order of Abatement against Berkeley Landfill to address ongoing, repeated violations of Air District Regulation ("Reg.") 8-34-301. I, California Code of Regulations ("CCR") Title 17, Section 95464(b)(1)(A), part of 17 CCR Sections 95460-94476, the State Landfill Methane Rule ("State LMR"), and its Permit Condition ("P/C") 1826, Part 3, each of which require continuous operation of the Landfill's GCCS. Air District Regulation 8-34 is a federally enforceable regulation. Those violations have resulted in illegal unabated emissions of harmful landfill gas at the Berkeley Landfill.

Berkeley Landfill is a closed landfill owned by the City of Berkeley (the "City") and currently developed as Cesar Chavez Park. The Landfill has been closed, i.e. not accepting any new solid waste, since 1983. As part of required post-closure operations, the Landfill operates a GCCS, which collects landfill gas from the decomposing material in the Landfill and combusts it in an enclosed flare. The Landfill has contracted with SCS Engineers ("SCS") for the operation and maintenance of the Landfill and its GCCS and for compliance monitoring and measures necessary to comply with Air District and CA Regulations.

Landfill Gas ("LFG") is comprised of Methane which is a potent greenhouse gas, Carbon Monoxide ("CO"), Non-methane Organic Compounds ("NMOC"), Toxic Air Contaminants ("TACs"), and other compounds which can be emitted when the Gas Collection System ("GCS") and flare are not operated continuously and when there are leaks of landfill gas from the landfill surface and/or from GCCS components. In fact, the Air District has determined that Berkeley Landfill is not operating its GCCS continuously, which results in illegal emissions to atmosphere.

BERKELEY LANDFILL IS OPERATING IN VIOLATION OF THE REQUIREMENT THAT IT CONTINUOUSLY OPERATE ITS GAS COLLECTION SYSTEM.

The Air District seeks an abatement order prohibiting the Berkeley Landfill from violating Reg. 301.1, its Permit Condition 1826, and the State LMR section 95464(b)(1)(A) and requiring that it takes a series of actions designed to bring the operations into compliance. These compliance actions include:

- a. locating, repairing, and confirming all landfill gas collection wells required by the Landfill's Permit to Operate are collecting landfill gas;*
- b. repairing LFG leaks;*
- c. inspecting, repairing, and, if necessary, submitting a permit application to modify its GCS to optimize LFG collection and minimize air (oxygen) intrusion;*
- d. collecting and testing methane gas at all offsite monitoring probes to determine whether or not it is LFG from the Berkeley Landfill;*
- e. contracting the flare manufacturer to inspect and properly service the Landfill's onsite flare; and conducting a site-wide drone survey to detect LFG leaks to aid in GCS repair and possibly identify the offsite gas migration pathway*

Fees collected this Quarter: N/A

Status: Accusation filed by Complainant on November 14, 2023; Notice of Hearing (combining Dockets 3741 & 3747 on same day of December 5, 2023) filed and issued on November 27, 2023; request for continuance of combined Regular variance and accusation hearings submitted by Applicant (within Applicant's Notice of Defense) on November 28, 2023; Complainant filed Response to the Applicant's Notice of Defense on November 29,

2023; Notice of Continued Hearing (combining Dockets 3741 & 3747 on same day new date of 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**, the Complainant filed the following three documents with the Clerk: Stipulated Motion to Amend Order of Abatement (originally filed February 16, 2024), Declaration of Paul Grazzini in Support of Stipulated Motion to Amend Order of Abatement (originally filed February 16, 2024), and Proposed Stipulated Amendment to Order of Abatement (originally filed February 16, 2024); Notice of Hearing (February 18, 2025) filed and issued on January 23, 2025; Complainant submitted revised Proposed Stipulated Amendment to Order of Abatement (originally filed February 16, 2024) on January 23, 2025; hearing held February 18, 2025; Stipulated Amendment to Order of Abatement (originally filed February 16, 2024) filed and issued on February 19, 2025.

THE HEARING BOARD ORDERED:

Hearing Board hereby replaces the following original Paragraph A on p. 10: 19-23 of the Order of Abatement with the new Paragraph A below it. The original Paragraph A on p. 10: 19-23 to be replaced provided:

"A. The Hearing Board shall retain jurisdiction over this matter until February 5, 2025, or until Respondent Berkeley Landfill has met all the Compliance Action Conditions and Increments of Progress set forth in Sections 1 through 11, whichever occurs first, unless this Order is amended or modified."

The new Paragraph A on p. 10: 19-23 to replace the one above provides:

"A. The Hearing Board shall retain jurisdiction over this matter until Respondent Berkeley Landfill has met all the Compliance Action Conditions and Increments of Progress set forth in Sections 1 through 11, unless this Order is amended or modified." The effect of this amendment shall be retroactive to February 5, 2025. All other terms and conditions of the Order of Abatement shall remain the same.

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: \$6,580.84 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:

Pollutant	Individual Generator Excess Emissions (lb/day)	Project Total Excess Emissions (lb)
NO _x (nitrogen oxides)		
CO (carbon monoxide)		
VOC (volatile organic compounds)		
PM _{2.5} /PM ₁₀ (particulate matter)		
SO ₂ (sulfur dioxide)		
Diesel PM		

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. ...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. ...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: \$0

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); on February 10, 2025, Clerk filed and issued Notice of Continued Hearing (March 4, 2025); on February 25, 2025 parties submitted joint continuance request to move the matter to April 15, 2025 (Hearing Board Chair approved); on February 26, 2025, Clerk filed and issued Notice of Continued Hearing (April 15, 2025); on April 11, 2025, Petitioner requested withdrawal of application (parties would be working towards an agreement involving a permit amendment, which obviated the need for the variance petition); on April 11, 2025, Clerk filed and issued Order for Dismissal.

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: \$0

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: \$0

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; Petitioner requested to withdraw application on February 24, 2025 (facility had received new permit with increased limit for cleaning solvent usage); Order for Dismissal filed and issued on February 24, 2025.

Docket: 3759 – Bay-View Greenwaste Management Co., LLC – Request for Emergency Variance

Location: San Francisco County; City of San Francisco

Regulation(s): Regulation, 2, Rule 1, Sections 301, 307 & 307 (Permits, General Requirements, Authority to Construct/Permit to Operate/Failure to Meet Permit Conditions); and Permit Condition #20949, Part 5

Synopsis: (From Petitioner) *Petitioner is a wood/brush recycling company that collects green waste from tree cutters, landscapers, and gardeners and processes it into arbor mulch and compost, which is then donated for public use. The grinder is used on an average of two to three hours per day with the 525 horsepower engine. On February 15, 2025, the Petitioner noticed that the facility's grinder was excessively vibrating and caused a high amount of damage to its hammermill (the portion of the grinder that breaks down the waste.) Due to the breakdown of the equipment, the facility was unable to process all of the waste piles within its usual amount of time. The Petitioner contacted the manufacturer of the grinder, but as that company was located in Idaho, it took time to send pictures and correspond with them to get an idea of which parts to replace. The lead time for the replacement parts was five to six weeks, as each part needed to be made from scratch. A vendor was identified in Southern California who could potentially supply the supply parts, also with the lead time of five to six weeks. On February 25, 2025, the Petitioner worked with Fahy Grinder to bring a Morebark 1300 tub grinder to the site to assist with processing the waste pile. Because the Petitioner did not apply for a permit for onsite outside source grinding, the Assigned Air District Inspector came to the site and suggested that the Petitioner apply for an Emergency Variance. The rental grinder was only used for one hour on February 26, 2025, before it was shut down and moved off site. The Petitioner contacted another vendor who procured a Tier 4, California Air*

Resources Board-compliant grinder, which was delivered to the site on March 9, 2025. The goal of the Petitioner was to have one of the two replacement grinders beginning as soon as possible. Based on the Petitioner's research and inquiries, no other mobile local grinder rental companies within the Petitioner's budget could be identified. However, a local machinist was contacted to help rebuild and replicate parts that were needed. The Petitioner also needed a water source or hose to moisten the feedstock before grinding, and to spray water as the chips exited the grinder. Two Notices of Violation were issued to the facility on February 26, 2025.

During the requested variance period, the Petitioner planned to do the following to mitigate excess emissions: have semi-trucks move the chips out daily; take daily temperatures of the waste piles to make sure they are not near a combustible state; water the waste piles to cool them down and lessen the possibility of dust; and turn the piles to aerate them and keep their temperatures low. An employee will be designated to view the grinder as it is processing materials and will be spraying water on the unprocessed waste. The grinder will be stopped if any black smoke is seen from the exhaust, and the operation will be shut down if there is too much wind, or odors are noticed. The facility will also log dust and smoke emissions.

Once granted the Emergency Variance, the Petitioner planned to have one of the two new grinders on site to process the feedstock within a week. Haulers would also move the chips off site as the waste piles were being processed.

Requested Period of Variance: March 10, 2025 until tentatively April 7, 2025

Estimated Excess Emissions: None.

Fees collected this quarter: \$537.00 in filing fees.

Status: Application for Emergency Variance filed by Petitioner on February 27, 2025 after hours; Clerk sent application to Air District (Compliance & Enforcement) staff on February 27, 2025; on March 3, 2025, staff requested that Petitioner re-submit application, as not all sections were properly completed; Petitioner submitted completed application to Clerk on March 3, 2025; staff response submitted to Clerk on March 6, 2025; on March 6, 2025, Clerk sent application and staff response to Hearing Board for final decision; on March 10, 2025, Hearing Board submitted response; on March 18, 2025, Clerk filed and issued Order Granting Emergency Variance.

THE HEARING BOARD ORDERED:

Applicant must meet the following conditions:

- 1. Applicant shall not accept wood and brush materials until the permitted Tub Grinder (S-10) is repaired and put back into operation.*
- 2. The Morbark 1300 Tub Grinder (Serial #571-297) shall only be used to process the stockpiled wood and brush materials (S-3) that remain on-site.*
- 3. Applicant shall not operate the Morbark 1300 Tub Grinder (Serial #571-297) for more than 4 hours per day.*
- 4. Applicant shall maintain records of the hours of operation for the Morbark 1300 Tub Grinder (Serial #571-297) and engine.*

An Emergency Variance from Air District Regulation 2, Rule 1, Sections 301, 302, and 307 and Permit Condition #20949, Part 5, be and is hereby granted from March 8, 2025, at 12:00 noon, to April 9, 2025, at 12:00 noon.

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 Lynda Hopkins and Members
of the Finance and Administration Committee

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

Date: July 16, 2025

RECOMMENDED ACTION

No action requested.

DISCUSSION

This report covers the second calendar quarter (April – June) of 2025.

- Held one hearing;
- Processed two orders; and
- Collected a total of \$13,301.00 in Hearing Board filing fees

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

**Docket: 3751 – Air Pollution Control Officer (APCO) vs. Tesla Motors, Inc. –
Accusation of Violation of Regulation 2-1-307 and Regulation 2-6-307 and Request
for Conditional Order for Abatement**

Location: Alameda County; City of Fremont

Regulation(s): Regulation 2 Rule 1, Section 307 (Permits, General Requirements, Failure to Meet Permit Conditions); and Regulation 2, Rule 6, Section 307 (Permits, Major Facility Review, Non-compliance, and Major Facility Review)

Synopsis: Respondent operates two paint shops at its electric vehicle manufacturing facility in Fremont. Because these paint shops emit Precursor Organic Compounds (POCs) and Toxic Air Contaminants (TACs), Respondent is required to control emissions of these air pollutants using an abatement system that captures and collects the pollutants and then abates them, primarily through incineration using a device called a thermal oxidizer.

From the APCO:

Respondent has been violating, and continues to violate, the requirements in its permit and Air District regulations to abate emissions from its paint shops. Tesla has emitted harmful POCs and Toxic Air Contaminants directly into the atmosphere unabated, for which it received 112 Notices of Violation from the Air District since 2019, each of which included one or more days of violation. Each such violation emits illegal air pollution in varying amounts. These violations are recurring, and they negatively affect public health and the environment.

Respondent's recurring violations result from a variety of causes: In some cases, the thermal oxidizer or related components of the abatement system malfunction, and emissions are vented directly to the atmosphere without proper abatement. In other cases, the abatement equipment is functioning, but Respondent either bypasses the abatement equipment and vents the emissions to the atmosphere without proper abatement or shuts the abatement equipment down and vents the emissions to the atmosphere without proper abatement when other components of the production lines in the paint shops malfunction. These violations occur due to repeated malfunction of the same equipment, or due to actions of the Respondent's staff or its contractors. Whatever the cause, Respondent needs to take steps immediately to stop these frequent and recurring violations.

The APCO seeks a Conditional Order for Abatement ordering Respondent to stop operating the North and South Paint Shops unless it develops and implements a plan to address these recurring, intermittent and ongoing violations. The APCO respectfully requests that the Hearing Board do so by first issuing an initial order requiring Respondent to (i) hire an independent third-party engineering firm or firms to conduct an objective study to determine the causes of these recurring problems and make recommendations on the actions Respondent needs to take to stop them; and then (ii) return to the Hearing Board with a proposed plan to implement the recommendations from that study to remediate these problems within a specific timeframe. The APCO requests that the Hearing Board then hold a further hearing on Respondent's proposed plan and issue an order requiring Respondent to implement the plan and bring an end to these ongoing violations.

Fees collected this quarter: N/A

Status: Accusation filed by Complainant on May 2, 2024; Accusation Certificate of Service filed by Complainant on May 6, 2024; Complainant filed Notice of Defense on May 21, 2024; Notice of Hearing (scheduled for June 25, 2024) filed and issued on May 22, 2024; due to Hearing Board Chair's request, pre-hearing conference with both parties and Hearing Board Chair held on June 3, 2024; Order Resulting from Pre-Hearing Conference filed and issued on June 6, 2024; Respondent's Opening Brief filed and issued on June 18, 2024; Joint Motion to Enter Proposed Findings and Decision and Stipulated Conditional Order for Abatement filed and issued on June 20, 2024; [Proposed] Findings and Decision and Stipulated Conditional Order for Abatement filed and issued on June 20, 2024; on June 20, 2024, Counsel for the APCO requested that the Chair vacate or suspend her order entitled "Order Resulting from Pre-Hearing Conference"

(filed and issued on June 6, 2024) until the Hearing Board determines whether to enter the proposed findings, decision, and order as stipulated, or direct the Parties otherwise (Chair agreed and “Order Resulting from Per-Hearing Conference” was vacated); Order Suspending Order from June 6 filed and issued on June 21, 2024; abatement hearing held on June 25, 2024; Findings and Decision for Stipulated Conditional Order for Abatement issued on June 26, 2024; parties filed Joint Petition for Modification of Stipulated Order of Conditional Abatement (originally filed on June 26, 2024) on May 16, 2025; Notice of Hearing (May 27, 2025) filed and issued on May 20, 2025; hearing held on May 27, 2025; and Modification of Stipulated Order of Conditional Abatement (originally filed on June 26, 2024) filed and issued on May 28, 2025.

THE HEARING BOARD ORDERED:

Paragraph 4 of the 2024 Order revised to increase the time within which the independent engineering firm must produce its report from 90 days to 180 days. The introductory language of condition 4 of the June 26, 2024 Order is revised to read as follows:

4. Report and Recommendations for Addressing Unabated Volatile Organic Compounds VOC Emissions: Within one hundred eighty (180) calendar days of being hired, the firm(s) shall provide one report to both Tesla and the APCO that (i) is not edited or changed in any way by Tesla, (ii) is signed under penalty of perjury by a licensed electrical Professional Engineer, and a licensed mechanical Professional Engineer; and (iii) includes, at a minimum, all of the following: [requirements A. through I. unchanged].

Docket: 3760 – APCO vs. Olam West Coast, Inc. – Accusation of Violation of Permit Conditions #26683 & #26684 and Request for Conditional Order for Abatement

Location: Santa Clara County; City of Gilroy

Regulation(s): Permit Conditions #26683 & #26684

Synopsis: Respondent operates an agricultural processing facility (hereinafter “Facility”) and operates six food dryers at the Facility on a seasonal basis from approximately April until November each year. The food dryers emit air pollutants, including nitrogen oxides (NOx) and carbon monoxide (CO), that the Air District regulates in order to protect air quality and public health.

From the APCO:

The Air District authorized Respondent to install and start operating the food dryers in 2018 and imposed permit conditions limiting emissions from the food dryers to 22.8 tons per year of NOx and 53.5 tons per year of CO through rate-based concentration limitations and a facility-wide NOx emission limitation. After Respondent began operating the food dryers, emissions testing indicated that the estimates on which these permit conditions were based were significantly inaccurate. The testing indicated that the food dryers could not meet the specified permit limits, and that they have the potential to emit up to 56.7 tons per year of NOx and 182.6 tons per year of CO. Respondent initially disputed the appropriate test methodology, which has significantly delayed resolution of this issue. As

such, Respondent has operated and is continuing to operate its food dryers in violation of its NOx and CO permit conditions. Respondent has now agreed to use the correct source test methodology and has committed to seeking and obtaining revised permit conditions that will ensure that it operates in compliance with all applicable air quality regulations. The APCO believes that increased NOx and CO limits may be allowable, although it will need to evaluate Respondent's request for an increase in detail before approving any revised emissions limits.

The APCO seeks an Order to ensure that the Respondent will follow through on its commitment to obtain a revised permit as expeditiously as possible to bring the food dryers into compliance. Specifically, the APCO seeks an order establishing an appropriate deadline for the Respondent to obtain revised permit limits, along with interim milestones to ensure that Respondent makes diligent progress towards final compliance – and that Respondent may not operate the food dryers in violation of its current permit limits unless it complies with these requirements. The Complainant requests that the Respondent ceases and desists from operating its food dryers in violation of its permit conditions, and of Regulation 2-1-307 (prohibiting operation in violation of permit conditions),¹ unless Respondent complies with the terms and conditions contained in a Proposed Order that the APCO will submit prior to the scheduled hearing.

Fees collected this Quarter: N/A

Status: Accusation filed by Complainant on April 30, 2025; pre-hearing conference held on May 28, 2025; Notice of Hearing (July 15, 2025) filed and issued June 2, 2025.

Docket: 3761 – Valero Refining Company – California – Request for Emergency Variance

Location: Solano County; City of Benicia

Regulation(s): Regulation 2, Rule 1, Section 320; Regulation 2, Rule 1, Section 307; Regulation 2, Rule 6, Section 307; Regulation 6, Rule 1, Section 301 through Regulation 6, Rule 1, Section 303.

Synopsis: (From Petitioner) Valero Refining Company-California ("Valero") operates a petroleum refinery ("the Facility") in Benicia, California, which processes feedstocks into gasoline, diesel, jet fuel and asphalt.

Valero seeks emergency variance relief related to an unforeseen fire near a furnace inside the Fluid Catalytic Cracking Unit ("FCCU") complex. At approximately 8:45am on May 5, 2025, an unexpected fire occurred at the Facility (the "fire") near FCCU. As soon as the fire was discovered, Valero took immediate steps to ensure employee safety, notify first responders, and begin assessing the cause and steps for resolution. These steps included notifying the Bay Area Air District, mobilizing the Valero Emergency Response Team, notifying the City of Benicia, Solano County, and other relevant agencies activating the Emergency Alarm, and isolating the fuel source of the fire. Fire suppression began at approximately 9:05 am and the "all-clear" was sounded on the refinery alarm at 10:38am.

Valero's incident investigation is ongoing, however it appears that a portion of the stack (P-36) of the FCCU furnace, source (S-25) F-701, unexpectedly fell from elevation, impacting process equipment and causing a loss of containment and resulting in a fire. The failure of the stack was not the result of operator error nor lack of maintenance in accordance with industry standards. As a result of this unforeseeable fire, there were visible emissions, intermittent flaring, and potential emissions exceedances. Valero is in the process of investigating the damage caused to surrounding units and evaluate what repairs are necessary to restart and commence operation of the Facility. Activities associated with restarting the affected equipment could result in visible emissions or other emissions exceedances on an intermittent basis. Accordingly, Valero requests an emergency variance for potential violations associated with the fire for the period May 5, 2025, through June 4, 2025.

This emergency variance is being sought for the FCCU and associated units. The FCCU is a critical unit in the refinery process whereby heavy oils are converted into gasoline and diesel. Without the FCCU, gasoline production would be shut down, and downstream units which make blending components would be severely limited preventing the production of finished gasoline and diesel.

In addition, because the refinery is an integrated refinery, the curtailment or outage of one unit can impact the operation or outage of other units. As a result, in restarting the affected unit(s), other non-affected units could be impacted from both a production and emissions perspective.

Pursuant to California Energy Commission ("CEC") requirements, in any refinery outage or slow down, especially one involving an FCCU, Valero is required to notify the CEC that the refinery has exhausted every option to maintain production. This includes notification of an estimated duration of the outage and an estimate of production lost. The CEC expects refineries to ensure all options to maintain production are exhausted.

If the variance is not granted, Valero will not be able to produce gasoline or the components necessary to blend finished gasoline. At this time, Valero estimates there could be significant impacts on gasoline supply, reducing the availability of fuel to the State of California. Due to recent legislation surrounding gasoline supply and gasoline prices, the CEC has heightened its involvement with refinery outages seeking to ensure any outages are minimized to ensure minimal impacts on consumers by way of reduced supply or increased prices.

Valero will follow its Flare Minimization Plan and make every effort to comply with all other relevant permit conditions and regulations. Valero will continue to use complex-specific monitoring trends and notify the District of any relevant Title V deviations. In addition, Valero will use existing continuous emission monitoring systems (CEMS), fence line monitoring and ground level air monitoring (GLM) data, and engineering calculations to quantify emissions and will report any excess emissions through Title V deviations. Valero continues to investigate the cause and consequences of this unexpected fire. It is too early to determine the necessary equipment repairs, modifications, or process changes

required to return to operation. Valero will work closely with the District as the investigation continues and any further activities are required.

Requested Period of Variance: May 5, 2025 to June 4, 2025

Estimated Excess Emissions: Provided by Petitioner (see below):

There is potential for intermittent excess opacity emissions while Valero works to bring the affected units back into operation. At this time, Valero cannot determine the likely type or amount of these emissions, nor the likely duration. Valero will monitor and mitigate emissions to the extent feasible, and will provide this information, once known, to the Hearing Board and the district upon request.

Location	Pollutant	Citation
CO Blind Opacity	VEE	Condition #24198.17 Reg 6-1-302
FGS Opacity	VEE	Reg 6-1-302
FGS	PM (dP)	Condition #24245.19 Condition #20820 Part 63, 68
FGS	SO ₂ , NO _x , CO, NMOC	Condition #20820 Part 63, 66, 67, 68.
Fuel Gas	TRS	Condition #25342 Part 2
Flare Gas Recovery	Throughput	Condition #26960.1

Acronyms

VEE – Visible Emissions Evaluation

FGS – Flue Gas Scrubber

PM – Particulate Matter

SO₂ – Sulfur Dioxide

NO_x – Nitrogen Oxide

NMOC – Non-Methane Organic Compound

TRS – Total Reduced Sulfur

Fees collected this quarter: \$2,657.00 (Hearing Board filing fee)

Status: Application for Emergency Variance filed by Petitioner on May 6, 2025; application sent to Air District Compliance & Enforcement staff for review on May 7, 2025; staff response filed with Clerk on May 9, 2025; Hearing Board member assigned to docket on May 10, 2025 (Clerk had difficulty finding available Board member); Hearing Board

member response filed with the Clerk on May 12, 2025; Order Denying Emergency Variance filed and issued on May 13, 2025.

HEARING BOARD ORDERED:

The Applicant does not meet the good cause standard for issuance of an electric vehicle (EV) under either the Hearing Board Rules or the applicable provisions of the Health and Safety Code. There is no clear evidence that non-compliance was unforeseeable. There is no clear evidence that violations are beyond the Applicant's reasonable control. Several violation notices were issued prior to the filing for the EV and are not eligible for variance relief pursuant to Rule 7.11(a) and/or Health and Safety Code Section 41700. Therefore, the Application for Emergency Variance from Air District Permit Regulation 6-1-302 and Condition #24198.17, Condition #24245.19, Condition #20820 Parts 63 & 68, Condition #20820 Parts 63, 66, 67, & 68, Condition #25342 Part 2, and Condition #26960, is hereby denied.

Docket: 3762 – Argent Materials, Inc. – Petition for Appeal of Denial of Permit Application No. 30122 (issued April 9, 2025)

Location: Alameda County; City of Oakland

Synopsis: (From Petitioner) *Argent Materials, Inc. (Argent) hereby appeals the denial of Permit Application No. 30122 by the Bay Area Air District (BAAD or District) based on an Engineering Evaluation dated April 9, 2025, and delivered via email on April 10, 2025. The facility is a concrete and asphalt recycling facility located at 8501 San Leandro Street, Oakland, California 94621 ("8501 Site").*

The District asserted the following two grounds as its basis for denial of Application No. 30122:

- (1) Argent improperly divided a "project" into two permit applications in violation of Regulation 1-104; and*
- (2) The Health Risk Assessment for Permit Application No. 30122 exceeds the 1.0 chronic Hazard Index value, prohibiting approval of the application under Regulations 2-5-302 and 5-2-216.*

Argent disputes both of the District's two grounds for denial and asserts as a basis for this appeal that:

- (1) Argent did not improperly divide a "project" into two permit applications or otherwise attempt to circumvent the District's permit regulations in violation of Regulation 1-104; and*
- (2) The Health Risk Assessment does not prohibit approval of Application No. 30122 under Regulations 5-2-302 or 5-2-216.*

On September 9, 2019, Argent filed Permit Application No. 30122 (at issue in this appeal) seeking a permit to operate stockpiles at the 8501 Site.⁶ Application No. 30122 was not deemed complete or processed by the District for more than five years after the

application was filed. At one point, the District attributed its delay to its lack of staff resources stating “the main issue is engineering time and resources, sorry.”

On April 9, 2025, the District denied Application No. 30122 for the two reasons listed above on page 1, as discussed in the Engineering Evaluation attached as Exhibit 1. Argent now is appealing the District’s denial of Application No. 30122.

The Site is not currently operating pending issuance of a permit. In July 2023, the District alleged that Argent had operated a stockpile of aggregate materials without a permit to operate in violation of Regulation 2-1-301 and 2-1-302. Argent denies any wrongdoing. The matter is subject to ongoing discussion between the District and Argent and is not relevant to the Hearing Board’s adjudication of the two issues on which the District based its denial of Application No. 30122.

The petitioner has the burden of proof to demonstrate that the District’s “action was erroneous.” Hearing Board Rule 8.4. The Hearing Board will determine whether the District’s interpretation of the applicable legal requirements is “is fair and reasonable and consistent with other actions of the [District].” Hearing Board Rule 8.6.

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

Status: Petition for Appeal for Denial of Permit Application No. 30122 filed by Petitioner on May 8, 2025; Notice of Hearing (June 24, 2025) filed and issued on May 20, 2025; on June 11, 2025, Petitioner requested to continue the Hearing until July 15, 2025 (Hearing Board Chair agreed); Notice of Continued Hearing (July 15, 2025) filed and issued on June 12, 2025.

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 Lynda Hopkins and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: July 16, 2025

Re: Vendor Agreement with Golden Star Technology for Cybersecurity
Infrastructure

RECOMMENDED ACTION

Recommend to the Board of Directors that the Board authorize the Executive Officer/APCO to enter into a vendor agreement with Golden Star Technology for a 5-year term to purchase SecureWorks Taegis software products in a total amount not to exceed \$468,390.

BACKGROUND

The Air District requires a strong cybersecurity posture to protect critical Information Technology (IT) infrastructure. The Information Services Operations team explored the option of building an in-house cybersecurity infrastructure; however, it was determined that such an effort would be overly costly and disproportionate to the Air District current needs.

Given the scale of the current needs, the purchase and implementation of SecureWorks Taegis XDR and Managed XDR services offers an effective solution by providing 24/7 cybersecurity monitoring, threat detection, incident response, and security operations management. This contract supports our enterprise cybersecurity strategy and provides real-time endpoint threat detection, monitoring, and response capabilities.

This contract directly supports the Air District's commitment to modernize and harden its cybersecurity infrastructure. The SecureWorks Taegis platform integrates with our Microsoft ecosystem and offers advanced threat detection, behavioral analytics, and 24/7 Security Operations Center services.

DISCUSSION

Qualified fulfillment partners (Value-Added Resellers) were sourced through various leveraged procurement agreements and three quotes were solicited for the software products. Two bids were received and evaluated, resulting in the competitive price bid

being recommended for the award.

Price Comparison:

Bider	Product	Quantity	Total Year 1	Total Year 2	Total Year 3	Total Year 4	Total Year 5
Nth Generation	Taegis Managed XDR Elite	600	\$26,034	\$26,034	\$26,034	\$26,034	\$26,034
	Taegis XDR and Managed XDR	600	\$69,804	\$69,804	\$69,804	\$69,804	\$69,804
Golden Star Technology	Taegis Managed XDR Elite	600	\$25,446	\$25,446	\$25,446	\$25,446	\$25,446
	Taegis XDR and Managed XDR	600	\$68,232	\$68,232	\$68,232	\$68,232	\$68,232
	Sales Tax	8.625%					

Golden Star previously partnered with the Air District on IT security solutions and remains a vendor in good standing. The services procured under this contract are a critical element of our cybersecurity roadmap, enabling the Air District to meet compliance requirements while improving our ability to defend against evolving cyber threats.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funds for this contract are included in the Fiscal Year Ending 2026 budget, Program 728. This investment ensures enhanced cybersecurity defenses, proactive risk mitigation, and regulatory compliance.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Patricia Roman
Reviewed by: John Chiladakis

ATTACHMENT(S):

1. Draft Terms and Conditions - revised 2025 - GST and Bay Area Air District
2. Draft Quote
3. GST SecureWorks CRA for Indirect Purchases + SaaS Addendum_exe

GST General Terms and Conditions

PLEASE READ THESE TERMS AND CONDITIONS VERY CAREFULLY

THE TERMS AND CONDITIONS OF PRODUCT SALES AND SERVICES ARE LIMITED TO THOSE CONTAINED HEREIN. ANY ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS IN ANY FORM DELIVERED BY YOU ("CUSTOMER") ARE HEREBY DEEMED TO BE MATERIAL ALTERATIONS.

BY ACCEPTING DELIVERY OF THE PRODUCTS OR BY ENGAGING GOLDEN STAR TECHNOLOGY INC. ("SELLER") TO PROVIDE PRODUCT OR PERFORM OR PROCURE ANY SERVICES, CUSTOMER AGREES TO BE BOUND BY AND ACCEPTS THESE TERMS AND CONDITIONS UNLESS CUSTOMER AND SELLER HAVE SIGNED A SEPARATE AGREEMENT, IN WHICH CASE THE SEPARATE AGREEMENT WILL GOVERN.

Important Information About These Terms and Conditions

These Terms and Conditions constitute a binding contract between Customer and Seller and are referred to herein as either the "Terms and Conditions" or the "Agreement". Seller and Customer are each a "Party" to this Agreement and may collectively be referred to herein as the "Parties." These Terms and Conditions are the entire understanding between Customer and Seller, and they supersede and replace any and all prior communications, agreements and understandings, whether oral, written, electronic or implied, if any, between Customer and Seller with respect to the order(s) you are placing with Seller.

Purchase Price & Availability

Seller reserves the right to make adjustments to pricing of the products and service offerings for reasons including, but not limited to, changing market conditions, product discontinuation, product unavailability, manufacturer price changes, supplier price changes and errors in advertisements. All orders are subject to product availability and the availability of personnel to perform the services. Therefore, Seller cannot guarantee that it will be able to fulfill Customer's orders. If services are being performed on a time and materials basis, any estimates provided by Seller are for planning purposes only.

Product Returns

Seller allows Customer product returns based on the return policies of the original product manufacturer or supplier. Custom orders are non-returnable and non-refundable. Software is not returnable if packaging has been opened. If software was distributed electronically, the software is non-returnable if the license was downloaded.



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Seller only accepts the return of products that are within THIRTY (30) DAYS from the date of Seller's shipped date AND meets the return policies of the original product manufacturer or supplier. In addition, Seller only accepts the return of products that fall within one of these categories:

- Factory Sealed: (in fully resalable condition – i.e. no stickers, no markings on the box, etc.)
- Defective or Dead-on-Arrival (DOA)
- Open and Non-Defective: Products must be in resalable condition, complete and unused, outer seal must not have been opened or re-taped, and original packaging kept.

For damaged products, Customer must notify Seller of any damaged products within seven (7) days of receipt.

Please go to <https://gstinc.com/rma/> to submit a product returns request.

Warranties

Seller represents and warrants that, immediately prior to the sale of products to Customer, Seller will be the lawful owner thereof, free and clear of any liens and encumbrances (other than those that may arise under the terms and provisions of this Agreement).

Customer understands that Seller is not the manufacturer of the products purchased by Customer hereunder and the only warranties offered are those of the manufacturer. In purchasing the products, Customer is relying on the manufacturer's specifications only and is not relying on any statements, specifications, photographs or other illustrations representing the products that may be provided by Seller.

SELLER HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES EITHER EXPRESS OR IMPLIED, RELATED TO PRODUCTS, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF TITLE, ACCURACY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WARRANTY OF NONINFRINGEMENT, OR ANY WARRANTY RELATING TO THIRD PARTY SERVICES. THE DISCLAIMER CONTAINED IN THIS PARAGRAPH DOES NOT AFFECT THE TERMS OF ANY MANUFACTURER'S WARRANTY.

SELLER EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES AND COVENANTS, EITHER EXPRESS, IMPLIED, OR STATUTORY WITH RESPECT TO ANY PRODUCT, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE. ALL INFORMATION IS PROVIDED TO CUSTOMER "AS IS."

Customer acknowledges that no employee of Seller is authorized to make any representation or warranty on behalf of Seller that is not in this Agreement.



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Seller makes no warranties to the Customer and the Customer hereby acknowledges that Seller makes no warranties in regard to the applicability of all laws and regulations affecting, without limitation the manufacture, performance, sale, packaging and labelling of the products which are in force within the Customer's territory.

Delivery, Title, Risk of Loss

All deliveries of products to destinations in the United States, excluding its territories and possessions, will be made F.O.B origin Seller's designated location(s). If Customer provides Seller with Customer's carrier account number or selects a carrier other than a carrier that regularly ships for Seller, title to products and risk of loss or damage during shipment pass from Seller to Customer upon delivery to the carrier (F.O.B. Origin, freight collect). For all other shipments, title to products and risk of loss or damage during shipment pass from Seller to Customer upon delivery to the specified destination (F.O.B. Destination, freight prepaid and added). Notwithstanding the foregoing, title to software will remain with the applicable licensor(s), and Customer's rights therein are contained in the license agreement between such licensor(s) and Customer.

After transportation of a shipment of products from Seller has commenced, Customer will not divert the shipment to a different consignee or destination point without Seller's written approval. Seller is not responsible for spotting, switching, demurrage or other transportation charges unless agreed in writing. Seller is not liable for any delays in delivery or for partial or early deliveries. Seller is not liable for any Customer requirements not stated in these Terms and Conditions.

Customer or the consignee receiving delivery must accept deliveries of all shipments, including partially damaged or "short" shipments, and must inspect the products and secure written acknowledgement from the transportation provider for any shortages, loss, damage or nonconformance. Customer must notify Seller in writing within three days of receipt of any delivery of any shortages or non-conforming products. If Customer fails to notify Seller with such three-day period of any shortages or non-conforming products, the products will be considered accepted.

Data Loss

Customer shall be solely responsible for daily backup and other protection of its data and software against loss, damage or corruption. Customer shall be solely responsible for reconstructing data (including but not limited to data located on disk files and memories) and software that may be lost, damaged or corrupted during the performance of services. SELLER, ITS AFFILIATES, ITS AND THEIR SUPPLIERS, SUBCONTRACTORS AND AGENTS ARE HEREBY RELEASED AND SHALL CONTINUE TO BE RELEASED FROM ALL LIABILITY IN CONNECTION WITH THE LOSS, DAMAGE OR CORRUPTION OF DATA AND SOFTWARE, AND CUSTOMER ASSUMES ALL RISK OF LOSS, DAMAGE OR CORRUPTION OF DATA AND SOFTWARE IN ANY WAY RELATED TO OR RESULTING FROM THE SERVICES.



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Force Majeure

Except for payment for amounts due under the Agreement, neither Party will be liable to the other for delays or failures to perform occasioned by causes beyond its reasonable control and without its fault or negligence. Such acts or events shall include but not be limited to, acts of God, civil or military authority, civil disturbance, riot, fire, strikes, lockouts or slowdowns, terrorism, embargo, factory or labor conditions, inability to obtain necessary labor, materials or manufacturing facilities, and delayed issuance of export control licenses. In the event of such delays or failures to perform, any dates or times by which either Party is otherwise scheduled to perform shall be extended automatically for a period of time equal in duration to the additional time required because of the delay or failure to perform. The Party claiming force majeure shall promptly inform the other Party of any event of force majeure, and its expected duration and cessation. The Party claiming force majeure shall use its best efforts to mitigate such effects to the extent reasonably practicable.

Compliance

Each Party agrees to abide by all laws and regulations applicable to its performance of its obligations under this Agreement. Neither party has made, and will not make, any direct or indirect payment, offer to pay, or authorization to pay, any money, gift, promise to give, or authorization of the giving, of anything of value to any government official, or the immediate family of any such official, for the purpose of influencing an act or decision of the government or such individual in order to assist, directly or indirectly, Customer or Seller in obtaining or retaining business, or securing an improper advantage.

Confidentiality

Each party anticipates that it may be necessary to provide access to information of a confidential nature of such party or a third party (hereinafter referred to as "Confidential Information") to the other party in the performance of this Agreement and any Statement of Work. "Confidential Information" means any information or data in oral, electronic or written form which the receiving party knows or has reason to know is proprietary or confidential and which is disclosed by a party in connection with this Agreement or which the receiving party may have access to in connection with this Agreement, including but not limited to the terms and conditions of each Statement of Work. Confidential Information will not include information which: (a) becomes known to the public through no act of the receiving party; (b) was known to the receiving party, or becomes known to the receiving party from a third party having the right to disclose it and having no obligation of confidentiality to the disclosing party with respect to the applicable information; or (c) is independently developed by agents, employees or subcontractors of the receiving party who have not had access to such information. To the extent practicable, Confidential Information should be clearly identified or labeled as such by the disclosing party at the time of disclosure or as promptly



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thereafter as possible, however, failure to so identify or label such Confidential Information will not be evidence that such information is not confidential or protectable. The parties may disclose confidential information when required under legal processes such as subpoenas or under the California Public Records Act, in which case the parties agree to provide reasonable notice and assist the party whose confidential information would be disclosed in pursuing relief to avoid the disclosure of the confidential information.

Services

Customer may order services from or through Seller. Certain services may be provided by third parties, including, but not limited to, extended warranty service by manufacturers, and are sold by Seller as distributor or sales agent ("Third Party Services").

In the case of Third Party Services, Customer shall consider the third party to be the contracting party and the third party shall be the party responsible for providing the services to the Customer and Customer will look solely to the third party for any loss, claims or damages arising from or related to the provision of such Third Party Services. Customer hereby release Seller from any and all claims arising from or relating to the purchase or provision of any such Third Parties Services. Any amounts, including, but not limited to, taxes, associated with Third Party Services which may be collected by Seller will be collected solely in the capacity as an independent sales agent.

Where services are ordered in a Statement of Work, each Statement of Work hereby incorporates these Terms and Conditions and constitutes a separate agreement with respect to the services performed. Seller may execute a Statement of Work. In the event of an addition to or a conflict between any term or condition of the Statement of Work and these Terms and Conditions, these Terms and Conditions will control, except as expressly amended in the applicable Statement of Work by specific reference to this Agreement. Each such amendment will be applicable only with respect to such Statement of Work and not to future Statements of Work.

Changes to the scope of the services described in a Statement of Work will be made only in a writing executed by authorized representatives of both parties. Seller will have no obligation to commence work in connection with any such change, unless and until the change is agreed upon in that writing executed by both parties. All such changes to the scope of the Services will be governed by these Terms and Conditions and the applicable Statement of Work.



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Customer Access & Availability

Customer agrees to cooperate with Seller in connection with performance of the services by providing: (i) timely responses to Seller's inquiries and requests for approvals and authorizations, (ii) access to any information or materials reasonably requested by Seller which are necessary or useful as determined by Seller in connection with providing the services, including, but not limited to, physical and computer access to Customer's computer systems, and (iii) all required consents necessary for Seller to provide the services. Customer acknowledges and agrees that the services are dependent upon the completeness and accuracy of information provided by Customer and the knowledge and cooperation of the agents, employees or subcontractors engaged or appointed by Customer who are selected by Customer to work with Seller.

Seller may perform the services at Customer's place of business, at Seller's own facilities or such other locations as Seller and Customer deem appropriate. When the Services are performed at Customer's premises, Seller will attempt to perform such services within Customer's normal business hours unless otherwise jointly agreed to by the parties. Customer will also provide Seller access to Customer's staff and any other Customer resources (and when the Services are provided at another location designated by Customer, the staff and resources at such location) that Seller determines are useful or necessary for Seller to provide the services. When the services are provided on Customer's premises or at another location designated by Customer, Customer agrees to maintain adequate insurance coverage to protect Seller and Customer's premises and to indemnify and hold Seller harmless from any loss, cost, damage or expense (including, but not limited to, attorneys' fees and expenses) arising out of any product liability, death, personal injury or property damage or destruction occurring at such location in connection with the performance of the services, other than solely as a result of Seller's gross negligence or willful misconduct.

If the Seller's work in progress is impeded by other trades and/or contractors (excluding the Seller's own subcontractors) or by scheduling delays due to the Customer, time delays in the final installation as well as additional charges, including labor, travel and other reasonable expenses, may result.



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Payment

Customer agrees to pay the total purchase price for the products plus shipping (to the extent shipping is not prepaid by Customer), including shipping charges that are billed to Seller as a result of using Customer's carrier account number. Terms of payment are within Seller's sole discretion. In connection with services being performed pursuant to a Statement of Work, Customer will pay for the services in the amounts and in accordance with any payment schedule set forth in the applicable Statement of Work. If no payment schedule is provided, Customer will pay for the services as invoiced by Seller.

All invoices issued by Seller under these Terms and Conditions are payable within thirty (30) days from the invoice date. Payment must be made in full by the Customer to Seller without any deduction, set-off, or delay for any reason. New and/or first time Customer do not receive payment terms. New and/or first time Customer must pre-pay for the goods and/or services provided.

Invoices are due and payable within the time period specified on the invoice, measured from the date of invoice, subject to continuing credit approval by Seller. Seller may invoice Customer separately for partial shipments, and Seller may invoice Customer for all of the Services described in a Statement of Work or any portion thereof. If a specific payment method is required, the Customer is responsible for any associated fees or charges.

Late Payment: If payment is not received by Seller within thirty (30) days from the invoice date, the Seller reserves the right to:

- Charge a late payment fee of 2% of the outstanding amount per month, or the maximum rate permitted by law, whichever is lower.
- Suspend the delivery of services or goods until full payment is received.
- Initiate collection procedures. The Customer will be responsible for all costs incurred by the Seller in collecting late payments, including, but not limited to, legal fees and costs.

Customer will pay for, and will indemnify and hold Seller from, any applicable sales, use, transaction, excise or similar taxes and any federal, state or local fees or charges (including, but not limited to, environmental or similar fees), imposed on, in respect of or otherwise associated with any Statement of Work, the products or the services. Customer must claim any exemption from such taxes, fees or charges at the time of purchase and provide Seller with the necessary supporting documentation.

In the event of a payment default, Customer will be responsible for all of Seller's costs of collection, including, but not limited to, court costs, filing fees and attorneys' fees. In addition, if payments are not received as described above, Seller reserves the right to suspend services until payment is



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received. Customer hereby grants to Seller a security interest in the products to secure payment in full. Customer authorizes Seller to file a financing statement reflecting such security interest. Except as otherwise specified on an applicable Statement of Work, Customer will reimburse Seller for all reasonable out-of-pocket expenses incurred by Seller in connection with the performance of the services, including, but not limited to, travel and living expenses.

Sales Tax

Customer acknowledges that applicable sales tax rates may change after the initial quotation is provided and before the final invoice is issued. In the event of a change in the applicable sales tax rate, GST reserves the right to adjust the sales tax amount accordingly. The Customer agrees to pay the updated sales tax amount as required by applicable law at the time of the invoice issuance.

Termination

Customer may terminate work under this Statement of Work, in whole or in part, at any time by 30 day written notice to Seller. Such notice shall state the extent and effective date of such termination. Upon receipt thereof, Seller shall, to the extent directed by the Customer or its designees, stop work under this Agreement. If the Agreement is terminated for convenience, Seller shall be paid in accordance with the terms of the order for only those materials or supplies delivered and accepted.

Seller shall have the right at any time by written notice to the Customer to terminate all or any part of this project without cause. Seller will provide 30 days' prior written notice. In the event of such termination for convenience, Seller shall be entitled to payment for all work performed up to the date of the termination.

NON-COMPETE CLAUSE

Seller assigns service professionals with qualifications commensurate with tasks listed in this Statement of Work. If the Customer, directly or indirectly, contracts with or hires any Seller's employee engaged in providing services to the Customer under this Agreement or any other Agreement, written or oral, GST will have the option of negotiating a change in the cost and/or time to deliver or charge the Customer the equivalent of 30% of the employees' annual salary as a finder's fee. This clause is applicable for a period of up to ninety days from the last date of services rendered by Seller employee to the Customer.

Arbitration

Propose mediation over arbitration: A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.



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- 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.

Limitation of Liability

UNDER NO CIRCUMSTANCES AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY SET FORTH HEREIN, WILL SELLER, BE LIABLE FOR: (A) ANY INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, BUSINESS, REVENUES OR SAVINGS, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITIES OF SUCH DAMAGES OR IF SUCH DAMAGES ARE OTHERWISE FORESEEABLE, IN EACH CASE, WHETHER A CLAIM FOR ANY SUCH LIABILITY IS PREMISED UPON BREACH OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY OF LIABILITY; (B) ANY CLAIMS, DEMANDS OR ACTIONS AGAINST CUSTOMER BY ANY THIRD PARTY; (C) ANY LOSS OR CLAIM ARISING OUT OF OR IN CONNECTION WITH CUSTOMER'S IMPLEMENTATION OF ANY CONCLUSIONS OR RECOMMENDATIONS BY SELLER OR ITS AFFILIATES BASED ON, RESULTING FROM, ARISING OUT OF OR OTHERWISE RELATED TO THE PRODUCTS OR SERVICES; OR (D) ANY UNAVAILABILITY OF THE PRODUCT FOR USE OR ANY LOST, DAMAGED OR CORRUPTED DATA OR SOFTWARE.

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.

Version: **May 20th, 2025**

GP-01-F05_Rev01



IT & AV Solutions for a Connected World

GSTINC.COM 800.833.0128

OP175482 BAAQMD ROMAN SecureWorks Taegis Solution 5yr

Prepared by:

Golden Star TechnologyMichael Stone
msteam@gstinc.com

(562) 345-8764

Prepared for:

Bay Area AQMDPATRICIA ROMAN
proman@baaqmd.gov
14157495187;ext=5187
375 Beale Street, Suite 600

San Francisco, CA 94105

Quote Information:

Quote #: 159828Version: 1
Quote Date: 07/10/2025
Expiration Date: 09/26/2025

Products

	Item	Description	Qty	Price	Ext Price	Tax
1		YEAR 1	0			0%
2	TG-XDR-M-ELT-UP-001000	Taegis ManagedXDR Elite Upgrade: 501 to 1000 Endpoints. 1 year SecureWorks, Inc - TG-XDR-M-ELT-UP- 001000	600	\$42.41	\$25,446.00	0%
3	XDR-US-MXDR-CMB-001000-001	Taegis XDR and Taegis ManagedXDR: 501 to 1,000 Endpoints	600	\$113.72	\$68,232.00	0%
Start Date: 12/09/2025 End Date: 12/08/2026						
3		Section Subtotal	1200		\$93,678.00	8.625%
3		YEAR 2	0			0%
4	TG-XDR-M-ELT-UP-001000	Taegis ManagedXDR Elite Upgrade: 501 to 1000 Endpoints. 1 year SecureWorks, Inc - TG-XDR-M-ELT-UP- 001000	600	\$42.41	\$25,446.00	0%
5	XDR-US-MXDR-CMB-001000-001	Taegis XDR and Taegis ManagedXDR: 501 to 1,000 Endpoints	600	\$113.72	\$68,232.00	0%
Start Date: 12/09/2026 End Date: 12/08/2027						
5		Section Subtotal	1200		\$93,678.00	8.625%
5		YEAR 3	0			0%
6	TG-XDR-M-ELT-UP-001000	Taegis ManagedXDR Elite Upgrade: 501 to 1000 Endpoints. 1 year SecureWorks, Inc - TG-XDR-M-ELT-UP- 001000	600	\$42.41	\$25,446.00	0%

Products

	Item	Description	Qty	Price	Ext Price	Tax
7	XDR-US-MXDR-CMB-001000-001	Taegis XDR and Taegis ManagedXDR: 501 to 1,000 Endpoints	600	\$113.72	\$68,232.00	0%
Start Date: 12/09/2027 End Date: 12/08/2028						
7		Section Subtotal	1200		\$93,678.00	8.625%
7		YEAR 4	0			0%
8	TG-XDR-M-ELT-UP-001000	Taegis ManagedXDR Elite Upgrade: 501 to 1000 Endpoints. 1 year SecureWorks, Inc - TG-XDR-M-ELT-UP- 001000	600	\$42.41	\$25,446.00	0%
9	XDR-US-MXDR-CMB-001000-001	Taegis XDR and Taegis ManagedXDR: 501 to 1,000 Endpoints	600	\$113.72	\$68,232.00	0%
Start Date: 12/09/2028 End Date: 12/08/2029						
9		Section Subtotal	1200		\$93,678.00	8.625%
9		YEAR 5	0			0%
10	TG-XDR-M-ELT-UP-001000	Taegis ManagedXDR Elite Upgrade: 501 to 1000 Endpoints. 1 year SecureWorks, Inc - TG-XDR-M-ELT-UP- 001000	600	\$42.41	\$25,446.00	0%
11	XDR-US-MXDR-CMB-001000-001	Taegis XDR and Taegis ManagedXDR: 501 to 1,000 Endpoints	600	\$113.72	\$68,232.00	0%
Start Date: 12/09/2029 End Date: 12/08/2030						
11		Section Subtotal	1200		\$93,678.00	8.625%

Subtotal: \$468,390.00

Tax Subtotal: \$0.00

Shipping

	Item	Description	Qty	Price	Ext Price	Tax
1	GST-SHIPPING	Electronic	1	\$0.00	\$0.00	0%



IT & AV Solutions for a Connected World

GSTINC.COM 800.833.0128

Shipping

	Item	Description	Qty	Price	Ext Price	Tax
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Quote Summary

Description	Amount
Products	\$468,390.00
Total:	\$468,390.00

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Terms & Conditions

THIS IS A QUOTATION ONLY AND IS NOT AN ORDER OR OFFER TO SELL.

All prices and descriptions are subject to change without notice. No contract for sale will exist unless and until a purchase order has been issued by you and accepted by Golden Star Technology Inc. ("GST"). By issuing a purchase order to GST, you agree to GST's Terms and Conditions of sale set forth in GST's quote, GST's invoice, and GST online Terms and Conditions (<https://gstinc.com/resources/terms-and-conditions/>). If there is a separate purchase agreement signed by both your company and GST, the separate agreement will govern.

The prices contained in this list may not be relied upon as the price at which GST will accept an offer to purchase products or provide services unless expressly agreed to by GST in writing. Products and/or services quoted were selected by GST based on specifications available at the time of the quotation and are not guaranteed to meet your specifications. Product and services specifications may be changed by the manufacturer without notice. All products are subject to availability from the manufacturer. It is your responsibility to verify product and service conformance to specifications of any subsequent contract.

The freight costs listed are estimates. Shipping costs may vary based on time of purchase, additional services required, quantity ordered, shipment carrier and warehouse sourced. Actual shipping costs will be calculated during shipment and will be reflected on your invoice.

For hardware product(s), manufacturer warranty will begin upon physical delivery of the hardware product(s) by the customer or GST warehouse. For software product(s), the manufacturer warranty will begin upon electronic or physical receipt of the software product(s) by you or GST. Any returns must be approved by GST based on manufacturer approval. More details at gstes.com/RMA.

Client acknowledges that applicable sales tax rates may change after the initial quotation is provided and before the final invoice is issued. In the event of a change in the applicable sales tax rate, GST reserves the right to adjust the sales tax amount accordingly. The Client agrees to pay the updated sales tax amount as required by applicable law at the time of the invoice issuance.

GST is not responsible for compliance with regulations, requirements or obligations associated with any contract resulting from this quotation unless said regulations, requirements or obligations have been passed to GST and approved in writing by an authorized representative of GST.

GST DOES EVERYTHING WE CAN TO ENSURE THAT THE PRICES WE HAVE QUOTED ARE CORRECT AND CURRENT. DUE TO SHORTAGES OF RAW MATERIAL, INCREASED LOGISTIC COSTS, AND TARIFFS, PRICING MAY INCREASE AT ANY TIME FROM OUR VENDORS AND MANUFACTURERS THAT IS OUT OF OUR CONTROL.

CUSTOMER RELATIONSHIP AGREEMENT FOR INDIRECT PURCHASES

THIS CUSTOMER RELATIONSHIP AGREEMENT FOR INDIRECT PURCHASES INCLUDING ALL APPLICABLE TERMS REFERENCED HEREIN AS BEING INCORPORATED INTO AND GOVERNED BY THE TERMS OF THIS DOCUMENT (“**CRA**” OR “**AGREEMENT**”) CONSTITUTES A LEGALLY BINDING AGREEMENT BETWEEN (I) THE CUSTOMER IDENTIFIED IN THE SIGNATURE BLOCK BELOW (ALSO REFERRED TO AS “**YOU**” OR “**CUSTOMER**”) AND (II) SECUREWORKS, DEFINED AS THE APPLICABLE ENTITY SET FORTH IN EXHIBIT A (“**SECUREWORKS**”) DEPENDING ON THE COUNTRY OF DOMICILE OF CUSTOMER. SECUREWORKS AND CUSTOMER ARE COLLECTIVELY REFERRED TO HEREIN AS THE “**PARTIES**” AND EACH A “**PARTY**.” THE TERMS OF THIS AGREEMENT MAY VARY TO THE EXTENT PROVIDED IN EXHIBIT A. THE EFFECTIVE DATE OF THIS AGREEMENT IS THE LAST DATE OF SIGNATURE BELOW (THE “**EFFECTIVE DATE**”).

1. Services; Products and Equipment.

- 1.1. **Services.** This Agreement applies to Customer’s purchase of any of the following Secureworks Services (as defined below) from a Secureworks authorized reseller, partner or distributor (the “**Reseller**”): (i) managed security services (“**MSS Services**”), (ii) security risk consulting services (“**Consulting Services**”) and/or (iii) cloud-enabled security services and associated professional service enhancements (“**Cloud Services**”). The MSS Services, Consulting Services, Cloud Services, and any applicable third-party products and services are collectively referred to hereafter as the Services (“**Services**”). For any Secureworks Products (as defined in Section 1.2 below) ordered by You from Your Reseller, the Reseller has placed an order, signed a quote or other purchase documentation with Secureworks (the “**Transaction Document**”), whether or not signed by Reseller, that identifies You as a customer and specifies the Secureworks Products ordered by You from Your Reseller, subject to the limitations in the immediate next sentence. Customer acknowledges and agrees that all Secureworks Services may not be available for purchase through a Reseller, and for such Services, Customer must order directly from Secureworks.
- 1.2. **Products.** As further described in the applicable Addenda for Services purchased through a Transaction Document, Secureworks will provide Customer with access to and use of software (in object code format only) (the “**Software**”), written directions and/or policies relating to the Services, which may be in paper or electronic format (the “**Documentation**”), and equipment or hardware (“**Equipment**”), and collectively, with the Services, Software, and Equipment (the “**Products**”), or a combination thereof, as necessary for Customer to receive the Services, provided that Equipment may be purchased by Customer pursuant to a Transaction Document (“**Customer Purchased Equipment**”).
- 1.3. **Equipment.** The provisions in this CRA related to Equipment shall apply only in the event Equipment is used in connection with the Products.
 - 1.3.1. Any risk of loss or damage to the Equipment shall pass to Customer on delivery of such Equipment to Customer.
 - 1.3.2. Title to the Customer Purchased Equipment, other than any Software or other Secureworks property (including IP (as defined in Section 5.1 below)) installed on the Customer Purchased Equipment, shall pass to Customer on payment. Secureworks shall retain title to the Equipment and any Software or other property installed on Equipment.
 - 1.3.3. Secureworks agrees to transfer to Customer, all right, title, and interest in and to any Customer Purchased Equipment in accordance with Section 1.3.2 above, excluding any right, title or interest in and to the Software and any other Secureworks property (including IP) loaded onto such Customer Purchased Equipment.
 - 1.3.4. Customer will, at Customer’s sole expense, keep and maintain the Equipment in clean and good working order and repair during the Services Term (as defined in Section 3.2 below).
 - 1.3.5. Upon the earlier of the termination or expiration of the Transaction Document relating to the Equipment, Customer will (i) return Equipment to Secureworks in full working order and (ii) erase, destroy, and cease use of all Software located or installed on any Customer Purchased Equipment. If Customer does not return the Equipment in full working order within thirty (30) days following expiration or termination of the Transaction Document relating to the Equipment, then Customer will be responsible for the then-current replacement costs of such Equipment.

2. Service Fees and Affiliates.

- 2.1. **Service Fees.** Your payment obligations in respect of the Products are set forth in Your agreement with Your Reseller. Accordingly, no provision in any Addenda (as defined in Section 10.3 below) related to billing, invoicing, or automatic renewal shall apply to You. However, if Your Reseller fails to pay any outstanding invoice to Secureworks for any Products purchased by You through the Reseller, then Secureworks may suspend Your access to the Products until all outstanding fees are paid in full.
- 2.2. **Affiliates.** As used herein, the term “**Affiliate**”, with respect to a Party means any entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Party. Where the Customer’s domicile is in Australia, the term Affiliate means a Party or its related bodies corporate as defined under Section 50 of the Corporations Act 2001 (as amended or substituted from time to time). “Customer” shall include Customer’s Affiliate(s): (i) receiving the benefit of the Services through Customer’s purchase of the Services, or (ii) whose data is included, accessed or received by Secureworks in connection with the performance of the Services for Customer. With respect to Customer’s Affiliate(s), Customer hereby represents and warrants that: (A) Customer has obtained the necessary consent from each Customer Affiliate for Secureworks to access such Customer Affiliate’s networks and data in connection with providing the Services, and (B) each Customer Affiliate agrees to, and is hereby legally bound by, the terms of this CRA. The Parties acknowledge and agree that Customer Affiliate(s) are not intended to be

third-party beneficiaries to this CRA and shall have no direct claim against Secureworks hereunder. Customer shall be fully liable for any breach of the terms of this CRA by its Affiliate(s) receiving or having access to the Services hereunder. For the purposes of either Party's Affiliate(s) performing, receiving or purchasing Services hereunder, references to Secureworks and Customer herein shall be deemed references to such Party's respective Affiliate(s).

3. Term.

3.1. Term of CRA. The term of this CRA shall commence on the Effective Date and shall continue until the earlier of (i) the expiration or earlier termination of all Services Term(s), as specified in Section 3.2 or (ii) termination of the CRA pursuant to Section 4 below ("**Term**").

3.2. Services Term. The term of the Transaction Document(s) will commence on the date specified on the applicable Transaction Document and continue for the period identified therein ("**Services Term**") unless terminated earlier in accordance with the provisions hereof. In the event that the Services Term on any applicable Transaction Document expires and Services continue to be provided by Secureworks and received and used by Customer, the terms and conditions of this CRA and any applicable Addendum (as defined in Section 10.3) shall apply until the Services have been terminated.

4. Termination.

4.1. Termination for Material Breach. Either Party may terminate this CRA or an active Transaction Document in the event that the other Party materially defaults in performing any obligation under this CRA or the applicable Transaction Document and such default continues un-remedied for a period of thirty (30) days following written notice of default.

4.2. Termination for Bankruptcy, Insolvency, or Similar Events. This CRA will terminate, effective upon delivery of written notice by either Party to the other Party upon the following: (a) the institution of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of debts of the other Party; (b) the making of an assignment for the benefit of creditors by the other Party; (c) the dissolution of the other Party; or (d) the assignment to Secureworks by Your Reseller of its right to receive any remaining scheduled payment for the Products due to the occurrence of any of (a)-(c) above or other similar events.

4.3. Effects of Termination. Termination or expiration of a Transaction Document shall not be construed to constitute termination of any other active Transaction Documents related to Your other orders with Your Reseller of Secureworks Products. In the event that this CRA is terminated, any active Transaction Document(s) shall also terminate.

4.4. Irrespective of the provisions of the DPA, in case of termination of Services as per Sections 4.6 or 5.3 in the DPA (as defined in Section 6.3 below), Customer shall remain liable to pay to Secureworks through the Reseller any unpaid Services fees as set forth in the relevant Transaction Document accrued as of, and attributable to the period prior to, such termination together with any applicable fees associated with Third Party Products (as defined in Section 10.1 below). Customer agrees to pay any delay penalties invoiced by Secureworks to Reseller for any delays of Reseller to pay to Secureworks such fees due in accordance with this Section 4.4, irrespectively if the delays are caused by Customer or Reseller.

5. Proprietary Rights.

5.1. Customer's Proprietary Rights. Customer represents and warrants that it has the necessary rights, power and authority to transmit Customer Data (as defined below) to Secureworks under this CRA and that Customer has and shall continue to fulfill all obligations as required to permit Secureworks to carry out the terms hereof, including with respect to all applicable laws, regulations and other constraints applicable to Customer Data. As between Customer and Secureworks, Customer will own all right, title and interest in and to (i) any data provided by Customer and/or its Affiliate(s) to Secureworks and/or any such data accessed or used by Secureworks or transmitted by Customer and/or its Affiliate(s) to Secureworks or Equipment in connection with Secureworks' provision of the Services, including, but not limited to, any such data included in any written or printed summaries, analyses or reports generated in connection with the Services (collectively, the "**Customer Data**"), (ii) all intellectual property, including patents, copyrights, trademarks, trade secrets and other proprietary information ("**IP**") of Customer that may be made available to Secureworks in the course of providing Services under this CRA, and (iii) all confidential or proprietary information of Customer or Customer Affiliates, including, but not limited to, Customer Data, Customer Reports (as defined in Section 5.3), and other Customer files, documentation and related materials, in each case under this clause (iii) obtained by Secureworks in connection with this CRA. Customer grants to Secureworks a limited, non-exclusive license to use the Customer Data to perform the Services. Customer grants to Secureworks a limited, non-exclusive, worldwide, irrevocable license to use and otherwise process Security Event Data during and after the term hereof to develop, enhance and/or improve the products and services it offers and provides to You and other customers. "**Security Event Data**" means information collected during Secureworks' provision of Services related to security events and may include alerts, event data, network data, executable code, IP addresses, user IDs, device ID, commands and prompts, and other types of metadata. Secureworks shall, at all times, use and maintain the Security Event Data in accordance with its confidentiality obligations and data processing obligations set forth in this Agreement and the DPA.

5.2. Secureworks' Proprietary Rights. As between Customer and Secureworks, Secureworks will own all right, title, and interest in and to the Products. This CRA does not transfer or convey to Customer or any third Party, any right, title or interest in or to the Products or any associated IP rights, but only a limited right of use as granted in and revocable in accordance with this CRA. Secureworks agrees to transfer to Customer, all right, title and interest in and to any Customer Purchased Equipment, excluding any right, title, or interest in and to the Software and any other Secureworks IP loaded onto such Customer Purchased Equipment. In addition, Customer agrees that Secureworks is the owner of all right, title and interest in all IP in any work, including, but not

limited to, all inventions, methods, processes, flow charts, algorithms, documentation, adversary information, report templates, know-how, inventions, models, and computer programs including any source code or object code, (and any enhancements and modifications made thereto) contained within the Services and/or Products and any suggestions, enhancement requests, recommendations, or feedback provided by Customer regarding the Services or Products (collectively, the **"Secureworks Materials"**), and Customer hereby assigns to Secureworks all right, title and interest in and to any copyrights that Customer may have in and to such Secureworks Material; provided, however, that such Secureworks Material shall not include Customer's Confidential Information (as defined in Section 6), Customer Data, Customer Reports (as defined in Section 5.3) or other information belonging, referencing, identifying or pertaining to Customer or Customer Affiliates. During the term of the Services, Secureworks grants to Customer a limited, non-exclusive license to use such Secureworks Materials solely for Customer to receive and use the Services for Customer's or its Affiliate's internal security purposes only. Any license to the Secureworks Products, Services or Secureworks Materials expires or terminates upon the expiration or termination of any individual Transaction Document and/or this CRA.

- 5.3. Customer Reports; No Reliance by Third Parties.** Secureworks hereby grants to Customer a perpetual, irrevocable license to any written summaries, reports, analyses, and findings or other documentation prepared uniquely and exclusively for Customer in connection with the Services and as specified in a Transaction Document and any reports generated by Customer through the Cloud Services (the **"Customer Reports"**), subject to Secureworks' ownership in any Secureworks Materials. To the extent any Secureworks Materials are embedded in any Customer Reports, Secureworks grants to Customer a perpetual, irrevocable right for Customer to use the Secureworks Materials embedded in the Customer Reports in accordance with the terms of this CRA. Secureworks disclaims all liability for any damages whatsoever to any unaffiliated third party arising from or related to its reliance on any Customer Report or any contents thereof.

6. Confidentiality and Data Privacy.

- 6.1. Confidentiality.** In the performance of its obligations under this CRA, Customer and Secureworks may have access to or be exposed to information of the other Party not generally known to the public, including, but not limited to software, product plans, marketing and sales information, customer lists, "know-how," or trade secrets which may be designated as being confidential or which, under the circumstances surrounding disclosure, ought to be treated as confidential (collectively, **"Confidential Information"**). Confidential Information may not be shared with third parties unless such disclosure is to agents and subcontractors on a "need-to-know" basis in connection with a Party's performance of its obligations under this CRA, and only if such personnel have agreed to treat such Confidential Information under terms at least as restrictive as those herein. The receiving Party will be responsible for any breach of this Section 6 by its employees, representatives, and agents and any third party to whom it discloses Confidential Information. Each Party agrees to take precautions to maintain the confidentiality of Confidential Information by using at least the same degree of care as such Party employs with respect to its own Confidential Information of a like-kind nature, but in no case less than a commercially reasonable standard of care. The foregoing shall not include information, which, (A) was known by one Party prior to its receipt from the other or is or becomes public knowledge without the fault of the recipient, (B) is received by the recipient from a source other than a Party to this CRA, (C) is independently developed by a Party without causing a breach of the terms hereunder, or (D) a Party is required to disclose in response to an order by a court or governmental agency, provided that advance notice of the disclosure is provided to other Party.
- 6.2. Security Procedures.** Secureworks shall maintain reasonable and appropriate safeguards designed to (a) reasonably protect Customer Data in Secureworks' possession from unauthorized use, alteration, access or disclosure (a **"Security Breach"**); (b) detect and prevent against a Security Breach; and (c) ensure that Secureworks' employees and agents are trained to maintain the confidentiality and security of Customer Data in Secureworks' possession. Secureworks shall promptly notify Customer upon becoming aware of a confirmed Security Breach of Customer Data or Customer Confidential Information in Secureworks' possession or control.
- 6.3. Additional Addenda.** If Secureworks is exposed to or has access to Protected Health Information (**"PHI"**) in the performance of the Services, and such exposure or access is not incidental, the Business Associate Addendum set forth at <https://www.secureworks.com/baa-us> (**"BAA"**) shall be incorporated herein by reference to provide Customer with the written assurances required by the Privacy Rule and the Security Rule established pursuant to the Health Insurance Portability and Accountability Act of 1996 (**"HIPAA"**). This CRA also incorporates the Data Protection Addendum set forth at <https://www.secureworks.com/dpa> (**"DPA"**) when applicable Privacy Laws (as defined in the DPA) apply to Customer's use of the Services to process Personal Data (as defined in the DPA). Each Party expressly agrees that the DPA shall apply and govern all activities concerning the processing of Personal Data for the purposes of this CRA.
- 6.4. Data.** Customer authorizes Secureworks to, and Customer represents and warrants that it has obtained and shall continue to have all consents, permissions and authorizations required and necessary under the applicable Privacy Laws (as defined in the DPA) for Secureworks to, and nothing contained in such laws and regulations shall limit in any way, Secureworks' ability to, collect, use, store, transfer and otherwise process the personal data Secureworks obtains from Customer as a result of providing the Services for the purpose of complying with Secureworks' rights and obligations under this CRA and for any additional purposes described pursuant to this CRA. It is Customer's responsibility to maintain backups and data redundancies. The Customer agrees that Secureworks may invoice to the Reseller any charges incurred by Secureworks for assistance to Customer with data subjects' rights or with data protection impact assessments or for any audit and inspection requested by Customer in order to audit and/or inspect Secureworks' compliance with the DPA.
- 6.5. Duration.** This Section 6 shall survive for three (3) years following any termination or expiration of this CRA; provided that with respect to any Confidential Information remaining in the receiving Party's possession following any termination or expiration of this

CRA, the obligations under this Section 6 shall survive for as long as such Confidential Information remains in such Party's possession. The confidentiality obligations as to "trade secrets" under applicable law will continue until such information ceases to constitute a "trade secret".

7. Secureworks Warranties; Breach Recovery Limitations.

7.1. Secureworks Warranty. Secureworks warrants that:

- 7.1.1. its personnel are adequately trained and competent to perform the Services,
- 7.1.2. the Consulting Services and any professional services provided in connection with the Cloud Services shall be performed in a professional manner and in accordance with the applicable Transaction Document,
- 7.1.3. in providing the Products, it will not knowingly introduce any virus, disabling or malicious software, code, or component that may lock, disable, or erase any Customer Data or software, and
- 7.1.4. the Cloud Services shall conform in all material respects to the Documentation available at <https://docs.ctpx.secureworks.com>, as updated from time to time.

7.2. Disclaimer. EXCEPT AS EXPRESSLY STATED IN THIS SECTION 7.2, SECUREWORKS (INCLUDING ITS AFFILIATES, SUBCONTRACTORS AND AGENTS) AND EACH OF THEIR RESPECTIVE EMPLOYEES, DIRECTORS AND OFFICERS (COLLECTIVELY, THE "**SECUREWORKS PARTY(IES)**") MAKES NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO ANY OF THE PRODUCTS, SERVICES OR CUSTOMER REPORTS, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR SUITABILITY. CUSTOMER UNDERSTANDS THAT SECUREWORKS' SERVICES DO NOT CONSTITUTE ANY GUARANTEE OR ASSURANCE THAT THE SECURITY OF CUSTOMER'S SYSTEMS, NETWORKS AND ASSETS CANNOT BE BREACHED OR ARE NOT AT RISK.

7.3. Breach Recovery Limitations.

7.3.1. NEITHER THE SECUREWORKS PARTIES NOR CUSTOMER WILL BE LIABLE FOR ANY INCIDENTAL, INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS CRA. THE SECUREWORKS PARTIES SHALL NOT BE LIABLE FOR ANY DAMAGES RELATING TO ANY PART OF CUSTOMER'S NETWORK, OR ANY ENVIRONMENT, SOFTWARE, HARDWARE OR OPERATIONAL TECHNOLOGY, WHERE CUSTOMER HAS NOT DEPLOYED AN ENDPOINT AGENT OR OTHERWISE PROVIDED RELEVANT DATA TO SECUREWORKS PURSUANT TO A TRANSACTION DOCUMENT.

7.3.2. NEITHER THE SECUREWORKS PARTIES NOR CUSTOMER SHALL HAVE ANY LIABILITY FOR THE FOLLOWING: (A) LOSS OF REVENUE, INCOME, PROFIT, OR SAVINGS, (B) LOST OR CORRUPTED DATA, (C) LOSS OF BUSINESS OPPORTUNITY, OR (D) BUSINESS INTERRUPTION OR DOWNTIME.

7.3.3. EXCEPT FOR EACH PARTY'S LIABILITY UNDER SECTION 7.3.4 AND EACH PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 8, THE SECUREWORKS' PARTIES' AND CUSTOMER'S RESPECTIVE AGGREGATE LIABILITY (WHETHER IN CONTRACT, TORT OR OTHERWISE) FOR ALL CLAIMS OF LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS CRA SHALL NOT EXCEED THE AMOUNTS PAID OR PAYABLE BY RESELLER FOR THE PRODUCT(S) GIVING RISE TO SUCH CLAIM DURING THE PRIOR TWELVE (12) MONTH PERIOD (THE "**GENERAL CAP**").

7.3.4. EACH PARTY'S AGGREGATE LIABILITY (WHETHER IN CONTRACT, TORT OR OTHERWISE) FOR ALL CLAIMS OF LIABILITY ARISING OUT OF OR IN CONNECTION WITH SECTION 6 (CONFIDENTIALITY) AND/OR THE DPA SHALL NOT EXCEED TWO HUNDRED PERCENT (200%) OF THE AMOUNTS PAID OR PAYABLE BY RESELLER FOR THE PRODUCT(S) GIVING RISE TO SUCH CLAIM DURING THE PRIOR TWELVE (12) MONTH PERIOD (THE "**ENHANCED CAP**"). THE ENHANCED CAP IS NOT IN ADDITION TO THE GENERAL CAP BUT REFLECTS THE ENHANCED AGGREGATE CAP FOR ALL CLAIMS UNDER THIS CRA IF SUCH CLAIMS ARE FOR BREACHES OF SECTION 6 (CONFIDENTIALITY) OR THE DPA.

7.3.5. The foregoing limitations, exclusions and disclaimers shall apply, regardless of whether the claim for such damages is based in contract, warranty, strict liability, negligence, and tort or otherwise. Insofar as applicable law prohibits any limitation herein, the Parties agree that such limitation will be automatically modified, but only to the extent so as to make the limitation permitted to the fullest extent possible under such law. The Parties agree that the limitations on liabilities set forth herein will apply notwithstanding the failure of essential purpose of any limited remedy and even if a Party has been advised of the possibility of such liabilities.

7.3.6. The Parties acknowledge and agree that Secureworks Products are deployed to mitigate the risk of criminal cyber activity by alerting to potential suspicious activities within Customer's network or information technology systems, where certain Secureworks technology is deployed. As such, Secureworks shall not be liable for any such breach of its confidentiality obligations under Section 6 of this Agreement or data security obligations under the DPA, in each case resulting from a hack or intrusion by a third party into Customer's network or information technology systems. This Section does not prohibit Customer from pursuing or recovering damages arising out of a breach of Secureworks' other obligations under the Agreement.

8. Indemnification. “**Indemnified Parties**” shall mean, in the case of Secureworks, Secureworks, its Affiliates and subcontractors, and each of their respective directors, officers, employees, contractors and agents and in the case of Customer, Customer, its Affiliates, and each of their respective directors, officers, employees, contractors and agents.

8.1. Secureworks Indemnity. Secureworks shall defend, indemnify and hold harmless the Customer Indemnified Parties from any damages, costs and liabilities, expenses (including reasonable and actual attorney’s fees) (“**Damages**”) actually incurred or finally adjudicated as to any third-party claim or action alleging that the Products, Services or any Customer Reports prepared or produced by Secureworks and delivered pursuant to this CRA infringe or misappropriate any third party’s IP rights enforceable in the country(ies) in which the Products, Services or any Customer Reports are performed or prepared for Customer by Secureworks (“**Indemnified Claims**”). If an Indemnified Claim under this Section 8.1 occurs, or if Secureworks determines that an Indemnified Claim is likely to occur, Secureworks shall, at its option: (A) obtain a right for Customer to continue using such Products, Services or Customer Reports; (B) modify such Products, Services or Customer Reports to make them non-infringing; or (C) replace such Products, Services or Customer Reports with a non-infringing equivalent. If (A), (B) or (C) above are not reasonably available, either Party may, at its option, terminate this CRA and/or the relevant Transaction Document and Secureworks will refund to Reseller any pre-paid fees on a pro-rata basis for the allegedly infringing Products, Services or Customer Reports that have not been performed or provided. Notwithstanding the foregoing, Secureworks shall have no obligation under this Section 8.1 for any claim resulting or arising from: (A) modifications made to the Products, Services or Customer Reports that were not performed or provided by or on behalf of Secureworks; or (B) the combination, operation or use by Customer or anyone acting on Customer’s behalf, of the Products, Services or Customer Reports in connection with a third-party product or service (the combination of which causes the infringement).

8.2. Customer Indemnity. Customer shall defend, indemnify and hold harmless the Secureworks Indemnified Parties from any Damages actually incurred or finally adjudicated as to (i) misappropriation of Secureworks’ IP or violation of the use restrictions as to Secureworks’ IP, (ii) any third party claim, action or allegation that the Customer Data infringes any IP rights enforceable in the country(ies) where the Customer Data is accessed, provided to or received by Secureworks or was improperly provided to Secureworks in violation of any person’s rights, Customer’s privacy policies or applicable laws (or regulations promulgated thereunder), and (iii) any claim, action or allegation by Customer Affiliates arising from or relating to the Services.

8.3. Mutual General Indemnity. Each Party agrees to defend, indemnify and hold harmless the other Party from any third-party claim or action (i) for personal bodily injuries, including death, or tangible property damage resulting from the indemnifying Party’s gross negligence or willful misconduct, and (ii) relating to the indemnifying Party’s violation or alleged violation of export laws.

8.4. Indemnification Procedures. The Indemnified Party will (i) promptly notify the indemnifying Party in writing of any claim, suit or proceeding for which indemnity is claimed, provided that failure to so notify will not remove the indemnifying Party’s obligation except to the extent it is prejudiced thereby, and (ii) allow the indemnifying Party to solely control the defense of any claim, suit or proceeding and all negotiations for settlement. In no event may either Party enter into any third-Party agreement which would in any manner whatsoever affect the rights of the other Party or bind the other Party in any manner to such third party, without the prior written consent of the other Party. This Section 8 states each Party’s exclusive remedies for any third-party claim or action, and nothing in this CRA or elsewhere will obligate either Party to provide any greater indemnity to the other.

9. Export. Secureworks and Customer acknowledges that Products and Customer Purchased Equipment provided under this CRA may incorporate encryption functionality and are subject to the customs and export control and economic sanctions laws and regulations of the United States and other countries to which the Products and Customer Purchased Equipment are delivered. Each Party agrees to comply with all applicable customs and export control and economic sanctions laws and regulations of the United States and other countries to which the Products and Customer Purchased Equipment are delivered to such Party in the course of performance of its obligations.

9.1. Secureworks Responsibilities. Secureworks is responsible for ensuring that the initial delivery of Products and any Customer Purchased Equipment to Customer is in compliance with U.S. export and economic sanctions regulations, including by applying for and obtaining any required U.S. export licenses. Secureworks’ acceptance of any order for Products and any Customer Purchased Equipment is contingent upon the issuance of any license required by the U.S. Government. Secureworks will not be liable for delays or failure to deliver Products or any Customer Purchased Equipment resulting from the inability to obtain such license.

9.2. Customer Responsibilities. Customer agrees to comply with, and to cause and require its Affiliates to comply with, all applicable U.S. export and economic sanctions regulations governing the retransfer and use of the Products and any Customer Purchased Equipment purchased from Secureworks, and neither Customer nor its Affiliates will transfer or re-export the Products without written permission from Secureworks. Customer further agrees that it and its Affiliates are solely responsible for compliance with the applicable laws, rules and regulations governing the importation and use of the Products and any Customer Purchased Equipment in the countries to which Products or any Customer Purchased Equipment will be delivered, including, but not limited to, by making any required customs entry or declaration, paying all duties, taxes and fees owed as a result of the importation, receipt or use of Products and any Customer Purchased Equipment by Customer, and obtaining all necessary licenses, permits or other authorizations, including those required under regulations governing the importation and use of encryption products.

9.3. Cooperation. Customer agrees to cooperate, and to cause and require its Affiliates to cooperate, in providing the information necessary for Secureworks to apply for any required U.S. export licenses. Secureworks agrees to cooperate with Customer and Customer Affiliates by providing the information necessary for Customer or Customer Affiliates to apply for any required licenses, permits or other authorizations in connection with the importation and use of the Products and Customer Purchased Equipment. Notwithstanding any terms in any Transaction Document, under no circumstances shall Secureworks be required to provide any

source code, or proprietary information in connection with the pursuit of any license, permit or other authorization to Customer, Customer Affiliates, or any government authority.

9.4. Additional Warranties. Each Party warrants that neither it, nor any of its Affiliates nor any of its employees, officers or directors, any agent, or other person acting on its behalf (i) has been or is designated on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control of the United States Department of the Treasury ("OFAC"), or, to the extent applicable, any similar list of sanctioned persons issued by the United Nations Security Council, the European Union, Her Majesty's Treasury or any other relevant governmental authority administering sanctions, including the U.S. Department of State, (ii) is a national or citizen of, organized under the laws of, or resident or operating in any country or territory which is itself the subject of country-wide or territory-wide sanctions, including, but not limited to, as of the date of this CRA, Iran, Cuba, Syria, North Korea and the Crimea, Donetsk and Luhansk regions of Ukraine, (iii) is a person owned or controlled by any persons described in clauses (i) and/or (ii) of this sentence, or (iv) is a person identified on the United States Department of Commerce, Bureau of Industry and Security's "Denied Persons List" or "Entity List." Each Party agrees that it will promptly notify the other Party in writing if the notifying Party becomes aware of any changes to this warranty or if to the notifying Party's knowledge any change is threatened. In such event, the notified Party shall have the ability to terminate this CRA without affording the notifying Party an opportunity to cure. In addition, Customer acknowledges that the Products are not designed to process, store, or be used in connection with Excluded Data. Customer is solely responsible for reviewing data that will be provided to or accessed by Secureworks to ensure that it does not contain Excluded Data. "**Excluded Data**" means: (i) data that is classified, used on the U.S. Munitions list (including software and technical data); or both; (ii) articles, services, and related technical data designated as defense articles and defense services; (iii) ITAR (International Traffic in Arms Regulations) released data; and (iv) personally identifiable information that is subject to heightened security requirements as a result of Customer's internal policies or practices, industry-specific standards or by law.

9.5. Access to Information. Secureworks shall have the right to terminate the provision of Products to Customer under this Agreement with immediate effect in regard to any specific country or jurisdiction upon written notice to Customer in the event that the specific country or jurisdiction demands access to any Secureworks proprietary or confidential data, information, software or other material, including, without limitation, information relating to Customer or other Secureworks customers, Secureworks IP, technology, code, cryptographic keys or access to encrypted material, trade secrets or security process secrets. Secureworks and Customer shall negotiate toward an agreement on reduction of future payments due to reduction in these Services. This Agreement and other Services shall continue in jurisdictions unaffected by Secureworks exercise of this right. This Section 9.5 shall not apply to jurisdictions where Secureworks Corp., Secureworks, Inc., or its subsidiaries are incorporated.

10. Additional Terms.

10.1. Third Party Product Purchases. If Customer purchases any third-party products or services ("**Third Party Products**") through Secureworks as specified in a Transaction Document, then Customer will comply with any flow down terms and conditions applicable to Third Party Products including, but not limited to, any third-party end-user license agreement incorporated into, referenced in or attached to a Transaction Document or a Service Description (as defined in Section 10.11 below).

10.2. Independent Contractor Relationship; Assignment; Subcontracting; No Third-Party Beneficiaries. The Parties are independent contractors. Neither Party will have any rights, power, or authority to act or create an obligation, express or implied, on behalf of another Party except as specified in this CRA. Secureworks has the right to assign, subcontract or delegate in whole or in part this CRA, any rights, duties, obligations or liabilities under this CRA, by operation of law or otherwise. Secureworks shall remain responsible for the acts and omissions of any subcontractor to the same extent it is liable for its own actions under this CRA. Customer may not assign this CRA without the permission of Secureworks, which such permission shall not be unreasonably withheld or delayed; except that Customer may assign this CRA without the consent of Secureworks to a successor in connection with a merger, sale of all or substantially all of such Customer's stock or assets. The Parties do not intend, nor will any Section hereof be interpreted, to create for any third-party beneficiary rights with respect to either of the Parties.

10.3. Entire Agreement; Amendments; Severability; Section Headings. This CRA, the Transaction Document(s), the applicable Addenda, including (a) the DPA; (b) the BAA; (c) one or more Addenda set forth on the Products Terms Page (each of (a) – (c), an "**Addendum**" and (a) – (c) collectively, the "**Addenda**") and (d) any Service Descriptions that are applicable as to a Transaction Document, are the complete agreement regarding transactions under this CRA and the subject matter and supersede all prior oral and written understandings, agreements, communications, and terms and conditions between the Parties including, without limitation, any terms contained within a purchase order issued by Customer in connection with the Services, and any separate security or privacy agreements executed by the Parties. No amendment to or modification of this CRA, in whole or in part, will be valid or binding unless it is in writing and executed by authorized representatives of both Parties. Notwithstanding the foregoing, Secureworks may update the Service Descriptions from time to time as reasonably necessary; provided that, such updates may not materially diminish any functionality of the Service or service levels set forth therein and are being affected with respect to all similarly situated Secureworks customers. If any provision of this CRA is void or unenforceable, the remainder of this CRA will remain in full force and effect. Section headings are for reference only and shall not affect the meaning or interpretation of this CRA. The Parties have requested that this Agreement and all correspondence and all documentation relating thereto be drawn-up in the English language. Preceding sentence translated to French and applicable to Canadian customers only: *Les parties aux présentes ont exigé que la présente entente, de même que toute la correspondance et la documentation relative à cette entente, soient rédigées en langue anglaise.*

10.4. Force Majeure. Except for Customer's payment obligations, neither Party shall be liable to the other Party for any failure to perform any of its obligations under this CRA or Transaction Document during any period in which such performance is delayed or prevented by circumstances beyond its reasonable control including, but not limited to: fire; flood; war; embargo; strike; riot; hurricane;

earthquake; pandemic, epidemic or other public health crisis, including any government-imposed quarantines, restrictions or measures responding to the outbreak of infectious disease; utility or telecommunication failures; or acts of state or governmental action prohibiting or impeding performance of a Party's contractual obligations, including widespread nation state or government-backed cyber activity (a "**Force Majeure Event**"), and the excused Party's time to perform shall be extended on a day-for-day basis by the length of the delay resulting from the Force Majeure Event. However, the delayed Party must promptly provide the other Party with written notice of the Force Majeure Event. If the Force Majeure Event lasts longer than thirty (30) days, then the other Party may immediately terminate the applicable Transaction Document by giving written notice to the delayed Party.

10.5. Notices. Notices under this CRA must be in writing and sent by postage prepaid first-class mail or receipted courier service as follows: For Secureworks: SecureWorks, Inc., 1 Concourse Pkwy, NE #500, Atlanta, GA 30328, Attn: Legal with a copy to legal@secureworks.com; For Customer: the address provided by Reseller to Secureworks in the Transaction Document. Such notices will be effective upon receipt.

10.6. Governing Law. THE PARTIES AGREE THAT THIS CRA, ANY TRANSACTION DOCUMENT HEREUNDER, OR ANY CLAIM, DISPUTE OR CONTROVERSY (WHETHER IN CONTRACT, TORT, OR OTHERWISE, WHETHER PREEXISTING, PRESENT OR FUTURE, AND INCLUDING STATUTORY, COMMON LAW, AND EQUITABLE CLAIMS) BETWEEN CUSTOMER AND SECUREWORKS ARISING FROM OR RELATING TO THIS CRA, THE SERVICES, ITS INTERPRETATION, OR THE BREACH, TERMINATION OR VALIDITY THEREOF, THE RELATIONSHIPS WHICH RESULT FROM THIS CRA OR ANY RELATED PURCHASE SHALL BE GOVERNED BY THE LAWS OF THE JURISDICTION SET FORTH ON EXHIBIT A, WITHOUT REGARD TO ITS CHOICE OF LAW AND/OR CONFLICT OF LAWS PRINCIPLES. THE PARTIES IRREVOCABLY SUBMIT AND CONSENT TO THE EXCLUSIVE JURISDICTION OF THE CORRESPONDING COURTS SET FORTH ON EXHIBIT A, AND HEREBY AGREE THAT SUCH COURTS SHALL BE THE EXCLUSIVE PROPER FORUM FOR THE DETERMINATION OF ANY DISPUTE ARISING IN CONNECTION WITH THIS AGREEMENT. THE PARTIES EXPRESSLY AGREE THIS AGREEMENT SHALL NOT BE GOVERNED BY THE U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS.

10.7. Compliance with Laws. Each Party agrees to comply with all laws and regulations applicable to such Party in the course of performance of its obligations under this CRA.

10.8. Legal Proceedings. If Secureworks is requested by Customer, or required by government regulation, regulatory agency, subpoena, or other legal process to produce Customer Reports, Documentation, or Secureworks personnel for testimony or interview with respect to the Services, Customer will (i) promptly notify Secureworks, unless otherwise prohibited by such order or process, (ii) use commercially reasonable efforts to reduce the burdens associated with the response, and (iii) reimburse Secureworks for (a) its employees' time spent as to such response at the hourly rate reflected in the applicable Transaction Document, (b) its reasonable and actual attorneys' fees as to such response, and (c) its reasonable and actual travel expenses incurred as to such response. Customer will reimburse Secureworks' and its counsel's expenses and professional time incurred in responding to such a request. Nothing in this Section 10.8 shall apply to any legal actions or proceedings between Customer and Secureworks as to the Services.

10.9. U.S., Canadian and Other Government End Users. The Products are provided as "commercial items," "commercial computer software," "commercial computer software documentation," and "technical data," as defined in the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS) and are provided with the same rights and restrictions generally applicable to the Products. Secureworks does not warrant that the Products are provided in accordance with the provisions of the Federal Acquisition Regulation (FAR), the Defense Federal Acquisition Regulation Supplement (DFARS), Canadian Aviation Regulations (CARs), including SOR 96-433, or any other similar U.S. or foreign laws, rules or regulations. If You are using the Products on behalf of the U.S., Canadian or other government and these terms fail to meet the U.S., Canadian or other government's needs or are inconsistent in any respect with U.S., Canadian or other governmental law, You must immediately discontinue your use of the Products. For clarity, the Products have not received Federal Risk and Authorization Management Program (FedRAMP) authorization.

10.10. Order of Precedence. In the event of a conflict among any of the foregoing documents, the order of priority shall be in descending order as follows: (1) the DPA; (2) the BAA; (3) a Transaction Document (but only as to that specific Transaction Document); (4) the other Addenda; and (5) this CRA.

10.11. Survival. The provisions of this CRA that by their nature survive expiration or termination of this CRA as applicable, will survive expiration or termination of this CRA including, but not limited to; Section 5 (**Proprietary Rights**); Section 6 (**Confidentiality and Data Privacy**); Section 7 (**Warranties; Breach Recovery Limitations**); Section 8 (**Indemnification**); Section 9 (**Export**) and this Section 10 (**Additional Terms**).

10.12. Additional Terms and Service Descriptions. This Agreement is a master agreement that covers all Secureworks Products but provisions regarding specific Products apply only to the extent You have purchased, accessed or used such Products through the Reseller. Additional terms governing the receipt of such specific Products and the applicable service description and associated service level agreements (if any) for each of the Products (each a "**Service Description**") can be found at <https://www.secureworks.com/legal/product-terms>, as updated from time to time and incorporated herein by reference (the "**Product Terms Page**"). Provisions related to the Services Term(s) and payment terms within the Product Terms shall not apply to Your consumption of Services but instead shall be subject to Your agreement with Your Reseller.

[REMAINDER OF PAGE LEFT BLANK; SIGNATURE PAGE AND EXHIBIT(S) TO FOLLOW]

By their signature below, Secureworks and Customer indicate their agreement to the terms and conditions set forth in this Agreement.

Bay Area Air Quality Management District

SECUREWORKS:

By: Kimberly Paine
Kimberly Paine (Sep 27, 2024 10:31 EDT)

Printed Name: Kimberly Paine

Title: Deputy General Counsel

Date: 2024-09-27

CUSTOMER:

By: John Chiladakis
AF25F8DD0394497...

Printed Name: John Chiladakis

Title: Chief Technology officer

Date: 9/23/2024

Approved as to form:

DocuSigned by:
Alexander Crockett 9/22/2024
6DC7110552B5451...
Alexander Crockett
General Counsel

Exhibit A

Customer Country of Domicile	“Secureworks”	Governing Law and Jurisdiction
Australia	SecureWorks Australia Pty. Ltd., with registered office at Unit 3, 14 Aquatic Drive, Frenchs Forest, NSW 2086, Australia	The laws of the State of New South Wales, Australia; New South Wales, Australia Court
Canada	Secureworks Software Canada ULC Suite 2600, Three Bentall Centre, 595 Burrard Street, P.O. Box 49314, Vancouver, BC V7X 1L3	The laws of the Province of Ontario and the federal laws of Canada applicable therein
United States of America Any other country except Australia, Canada, Japan and EMEA countries	SecureWorks, Inc., with registered office at 1 Concourse Pkwy, NE #500, Atlanta, GA 30328	The laws of the state of California; state and federal courts located in San Francisco, California, USA.
Europe, the Middle East and Africa (“EMEA”)	SecureWorks Europe Limited, with registered office at 1st & 2nd Floor, One Creechurch Place, London EC3R 5AF, United Kingdom	The laws of England and Wales; English courts

SAAS ADDENDUM

This SaaS Addendum ("**SaaS Addendum**") forms part of the Customer Relationship Agreement for Indirect Purchases (the "**CRA**") between Secureworks and Customer and applies where Secureworks provides Cloud Services to Customer. Capitalized terms not defined in this SaaS Addendum shall have the same meaning as the defined terms in the CRA.

1.0 TERM; TERMINATION; AND RENEWAL OF CLOUD SERVICES.

1.1 Term and Associated Fees for Cloud Services. The Services Term for the Cloud Services and any additional service enhancements related to the Cloud Services will commence on the date specified in the applicable Transaction Document (the "**Cloud Services Commencement Date**") and continue for the period identified in such Transaction Document (the "**Initial Term**"), unless terminated earlier in accordance with the provisions of the CRA. Secureworks' fees and billing method for the Cloud Services and additional service enhancements are set forth on each Transaction Document. Secureworks may invoice Customer for such Cloud Services and additional service enhancements on or after the Cloud Service Commencement Date.

1.2 Continued Provision and Receipt of Services. Notwithstanding anything to the contrary set forth in the CRA, if the Services Term on any applicable Transaction Document expires and the Cloud Services continue to be provided by Secureworks or received and used by Customer, the terms and conditions of the CRA, this SaaS Addendum and the Transaction Document shall continue to apply for such Cloud Services until the Cloud Services cease to be provided by Secureworks or received and used by Customer.

1.3 Termination of Cloud Services. If the Cloud Services (whether by termination of the CRA, by termination of any Transaction Document relating to such Cloud Services, or otherwise) are terminated by either Party prior to the expiration of the Services Term for such Cloud Services for any reason other than Secureworks' material breach in accordance with the CRA, then Customer will pay Secureworks all unpaid Cloud Service fees as set forth in the applicable Transaction Document for the Cloud Services provided through the effective termination date plus a termination fee equal to the Cloud Services fees for the remainder of the Services Term for such Cloud Services. Customer acknowledges and agrees that such termination fee is paid in recognition of the upfront costs and investments made by Secureworks in connection with the provision of the Cloud Services and not as a penalty. If Customer terminates the Cloud Services (whether by termination of the CRA, by termination of any Transaction Document relating to such Cloud Services, or otherwise) as a result of Secureworks' material breach, then to the extent that Customer has prepaid any Cloud Services fees, Secureworks shall refund to Customer any prepaid Cloud Services fees on a pro-rata basis to the extent such Cloud Services fees are attributable to the period after such termination date.

2.0 CUSTOMER USE OF CLOUD SERVICES.

2.1 License Grant. During the Services Term and subject to Customer's compliance with the terms and conditions set forth in the CRA, Transaction Document, and this SaaS Addendum, Secureworks will provide Customer and Customer's Affiliates with a limited, nontransferable, nonexclusive license to access and use: (a) the Cloud Services identified in the applicable Transaction Document; (b) the Software listed in the applicable Transaction Document; (c) the Cloud Services portal as necessary for Customer to receive the Cloud Services; (d) access to and use of Documentation; or (e) a combination of any of the foregoing, as necessary for Customer and Customer Affiliates to receive the Cloud Services. Customer's and Customer's Affiliates' usage of the Cloud Service is limited to the licensed volume stated on a Transaction Document (the "**Licensed Volume**").

2.2 General Restrictions on Use of Solutions. Customer (a) will use the Products only for its internal security purposes, or for the internal security purposes of Customer's Affiliates, and (b) will not, for itself, any Customer Affiliate or any third party: (i) sell, rent, license, assign, delegate, distribute, or transfer any of the Products, except as permitted under the CRA; (ii) decipher, decompile, disassemble, reconstruct, reproduce, translate, merge, modify, or reverse engineer any Product or any component thereof (including, for the avoidance of doubt, discovering any source code of the Software); (iii) incorporate a Cloud Service into any software program not provided or authorized by Secureworks; (iv) copy any Software or Documentation, except that Customer may make a reasonable number of copies of the Documentation for its internal, non-commercial use (provided Customer reproduces on such copies all proprietary notices of Secureworks or its suppliers); (v) remove, destroy, or modify, to the extent applicable to the Products, any confidential or proprietary rights notices of Secureworks or its suppliers that are included in such Products; (vi) work around any technical limitations in the Products; (vii) publish (or otherwise make available) the Products, including any application programming interfaces included therein, or any programs or materials resulting from the Products; (viii) use the Products to upload, input, store or transmit infringing, libelous, or otherwise unlawful or tortious material (or to store or transmit material in violation of law or third-party privacy rights); (ix) perform or disclose any of the following security testing of the Products or associated infrastructure: network discovery, port and service identification, vulnerability scanning, password cracking, remote access testing, or penetration testing; (x) access or use the Products for purposes of competitive analysis of the Products, the development, provision, or use of a competing software service or product or any other purpose that is to Secureworks' detriment or commercial disadvantage; (xi) use the Products in a way intended to access or use the underlying infrastructure or to avoid incurring fees or exceed usage limitations; (xii) use or access the Products in a manner not permitted by (or otherwise inconsistent with) the CRA or Transaction Document; (xiii) extract or decouple from any Equipment the Software installed or embedded on such equipment; or (xiv) bypass or breach any security device or protection used by the Products or access or use the Products other than by a User through the use of his or her own then valid access credentials. In addition, Customer will not, and will not permit unaffiliated third parties to, (A) use the Products on a time-sharing, outsourcing, service bureau, hosting, application service provider or managed service provider basis; or (B) alter any aspect of any Products. As used herein, "**User**" means Customer's employees that are permitted to access the Cloud Services.

2.3 Users and Third Parties. Customer shall not permit any third party to access or use any Products. Users will be permitted to access or use such Cloud Service subject to the terms of the CRA and Transaction Document and Customer shall cause the Users to comply with the CRA and Transaction Document and be responsible for the acts and omissions of the Users. Notwithstanding the foregoing, Customer may use a third-party services provider (an "**MSSP**") to access and use the Products on Customer's behalf; provided that, such MSSP is a certified MSSP in the Secureworks Global MSSP Program. If a MSSP is authorized by Customer to use the Cloud Services, Customer shall be responsible for the MSSP's compliance with the terms of the CRA and Transaction Document and shall be responsible for all acts and omissions of the MSSP. Secureworks makes no representations or warranties regarding any third party certified in the Secureworks Global MSSP Program and shall not be responsible for any acts or omissions of any MSSP.

2.4 Password Protection. Customer agrees to maintain the privacy of Customer's and its Users' access credentials associated with the Services. Customer has and will retain sole responsibility for the security and use of Customer's and its Users' access credentials and all access to and use of the Services directly or indirectly by or through the Users' access credentials, with or without Customer's knowledge or consent, including all results obtained from, and all conclusions, decisions, and actions based on, such access or use. Customer agrees to (a) notify Secureworks as soon as possible of any unauthorized use of Customer's password or Internet account or any other breach of security; and (b) ensure that Customer exits from Customer's Internet account at the end of each session. Secureworks shall not be liable for any damages incurred by Customer or any third party arising from Customer's failure to comply with this Section 1.2.

2.5 Required Consents. Customer is responsible for, and will promptly obtain, maintain, and comply with, any required licenses, approvals, permits, or consents necessary to receive and use the Products and to provide or permit Secureworks to access or process the Customer Data. Customer represents and warrants that it: (a) has the necessary rights, consents, approvals, licenses, power and authority to transmit Customer Data to Secureworks and to permit Secureworks to perform the Cloud Services and satisfy its obligations under the CRA and Transaction Document; (b) has and shall continue to fulfill all obligations with respect to individuals as required to permit Secureworks to carry out the terms and satisfy its obligations under the CRA and Transaction Document, including with respect to all applicable laws, regulations and other constraints applicable to Customer Data.

2.6 Suspension or Termination of Services. Secureworks may suspend, terminate, or otherwise deny Customer's, any User's, or any other person's access to or use of all or any part of the Cloud Services, without any obligation or liability, if: (a) Secureworks determines that it is required due to a judicial or other governmental demand or order, subpoena, or law enforcement request; or (b) Secureworks believes, in its good faith and reasonable discretion, that: (i) Customer or any User has failed to comply with any term of the CRA or Transaction Document, or accessed or used the Cloud Services in a manner that exceeds the rights granted pursuant to the CRA or Transaction Document, or for a purpose not authorized under the CRA or Transaction Document, or in any manner that does not comply with any instruction or requirement of the Documentation; (ii) Customer or any User is, has been, or is likely to be involved in any fraudulent, misleading, abusive, or unlawful activities relating to or in connection with any of the Cloud Services; or (iii) the CRA or the Transaction Document expires or is terminated. This Section 5.1 does not limit any of Secureworks' other rights or remedies, whether at law, in equity, or under the CRA or Transaction Document.

2.7 Monitoring of Cloud Services. Customer's use of Taegis XDR shall be limited to the processing of not more than 4GB of Customer Data processed per month multiplied by the Licensed Volume (the "Data Cap"). Customer may purchase an upgraded volume for the Data Cap pursuant to a Transaction Document. Customer will monitor its own use of the Cloud Services and report any use in excess of the Data Cap or the Licensed Volume under a Transaction Document. Secureworks may monitor Customer's use of the Cloud Services under this SaaS Addendum at any time during the Services Term to verify compliance with the Data Cap, Licensed Volume, the CRA and this SaaS Addendum. If Secureworks determines that Customer's use of the Cloud Services exceeded the Data Cap or the Licensed Volume, Customer shall pay to Secureworks all amounts due for such excess use. Customer shall make all payments required under this Section 1.1 within thirty (30) days of the date of written notification of the audit results.

2.8 Compliance Disclaimer. Customer understands that, although Secureworks' Cloud Services may assist Customer in meeting certain compliance and regulatory use cases, the Secureworks Cloud Services are not designed for compliance and regulatory use. In addition, any written summaries or reports produced by Secureworks or generated by the Cloud Services shall not be deemed to be legal opinions and may not and should not be relied upon as proof, evidence or any guarantee or assurance as to Customer legal or regulatory compliance.

3.0 TECHNICAL SUPPORT; MAINTENANCE; AND SERVICE LEVELS.

3.1 Technical Support. Secureworks offers various levels of technical and expert support as part of the Cloud Services depending on the applicable Cloud Service, each as described in the Service Description and/or Documentation.

3.2 Maintenance. From time to time, Secureworks will perform scheduled maintenance of the systems related to the Cloud Services. Secureworks shall use reasonable efforts to provide Customer with at least twelve (12) hours' advance notice of any planned maintenance that affects the availability of the Cloud Services.

3.3 Service Levels. Secureworks shall provide the Cloud Services in accordance with the then-current applicable service levels as described in the Documentation.

3.4 Warranty. The Cloud Services shall conform in all material respects to the Documentation available at <https://docs.ctpx.secureworks.com>, as updated from time to time.

4.0 SERVICE ENHANCEMENTS.

4.1 Service Add-Ons. Secureworks may offer various additional service enhancements as part of the Cloud Services, each as described in the relevant Service Description. The fee(s) for any such additional service enhancements are set forth in a Transaction Document and are purchased by Customer separately from the Cloud Services.

4.2 Overages. The fees for additional service enhancements purchased by Customer may be based on the Licensed Volumes for the underlying Cloud Services to which the additional services relate. If, using the methodology described in Section 1.2, Secureworks determines that Customer's use of the underlying Cloud Services exceeds the Licensed Volume(s), Customer shall be required to pay to Secureworks all amounts due for the additional service enhancements related to such overage.

5.0 FREE EVALUATION ACCESS.

5.1 Secureworks may offer Customer a free trial evaluation access to the Cloud Services. If Customer is accessing the Cloud Services on a free trial basis, Customer acknowledges and agrees that notwithstanding anything set forth in the CRA this Section 1.1 shall apply.

5.2 THE PRODUCTS ARE PROVIDED “AS IS, WHERE IS” WITH NO WARRANTY OF ANY KIND. SECUREWORKS MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED AND ALL OTHER WARRANTIES ARE HEREBY DISCLAIMED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

5.3 NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THE CRA OR ANY RELATED DOCUMENTATION, SECUREWORKS SHALL NOT BE LIABLE TO CUSTOMER FOR ANY BUSINESS DISRUPTION, SERVICE(S) CREDIT OR DAMAGES SUFFERED OR INCURRED BY CUSTOMER (WHETHER DIRECT OR INDIRECT, SPECIAL OR CONSEQUENTIAL) IN CONNECTION WITH THE SOLUTION(S), REGARDLESS OF THE FORM OR THEORY OF THE ACTION, (INCLUDING NEGLIGENCE), EVEN IF SECUREWORKS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CUSTOMER ACKNOWLEDGES AND AGREES THAT THIS LIMITATION IS AN ESSENTIAL ELEMENT OF THE PROVISIONING OF AN EVALUATION ACCESS AND THAT SECUREWORKS WOULD NOT PROVIDE SUCH EVALUATION ACCESS WITHOUT THESE LIMITATIONS ON LIABILITY.

6.0 MISCELLANEOUS.

This SaaS Addendum covers all Cloud Services specified on the Product Terms Page, but provisions regarding specific Cloud Services apply only to the extent Customer has purchased, accessed, or used such Cloud Services. Additional terms governing the receipt of such specific Cloud Services will be provided through the Documentation. In the event of any conflict between the CRA and this SaaS Addendum, the terms and conditions of this SaaS Addendum shall prevail. This SaaS Addendum and the CRA shall hereafter be read and construed together as a single document. This SaaS Addendum may not be amended or modified except in a writing signed by an authorized representative of each party.

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: July 16, 2025

Re: Financial Update for the Third Quarter of Fiscal Year 2024-2025, Ending
March 31, 2025

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 account balances and investment earnings for the reporting period.

DISCUSSION

Attachment A provides the financial report for the third quarter of Fiscal Year 2024-2025, from July 1, 2024, to March 31, 2025, and encompasses the first, second, and third 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 -Third Quarter ending March 31, 2025 Financial Report_Final

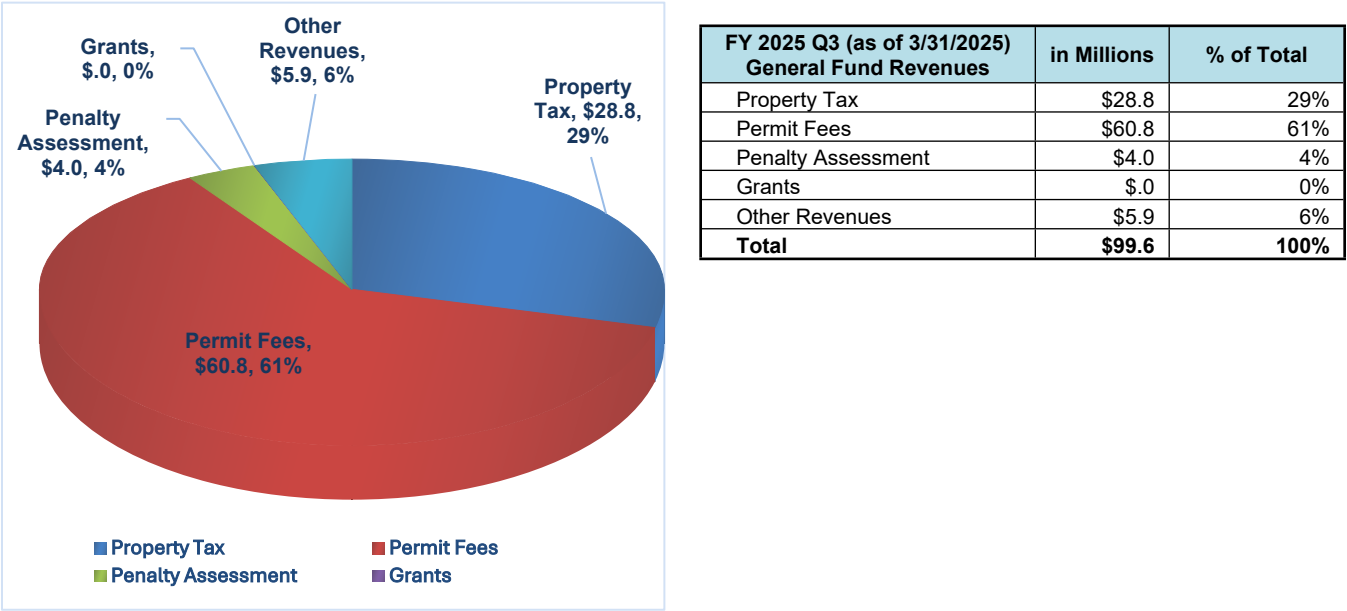
Attachment A: Financial Summary for the Third Quarter of Fiscal Year 2024-2025

This report provides an update on the Air District's financial performance for the third quarter of the 2024-2025 fiscal year, covering the period from July 1, 2024, through March 31, 2025. As of the third quarter, General Fund revenues total \$99.6 million, with expenditures at \$99.2 million. Revenues are in line with expectations, and no significant changes are anticipated through the end of the fiscal year on June 30, 2025. Expenditures, such as professional services, may fluctuate based on when work is performed under contract terms, making them less predictable for projecting through the end of the fiscal year.

FINANCIAL RESULTS

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

TABLE 1: FISCAL YEAR 2025 GENERAL FUND REVENUE OVERVIEW



Summary of Table 1

As of March 31, 2025, total revenue recognized a total of \$99.6 million. Permit Fees and Property Tax are the largest revenue sources in the General Fund totaling \$60.8M and \$28.8M respectively.

TABLE 2: GENERAL FUND REVENUE – BUDGET VS ACTUAL (IN MILLIONS \$)

Categories	FYE 2025 Adopted Budget	FYE 2025 Amended Budget	FYE 2025 Actual (as of 3/31/2025)	Percentage of Amended Budget
Property Tax	\$46.3	\$46.3	\$28.8	62%
Permit Fees*	\$67.0	\$67.0	\$60.8	91%
Penalty Assessment	\$4.0	\$4.0	\$4.0	100%
Grants (includes AB617)	\$20.5	\$20.5	\$0.0	0%
Other Revenues	\$5.6	\$5.6	\$5.9	107%
Total Revenues	\$143.3	\$143.3	\$99.6	70%

* Permit Fees				
Application & Renewal Fees	\$46.8	\$46.8	\$45.7	98%
Title V Permit Fees	\$8.1	\$8.1	\$6.0	74%
Asbestos Fees	\$3.7	\$3.7	\$2.7	73%
Toxic Inventory Fees	\$1.3	\$1.3	\$0.9	70%
Community Health Impact Fees	\$1.2	\$1.2	\$1.1	92%
Criteria Toxic Reporting Fees	\$1.7	\$1.7	\$1.4	86%
Greenhouse Gas Fees	\$3.9	\$3.9	\$2.8	73%
Other Fees	\$0.4	\$0.4	\$0.3	75%
Total Permit Fees	\$67.0	\$67.0	\$60.8	91%

Summary of Table 2:

- Overall revenue recognized for the 3rd quarter of the fiscal year represents 70% of the budget which is on target with projections
- Property tax is at 62%, which is on target based on the normal timing of the revenues received by the end of March. Property tax largest receipts are usually received in December and April timeframe
- Permit fees are consistent with the annual progress of the permitting process
- Other revenues increased due to higher interest income resulting from improved investment performance in the San Mateo County Investment Pool, where Air District funds are managed
- Grant revenues recognition occurs usually at the end of the fiscal year when the grant activities are reconciled and charged to the grant funds. This portion of funding is mainly related to the Assembly Bill 617 Implementation grant program.

TABLE 3: GENERAL FUND REVENUE PRIOR YEARS TREND VS. CURRENT YEAR (IN MILLIONS \$)

Major Categories	FYE 2023 (As of 3/31/2023)	FYE 2024 (As of 3/31/2024)	FYE 2025 (As of 3/31/2025)	\$ DIFF FY25 - FY24
Property Tax	\$26.1	\$27.0	\$28.8	\$1.8
Permit Fees*	\$53.2	\$60.3	\$60.8	\$.5
Penalty Assessment	\$3.1	\$3.0	\$4.0	\$1.0
Grants (includes AB617)	\$5.5	\$.4	\$.0	(\$\$.4)
Other Revenues	\$2.4	\$4.1	\$5.9	\$1.8
Total Revenues	\$90.4	\$94.9	\$99.6	\$4.8

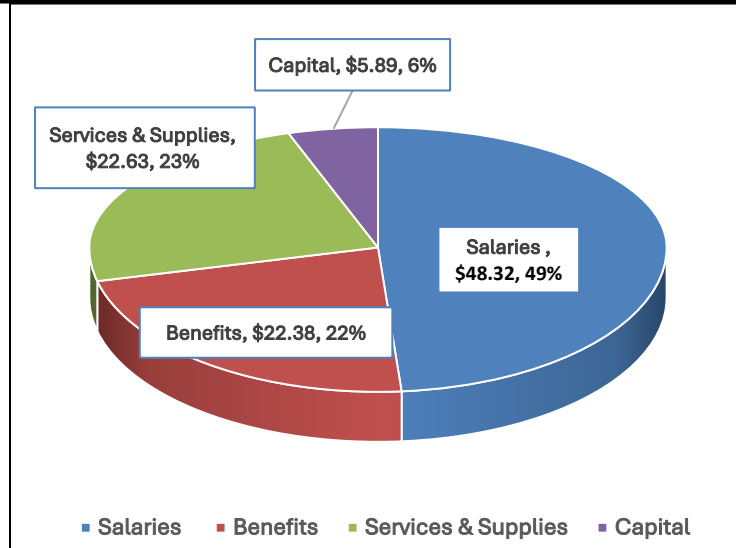
	(As of 3/31/2023)	(As of 3/31/2024)	(As of 3/31/2025)	\$ DIFFERENCE
*Permit Fees				
Application & Renewal Fees	\$38.3	\$45.1	\$45.7	\$.6
Title V Permit Fees	\$5.8	\$5.6	\$6.0	\$.3
Asbestos Fees	\$2.7	\$2.7	\$2.7	(\$\$.0)
Toxic Inventory Fees	\$1.1	\$1.0	\$.9	(\$\$.1)
Community Health Impact Fees	\$1.1	\$1.0	\$1.1	\$.1
Criteria Toxic Reporting Fees	\$1.3	\$1.4	\$1.4	\$.1
Greenhouse Gas Fees	\$2.6	\$3.3	\$2.8	(\$\$.4)
Other Fees	\$.3	\$.3	\$.3	\$.0
Total Permit Fees	\$53.2	\$60.3	\$60.8	\$.5

Summary of Table 3:

- Property tax revenue increased as expected due to growth in tax assessments from previous years
- Permit fees increase consistently with fee rate increase
- The \$4M Penalty assessment represents the General Fund portion only which supports general activities
- Other revenues increased are mainly due to interest income earned as of March 2025

TABLE 4: FISCAL YEAR 2025 GENERAL FUND EXPENDITURE OVERVIEW

FY 2025 Q3 (as of 3/31/2025) General Fund Expenditures	in Millions	% of Total
Salaries	\$48.32	49%
Benefits	\$22.38	23%
Services & Supplies	\$22.63	23%
Capital	\$5.89	6%
Total	\$99.23	100%



Summary of Table 4:

As of March 31, 2025, total expenditure recognized a total of \$99.2 million. Salaries and Benefits are the largest expenditure costs in the General Fund totaling \$48.3M and \$22.4M respectively.

TABLE 5: GENERAL FUND EXPENDITURE – BUDGET VS ACTUAL (IN MILLIONS \$)

Major Categories	FYE 2025 Adopted Budget	FYE 2025 Amended Budget	FYE 2025 Actual (as of 3/31/2025)	Percentage of Amended Budget
Personnel - Salaries	\$70.6	\$70.8	\$48.3	68%
Personnel - Benefits	\$33.0	\$33.0	\$22.4	68%
Operational Services and Supplies	\$43.5	\$57.9	\$22.6	39%
Capital Outlay	\$7.2	\$11.7	\$5.9	50%
TOTAL	\$154.3	\$173.5	\$99.2	57%
*Consolidated Personnel Salaries & Benefits				
Personnel - Salaries	\$76.5	\$76.7	\$52.2	68%
Personnel - Benefits	\$35.6	\$35.6	\$24.0	67%
Total	\$112.1	\$112.3	\$76.2	68%

*Consolidated includes both General Fund and Special Fund

Summary of Table 5:

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

TABLE 6: EXPENDITURE PRIOR YEARS TREND VS. CURRENT YEAR (IN MILLIONS \$)

Major Categories	FYE 2023 (As of 3/31/2023)	FYE 2024 (As of 3/31/2024)	FYE 2025 (As of 3/31/2025)	\$ DIFF FY25 - FY24
Personnel - Salaries	\$40.2	\$42.5	\$48.3	\$5.9
Personnel - Benefits	\$18.3	\$20.0	\$22.4	\$2.4
Operational Services and Supplies	\$18.4	\$19.7	\$22.6	\$2.9
Capital Outlay	\$2.4	\$3.0	\$5.9	\$2.9
Total Expenditures	\$79.3	\$85.1	\$99.2	\$14.2

*Consolidated Personnel Salaries & Benefits				
Personnel - Salaries	\$43.6	\$46.3	\$52.2	\$5.9
Personnel - Benefits	\$19.6	\$21.4	\$24.0	\$2.5
Total Consolidated	\$63.3	\$67.8	\$76.2	\$8.4

*Consolidated includes both General Fund and Special Fund

Summary of Table 6:

- Salary expenses are higher in FYE 2025, due to general wage adjustments and more filled positions
- Benefit expenses are higher in FYE 2025 due to the higher insurance premiums and retirement costs
- Capital costs are higher in FYE 2025 due to a combination of Information Technology infrastructure and lab equipment purchases

TABLE 7: CASH ACCOUNT BALANCES – AS OF THE THIRD QUARTER:

CASH ACCOUNT	3rd QTR FYE 2024	3rd QTR FYE 2025
General Fund	\$131,505,380	\$234,184,451
Transportation for Clean Air (TFCA)	\$145,149,185	\$155,745,493
Mobile Source Incentive Fund (MSIF)	\$75,448,681	\$86,704,213
Carl Moyer	\$105,271,952	\$166,594,046
CA Goods Movement	\$22,249,914	\$20,964,158
Air Quality Projects (Other)	\$1,671,455	\$1,585,539
Vehicles Mitigation	\$34,054,996	\$61,123,242
Total	\$515,351,564	\$726,901,142

Summary of Table 7:

The fiscal year ending (FYE) 2025 cash increased by approximately \$212 million compared to the same period in FYE 2024. This increase in these cash accounts is caused by increasing funding opportunities, positive investment returns, and large penalty assessments collected in the current year.

TABLE 8: DETAIL DESCRIPTION OF CASH ACCOUNTS

Cash and Investments with County Treasury:		Description/Purpose
(Based on Mar 2025 Account Balance)	(In Million \$)	
General Fund (GF)		
General Operation	\$104.7	General Operation
Local & Regional Benefits	\$106.7	Penalty Assessment Community Benefits
Restricted	\$22.8	Retirement Trust Fund & Debt Service
Total General Fund	\$234.2	
Special Funds (Grant Funds)	\$492.7	
Total	\$726.9	

Summary of Table 8

- The Air District's cash total on March 31, 2025, of \$726.9 million represents 8.4% of the \$8.7 billion in the San Mateo County Investment Pool
- March 31, 2025, net investment earnings are 3.986%
- The Third quarter General Fund interest earned is \$2.35M
- Of the \$234.2M total General Fund balance, \$104.2M is available for general operations.

TABLE 9: Detail Description of Special Fund Grant Cash Account

Special Funds (Grant Funds):		Description/Purpose
Transportation for Clean Air (TFCA)	\$155.7	On-Road Vehicles Emission Reduction (projects including: zero-emission trucks, school and transit buses, light- and heavy-duty charging infrastructure, vehicle buy-back, Clean Cars 4 All, Spare the Air, and pass through funding for local transportation agencies through the 40% County Program Manager Fund)
Mobile Source Incentive Fund (MSIF)	\$86.7	On-Road Projects & Vehicles buy back; used as match for state funds and to supplement (see Carl Moyer)
Carl Moyer	\$166.6	Community Investment Programs (scrap and replacement of trucks; buses; agricultural, construction, cargo-handling, and airport ground support equipment; marine vessels; rail vehicles; transportation refrigeration units; infrastructure; and vehicle buy-back programs. CAP funds may additionally be used to support other eligible projects that reduce exposure to diesel particulate and air toxics)
Goods Movement	\$21.0	Emission Reduction Programs (Projects eligible for Goods Movement I-Bond Funding; in 2025 are now limited to Transportation Refrigeration Units)
Air Quality Projects	\$1.6	Bike share projects and other grants projects (Eligibility is specific to each source and using other approved grant program guidelines to supplement and/or match other state and local grant sources)
Vehicles Mitigation	\$61.1	Volkswagen Environmental Mitigation Trust (Light-duty charging stations and zero-emissions port, freight, and marine projects, including marine vessels, forklifts, cargo-handling equipment, and shore power projects.)
Total Special Funds	\$492.7	

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: July 16, 2025

Re: Fiscal Year 2024-2025 Third 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 is requested at this time.

BACKGROUND

The Board of Directors has authorized the Executive Director/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

Attached, in accordance with the Air District's Procurement Policy, Section 8.d, is the their quarter Fiscal Year 2025 report of vendor payments for routine and recurring essential services and contracts executed under delegated authority by the Executive Officer/APCO.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Erica Flahan
Reviewed by: Hyacinth Hinojosa

ATTACHMENT(S):

1. FYE 2025 Q3 Report of Vendor Payments for Routine and Recurring Essential Services and Contracts

Air District Report of Vendor Payments for Routine and Recurring Essential Services and Contracts Executed Under Delegated Authority

Third Quarter 2024-2025, Ending March 31, 2025

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 without further approval by the Board due to their recurring nature.

To ensure transparency, Air District 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 third quarter of Fiscal Year (FY) 2025 and expenditures related to these categories for the first, second, and third quarter of the FY 2025 to accompany the third quarter FY 2025 financial report which will be presented as an informational report on the same Committee meeting agenda.

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.

Quarter 3 FY 2025 Contract Renewals Executed for Select Essential Goods/Services:

The following contract renewals were executed under this provision during the third quarter of FY 2025.

Vendor	Synopsis	Renewal Amount	Total Contract Value	Date Executed
Cloud Based Information Infrastructure and Services				
DocuSign, Inc.	Annual eSignature Enterprise Agreement for Air District staff	\$48,324.15	\$227,556.69	01/31/2025
Freshworks Inc.	Freshservice Software Subscription Renewal for Information Technology Service Desk Ticketing System for a 3-year term	\$70,794.00	\$100,226.00	03/14/2025
Employee Health and Benefits				
Magellan Behavioral Health, Inc.	Services for Employee Assistance Program (EAP) for a 2-year term	\$66,000.00	\$250,468.42	01/22/2025

Air District Report of Vendor Payments for Routine and Recurring Essential Services and Contracts Executed Under Delegated Authority

Vendor	Synopsis	Renewal Amount	Total Contract Value	Date Executed
OEM Equipment Maintenance and Warranties				
Entech Instruments Inc.	Annual Agreement for Preventative Maintenance and Service of Specialized Equipment – Air District Lab’s Preconcentrator	\$7,542.00	\$68,702.00	01/02/2025
JP Instrument Services	Agreement for Technical Support, Parts, and Service for Source Test’s Gas Chromatograph for a 3-year term	\$7,000.00	\$47,791.00	01/15/2025
Software Licenses, Warranties, Maintenance, and Support Services				
F.H. Black & Company Incorporated	Annual Renewal of Caseware Budget Book Software Support Services	\$11,200.00	\$86,747.00	02/13/2025

FY 2025 Routine and Recurring Vendor Payments by Category:

The following payments were made under this provision during first, second, and third quarter of FY 2025.

Payment Categories	Amount Paid (July 1, 2024 - March 31, 2025)
AIR DISTRICT INSURANCE	
ALLIANT INSURANCE SERVICES, IN	\$1,115,196.45
BENEFIT COORDINATORS CORPORATION - LIFE INSURANCE	\$1,026,602.75
METROPOLITAN LIFE INSURANCE CO	\$33,440.00
BAY AREA HEADQUARTERS AUTHORITY (SHARED SERVICES EXPENSES)	
BAY AREA HEADQUARTERS AUTHORITY	\$3,442,556.77
CLOUD BASED INFORMATION INFRASTRUCTURE AND SERVICES	
ADAPTALYTICS, LLC	\$85,747.50
BONFIRE INTERACTIVE LTD.	\$12,147.70
CALLTOWER, INC	\$31,552.61
CONCUR TECHNOLOGIES, INC	\$19,650.00
DAYFORCE US, INC.	\$238,192.71
DELL MARKETING LP	\$861,525.54
DENOVO VENTURES, LLC	\$148,592.82
DOCUSIGN	\$52,578.29
EPTURA CANADA, INC. - HIPPO FA	\$9,896.40

Air District Report of Vendor Payments for Routine and Recurring Essential Services and Contracts Executed Under Delegated Authority

Payment Categories	Amount Paid (July 1, 2024 - March 31, 2025)
GRANICUS, INC.	\$5,251.89
NEOGOV	\$9,868.15
OFFICESPACE SOFTWARE INC.	\$18,729.00
OPENGOV, INC.	\$124,377.23
ORACLE AMERICA, INC.	\$42,905.19
QUESTICA LTD	\$66,581.55
TTEC Government Solutions	\$106,515.00
EMPLOYEE HEALTH AND BENEFITS	
BENEFIT COORDINATORS CORPORATION - DENTAL	\$615,840.22
CA PUBLIC EMP RET SYSTEM - HEALTH	\$8,697,875.00
CA PUBLIC EMP RET SYSTEM - PENSION	\$7,285,921.00
CALIFORNIA VISION SERVICE PLAN	\$87,132.31
CONCENTRA MEDICAL CENTERS	\$10,017.00
MAGELLAN BEHAVIORAL HEALTH	\$12,869.60
P & A ADMINISTRATIVE SERVICES	\$346,283.90
SEDGWICK CLAIMS MANAGEMENT SER	\$515.00
EQUIPMENT LEASES	
CANON FINANCIAL SERVICES, INC.	\$40,169.32
ENTERPRISE FLEET SERVICES	\$395,491.49
FUEL	
WEX FLEET UNIVERSAL-CHEVRON/TE	\$2,220.16
WEX FLEET UNIVERSAL-ENTERPRISE	\$95,958.90
OEM EQUIPMENT MAINTENANCE AND WARRANTIES	
A2Z BUSINESS SYSTEMS - BRISBAN	\$483.98
ACCELERATED TECHNOLOGY LAB., I	\$14,420.70
AGILENT TECHNOLOGIES	\$13,347.36
CANON SOLUTIONS AMERICA, INC.; CANON U.S.A., INC.	\$23,726.81
ENTECH INSTRUMENTS INC.	\$7,542.00
IDEAL COMPUTER SERVICES INC.	\$32,196.00
JP INSTRUMENT SERVICES	\$3,500.00
ORSAT, LLC	\$94,324.53
QUADIENT, INC.	\$3,118.80
SADDLE POINT SYSTEMS	\$685.00
THERMO ELECTRON NORTH AMERICA,	\$8,772.00
PROPERTY LEASES AND LICENSE AGREEMENTS	
2060 WALSH, LLC	\$13,715.46

Air District Report of Vendor Payments for Routine and Recurring Essential Services and Contracts Executed Under Delegated Authority

Payment Categories	Amount Paid (July 1, 2024 - March 31, 2025)
B9 SEQUOIA CONCORD OWNER LP -B	\$45,317.35
CHABAD OF NOVATO	\$11,545.00
CITY OF BERKELEY	\$7,203.56
CITY OF CAMPBELL	\$1,200.00
CITY OF FREMONT	\$450.00
CITY OF GILROY	\$315.00
CITY OF LIVERMORE	\$260.90
CITY OF MILPITAS	\$2,500.00
CITY OF RICHMOND	\$189.00
CITY OF SAN JOSE - AIRPORT	\$1,000.00
CONTRA COSTA FIRE PROTECTION D	\$675.00
COUNTY OF SANTA CLARA	\$1,780.00
DELIN LARS & CRISTINA	\$4,500.00
EL CAMINO HOSPITAL	\$2,400.00
EXTRA SPACE MANAGEMENT INC.	\$14,204.80
GROVE, RONALD	\$15,058.95
HANQI INVESTMENT INC.	\$15,553.80
HAYWARD BUSINESS PARK INC.	\$16,000.00
HOLLIS PROPERTY	\$109,000.00
LAO FAMILY COMMUNITY DEVELOPME	\$56,478.45
LAVEZZO A.M. & FAVARO B.J.	\$25,192.05
LIVERMORE CENTER, LLC	\$5,661.76
LIVERMORE VALLEY UNIFIED SCHOO	\$8,505.00
MARINA BAY CROSSING, LLC	\$48,719.32
MPLC PARTNERS, INC.	\$17,349.44
NIBBI INVESTMENTS	\$32,379.00
PAC WEST DIVERSIFIED LP	\$27,297.25
PACIFIC GAS AND ELECTRIC COMPA	\$1,250.00
PACIFIC GATEWAY PROPERTIES, IN	\$58,350.06
SAN MATEO COUNTY HARBOR DISTRI	\$585.00
SMITH, MATHEW & JEFFREY	\$22,075.59
SOUTH BEACH HARBOR	\$800.00
STATE OF CALIFORNIA - DOT	\$3,033.00
TOMBE REALTY	\$22,525.44
WANG BROTHERS INVESTMENTS, LLC	\$364,708.69
WESTERN PACIFIC PROPERTY, LLC	\$72,232.32

Air District Report of Vendor Payments for Routine and Recurring Essential Services and Contracts Executed Under Delegated Authority

Payment Categories	Amount Paid (July 1, 2024 - March 31, 2025)
ZUCKERMAN CONSTRUCTION CO	\$36,975.89
SOFTWARE LICENSES, WARRANTIES, MAINTENANCE, AND SUPPORT SERVICES	
AIRBO	\$3,000.00
C & G TECHNOLOGY SERVICES, INC	\$642,746.00
CLAY TABLET	\$6,750.00
CLEARSPARC	\$1,084,853.00
EPLUS TECHNOLOGY, INC.	\$1,800.70
ESRI	\$4,113.15
F.H. BLACK & COMPANY INCORPORA	\$26,950.00
FRESHWORKS INC	\$26,453.95
GOLDEN STAR TECHNOLOGY INC.	\$97,797.10
JDETIPS, INC.	\$7,535.00
LEASEQUERY, LLC	\$20,080.80
LIGHTBOX PARENT, L.P.	\$38,400.00
MICROSOFT CORPORATION	\$600,000.00
NAVIANT, INC	\$111,537.80
NATIONAL SOFTWARE, INC.	\$1,514.13
SALESFORCE INC (EXACTTARGET); SALESFORCE.COM, INC.	\$44,666.59
SITEIMPROVE, INC.	\$17,582.10
SUPPORTFOCUS, INC.	\$441,180.00
TABLEAU SOFTWARE, INC.	\$439.92
TEAMVIEWER GERMANY GMBH	\$2,758.80
TESTRIGOR, INC.	\$26,000.00
TRINITY TECHNOLOGY GROUP, INC.	\$23,501.25
UTILITIES	
AT & T CALNET; AT&T; AT&T MOBILITY; AT&T U-VERSE	\$42,398.00
CALIFORNIA WATER SERVICE	\$210.53
CENTURYLINK	\$3,048.42
COGENT COMMUNICATIONS, INC.	\$42,320.25
COMCAST; COMCAST CABLE COMMUNICATIONS	\$164,649.96
EAST BAY MUNI UTILITY DISTRICT	\$100.00
MDRR-CONCORD	\$2,611.01
NAPA RECYCLING & WASTE SERVICE	\$432.09
PACIFIC GAS & ELECTRIC COMPANY	\$212,585.65
PIVOTEL CONNECTED LLC	\$12,745.08
RECOLOGY SAN MATEO COUNTY	\$250.30

Air District Report of Vendor Payments for Routine and Recurring Essential Services and Contracts Executed Under Delegated Authority

Payment Categories	Amount Paid (July 1, 2024 - March 31, 2025)
RECOLOGY VALLEJO	\$2,439.44
REPUBLIC SERVICES, INC.	\$3,403.07
SAN FRANCISCO WATER, POWER & S	\$354.41
SONIC	\$2,320.00
VERIZON WIRELESS	\$189,036.34
WAVE BROADBAND	\$1,579.25

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 third quarter of FY 2025.

New Contracts Executed Under Section 9.4(b):

Vendor	Synopsis	Total Contract Value	Date Executed
A-B Communications	Answering Services for Air Quality Complaint Program	\$150,000.00	03/15/2025
Agilent Technologies	Purchase of 1260 Infinity III High Performance Liquid Chromatograph (HPLC) with workstation and operating software	\$102,692.49	03/17/2025
Canon Financial Services, Inc.	Lease and maintenance 11 Multi-Function Devices at Beale St - 60 months lease	\$189,900.00	02/06/2025

Air District Report of Vendor Payments for Routine and Recurring Essential Services and Contracts Executed Under Delegated Authority

Vendor	Synopsis	Total Contract Value	Date Executed
Lineage Connect	Print and Mail Services of Permit Related Documents	\$150,000.00	02/10/2025
Ramboll Americas Engineering Solutions, Inc.	Services to aid the Air District in modeling support to improve estimates of particulate matter (PM) concentrations from emissions of consumer products and vegetation	\$110,000.00	01/19/2025
Thermo Electron North America LLC	Purchase of Quant'X X-ray Spectrometer for Lab	\$105,470.54	01/02/2025

Contract Amendments Executed Under Section 9.4(c):

Vendor	Synopsis	Previous Approved Amount	Increase	Total Contract Value	Date Executed
Adaptalytics	Technical Account Management Services for the Human Resources Cerdian/Dayforce System	\$100,000.00	\$99,000.00	\$199,000.00	03/10/2025
CipherEx, Inc.	Network Infrastructure Maintenance and Support	\$175,000.00	\$43,750.00	\$218,750.00	03/05/2025
Digital Mountain	Computer Forensic Services (for Human Resources)	\$80,000.00	\$50,000.00	\$130,000.00	03/15/2025
SupportFocus, Inc.	Business Analysis, Software Development, and/or Quality Assurance Services	\$1,871,864.00	\$200,000.00	\$2,071,864.00	02/26/2025

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: July 16, 2025

Re: Permitting Strategies

RECOMMENDED ACTION

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

BACKGROUND

In 2023, the Air District engaged Sjoberg Evashenk Consulting, Inc. to conduct a Performance Audit of the Air District Engineering Functions that focused on timeliness of permit actions, tracking, staffing and workload management, and cost recovery. Findings were presented to the Finance and Administration Committee (FAC) by the auditor on December 20, 2023. A 5-year corrective action plan to address audit findings was reviewed by the FAC on April 17, 2024, and subsequently incorporated into the Air District's Strategic Plan.

DISCUSSION

The Engineering Division of the Air District plays a crucial role in granting air quality permits to businesses operating equipment that could potentially emit air pollutants. In recent years, the number of permitted sources and the complexity of permits has increased, contributing to delays in some permit actions. For example, at the October 17, 2022, Stationary Source and Climate Impacts Committee meeting, staff reported that over the last decade, although the Air District issued 77% of permits within 180 days of receiving the application, permitting actions for 23% of applications extended past the deadlines required by our own regulations. In most of these cases, the applications pertained to equipment used in facilities with complex emissions sources, such as refineries, landfills, composting operations, wastewater treatment facilities, and concrete & asphalt batch plants.

After the Performance Audit of the Engineering Functions, an action plan was created to address the recommendations in the audit. The action plan schedule was set up in three general phases, taking into account other efforts being undertaken at the Air District, including: strategic plan development, a compensation/classification study, rule development agenda/schedule, and the Permitting and Compliance System (formerly known as the New Production System) and website upgrade schedule.

Completed

Phase 1: Planning

- April - September 2024
- Developed plans for backlog reduction, tracking, staffing, work prioritization, and cost recovery
- Created metrics to report progress to Board of Directors
- Completed concrete near-term recommendation
- Continued on-going improvements (e.g., Permitting and Compliance System upgrades, efficiency measures, etc.)

In Process

Phase 2: Implementation of corrective actions and establishment of robust tracking

- End of 2024 – 2027
- Merged with Strategic Plan Goal 4: Be Effective, Accountable, and Customer-Oriented: timely, transparent, and consistent permits

Future

Phase 3: Adjust and maintain performance improvements as part of the Strategic Plan

- 2028-2029+

The action plan was transformed into the Permitting Actions for the Air District's Strategic Plan. The strategies address Goal 4: Be Effective, Accountable, and Customer-Oriented, which focuses on timely, transparent, and consistent permits.

Progress Updates:

Resource Management

- Hired Fiscal Year Ending 2025 approved positions: 4 Senior Air Quality Engineers and 1 Principal Air Quality Engineer
- Contracted with Project Management Consultant
- Staffing approved for Fiscal Year Ending 2026: Handbooks/Consistency Coordinator & 2 Facility-funded Engineering Program Managers
- Filling current vacancies (7) and recruit Engineering Program Managers (2)

Efficiency Gains

- Transitioned Corrective Action Plan to Strategic Plan
- Provided training for Permitting and Compliance System
- Implemented Streamlining for Engines and Composting
- Established Complex Permitting Teams
- Improved Application Tracking to identify and remove bottlenecks and improve efficiency
- Improved Transparency to allow applicants to track the status of their applications
- Improved Reporting to monitor progress of applications issued, identify and remove barriers, and manage resources

Challenges to Near-term Improvements:

The October 23, 2023 migration from 40-year-old legacy computer systems to the new Permitting and Compliance System has required investments in personnel training on both systems and processes leading to some short-term permit processing delays.

Reporting, tracking, and efficiency tools that have been developed for the new system provide valuable insight to assist in process improvement activities and are anticipated to improve timelines in the near future. Another significant change in the permit process is the evaluation for compliance with the California Environmental Quality Act (CEQA). The Air District has been giving increased focus recently to ensuring compliance with CEQA. This requires enhancing the Engineering Division's expertise in CEQA and developing policies and procedures to help staff with CEQA review, including high-volume source categories such as emergency backup engines. CEQA compliance can involve researching the State Clearinghouse and outreach to city and county planning staff, which adds a lot of time to the permitting process, and may require detailed legal analysis, which also adds to the timeline. As part of the Strategic Plan, the Engineering Division will develop a comprehensive CEQA program and hire CEQA staff to help with permit review.

In addition, it takes about two to three years to hire and train Engineering staff to effectively process permit applications. Lastly, Engineering Division Staff also lead Air District efforts on non-permit Air District priorities, including Rule 11-18 health risk assessments and Rule 12-15 refinery emission inventories. A significant number of staff that would otherwise be working on permit applications have been re-directed to work on the mandates created by these regulations.

Metrics, Near-Term and Long-Term Actions

Air District staff will present updated permit application and health risk assessment metrics, new tracking and transparency functionality in the Permitting and Compliance System, and a new Application Dashboard for tracking.

Air District staff will also present near-term actions that are planned or currently underway to accelerate permitting and conclude with longer-term actions to address the Permitting Strategies in the Air District Strategic Plan.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Pamela Leong, John Chiladakis, and Meredith Bauer
Reviewed by: Philip M. Fine

ATTACHMENT(S):

1. Permitting Strategies Presentation

Permitting Strategies

Finance and Administration Committee

July 16, 2025

Pamela Leong
Director
Engineering

Presentation Outcome

Consider and discuss an update on the implementation of Permitting Strategies to improve timeliness, consistency, and transparency of the Air District's permit process.

Presentation Outline

Background

- Recap Audit Findings and Corrective Action Plan
- Transition from the Corrective Action Plan to the Strategic Plan

Progress Made

- Completed Actions and Outcomes
 - Tracking tools deeper dive
- Recent Metrics

Backlog Reduction Timeline

Next Steps

- Acceleration Plan: Near-term Actions and Outcomes
- Longer-term Actions and Outcomes

Background

Background

Progress
Made

Backlog
Reduction

Next Steps

Recap Audit Findings and Corrective Action Plan

- Corrective Action Plan Timeline

Transition from the Corrective Action Plan to the Strategic Plan

- Permitting Strategies

Key Points: Improvements to the permit process are being implemented with structure, accountability, and timelines.

Background

Progress
Made

Backlog
Reduction

Next Steps

Recap of Audit Findings and Corrective Action Plan

Engineering Audit

Background

Progress
Made

Backlog
Reduction

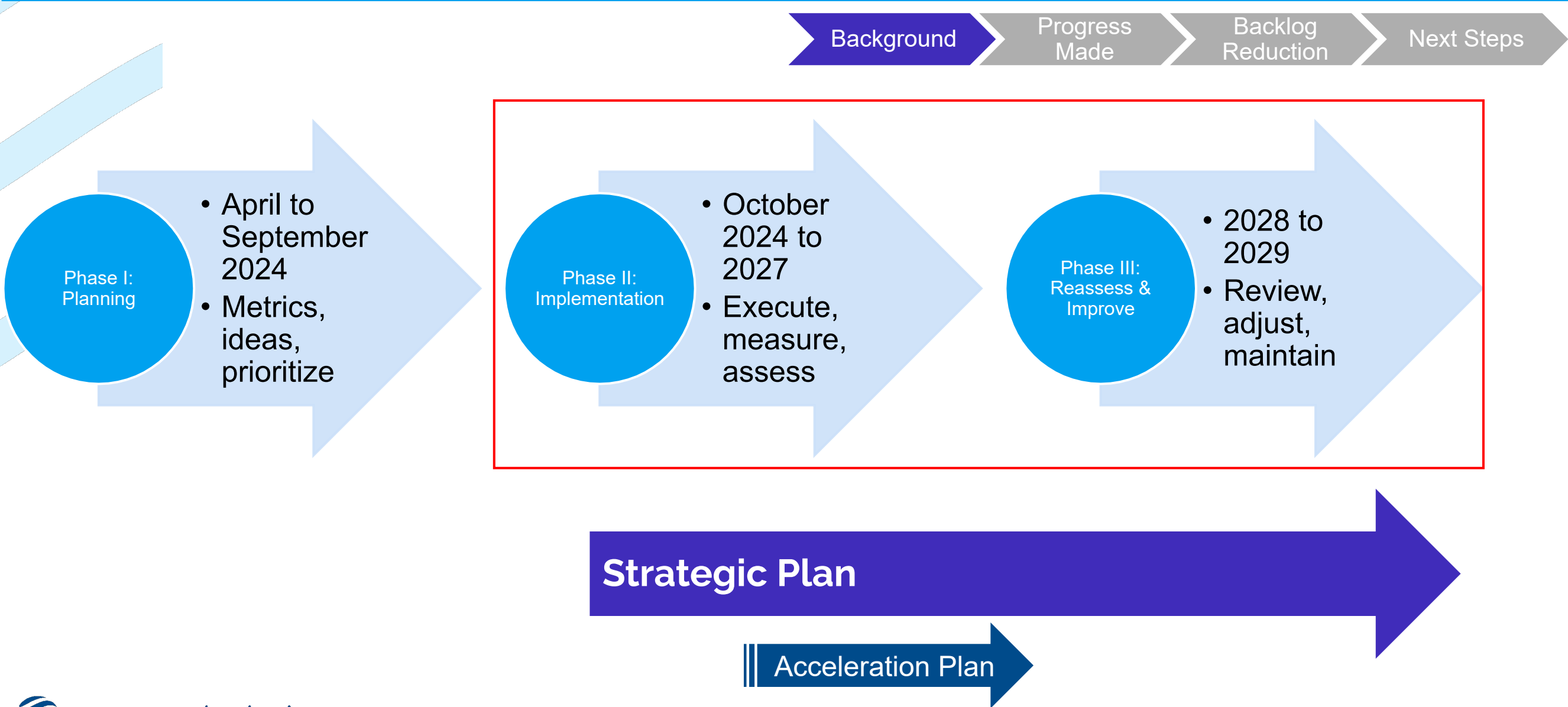
Next Steps

- On December 20, 2023, the Finance and Administration Committee (FAC) discussed the Engineering Audit Report on the Air District's Permit Process
- The Audit Report focused on the following areas: timeliness, tracking, resource management, and cost recovery

Corrective Action Plan

- In response to the Engineering Audit Report, staff developed a comprehensive corrective action plan that included 48 actions over 5 years to address the findings
- Reviewed by the FAC on April 17, 2024, and subsequently incorporated into the Strategic Plan

Corrective Action Plan Timeline



Transition to Strategic Plan

Background

Progress
Made

Backlog
Reduction

Next Steps

Engineering Audit Findings

- Timeliness/backlog
- Tracking
- Resource Management
- Cost Recovery

Strategic Plan Permitting Strategies

- Timely Permits
- Transparent Permit Process
- Consistent Permits

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



Background

Progress
Made

Backlog
Reduction

Next Steps

Permitting Strategies

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

Progress Made

Completed Actions

- System upgrades, staffing, policy/program
- Tracking: deeper dive

Recent Metrics

- In vs. out, applications completed, Health Risk Assessments (HRAs)

Key points: Important improvements have been instituted and metrics are showing progress. More work is needed.



Completed Actions

Background

Progress
Made

Backlog
Reduction

Next Steps

Significant Permit and Compliance System (PCS) Upgrades

- Full transition to PCS in October 2023
 - Hands-on, small group training for the new system
 - Online submittal option for permit applications and permit renewals
 - Online payment option & removal of eCheck service fee
 - System notifications for permittees
 - Improved tracking and report capabilities
 - Improved transparency & access to permit applications during the review period

Outcomes

Improved proficiency, efficiency, accuracy, and transparency in permit application processing

Completed Actions (cont.)

Staffing

- Created permit teams for complex facilities such as refineries and landfills
- Hired 5 highly trained permit Engineers to work on complex permit applications and permitting policy
- Hired dedicated Assembly Bill (AB) 617 Principal to help with communication with and gathering input from communities on permitting matters, allowing other senior level staff to concentrate on permitting operations
- Hired and trained HRA modelers
- Board approved for Fiscal Year 2025 - 2026:
 - Facility-funded Engineering Program Manager (EPM) positions
 - Best Available Control Technology (BACT) / Consistency Coordinator

Background

Progress
Made

Backlog
Reduction

Next Steps

Outcomes
Addressed some specialized staffing needs to improve permit application processing speed and remove competing demands for Permit Engineers

Completed Actions (cont.)

Background

Progress
Made

Backlog
Reduction

Next Steps

Policy/Program Updates

- Updated Permit Handbook to promote efficient and consistent permit application processing
- Policy updates for back-up engines: created short-term increase in permit applications in fall 2024 followed by more expedited application processing
- Created back-up engine backlog reduction plan
- Streamlined HRAs including backup generators

Outcomes

Promotes efficient and consistent permit application processing*

Completed Actions (cont.)

Tracking Tools



- **Additional statuses and labels**
 - "Under Evaluation With Applicant" tracks time with Air District vs. time with applicant: Improves transparency & accountability
 - Overdue reasons: Improves tracking, reporting, and identifying barriers
- **System Dashboards** – Organizes/tracks work, helps with prioritization, and alerts on deadlines
- **Internal Management Reports** – Manage workload, track progress, and identify bottlenecks
- **Corrective Action Cockpit** – Visually show overall performance of the permitting program with trends for applications and renewals

Outcomes
Improves transparency, accountability, prioritization, organization, workload management, progress tracking, and de-bottlenecking

Application Tracking – Who has it?

Background

Progress
Made

Backlog
Reduction

Next Steps

With the Applicant

- Incomplete status – application is incomplete for fees and/or information
- Complete
 - Revisions required to comply
 - Applicant wants to review permit conditions

Outcomes

- Provides clarity regarding next steps for the permit application to keep on track
- Prevents permit applications from getting stuck
- Creates accountability for Air District staff and permit applicants

With the Air District

- Completeness review upon receipt
- Evaluation (includes public notice period)
- California Environmental Quality Act (CEQA) Lead Agency Review moved to “With Applicant”

Permit Application Tracking: With Applicant

Application Status

APPLICATION STATUS

Application Status

COMPLETE - APPLICATION UNDER EVALUATION - WITH THE APPLICANT

Next Due

63 Days Remaining Sep 10, 2025

Initial Submit Date

5/30/2025

Update Application Status

Select a Reason

Applicant Reviewing Permit Condition

Add Note

Next Due

9/10/2025

UPDATE STATUS →

Background

Progress
Made

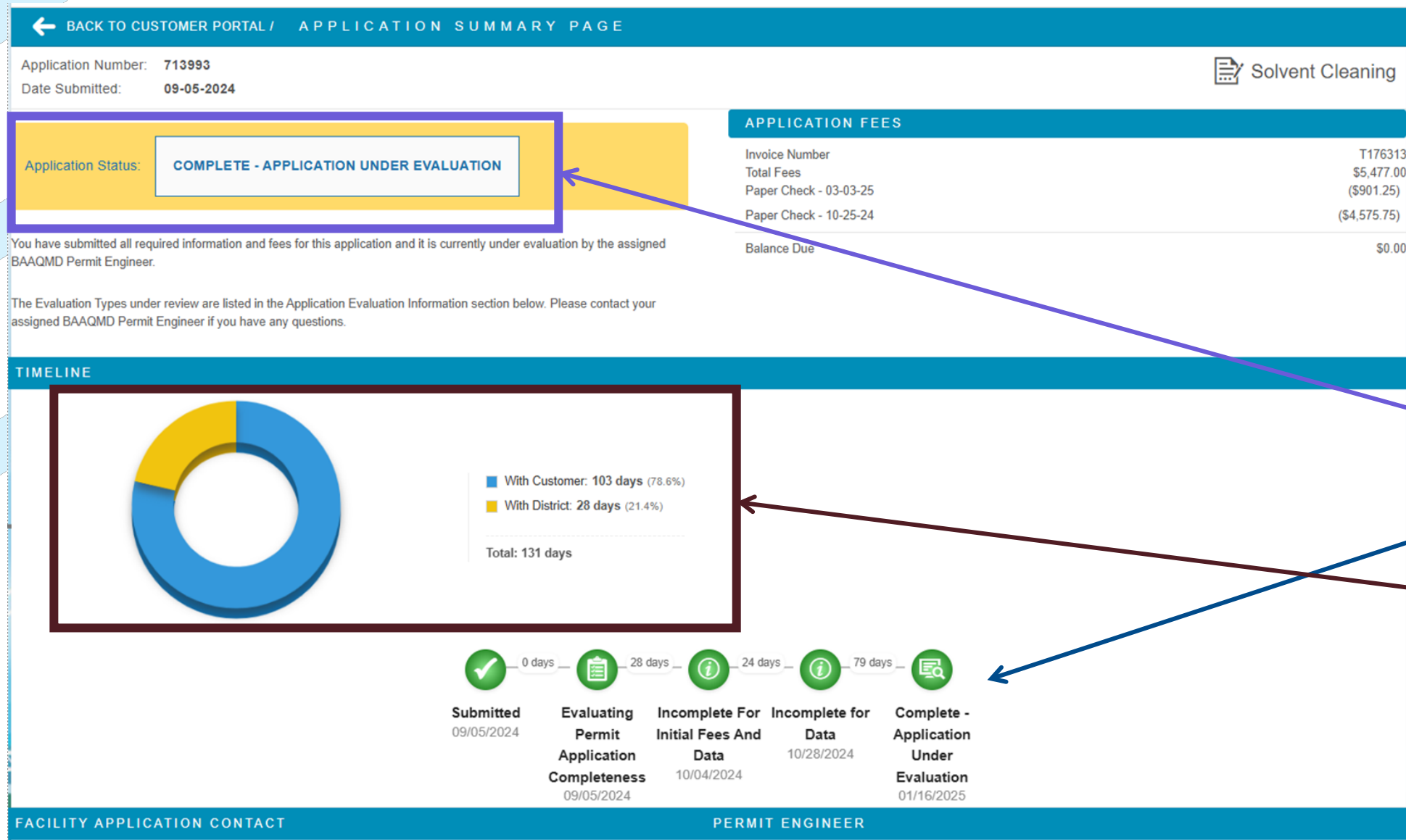
Backlog
Reduction

Next Steps

Reasons (must enter note and notify applicant)

- Applicant Reviewing BACT/ BACT for Toxics (TBACT) Requirements
- Applicant Reviewing HRA Requirements
- Applicant Reviewing Compliance with Regulations
- Applicant Reviewing Permit Condition
- Applicant Seeking Emission Reduction Credits
- Applicant Reviewing Application Errors and Omissions
- Applicant Reviewing Other Materials
- Awaiting Lead CEQA Agency Review

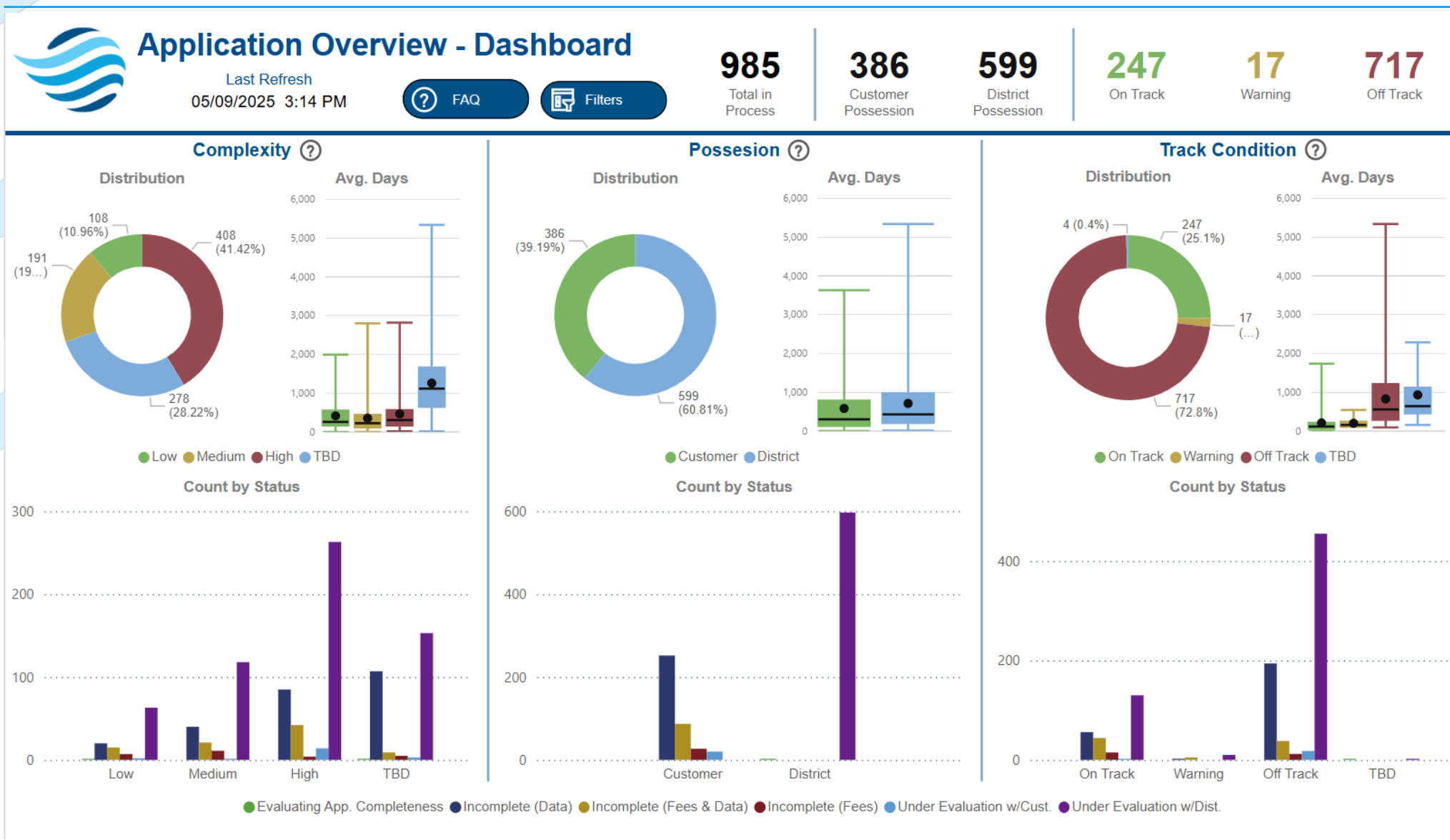
Application History and Status for the Facility



Outcomes: better transparency and accountability on permit status for applicants.

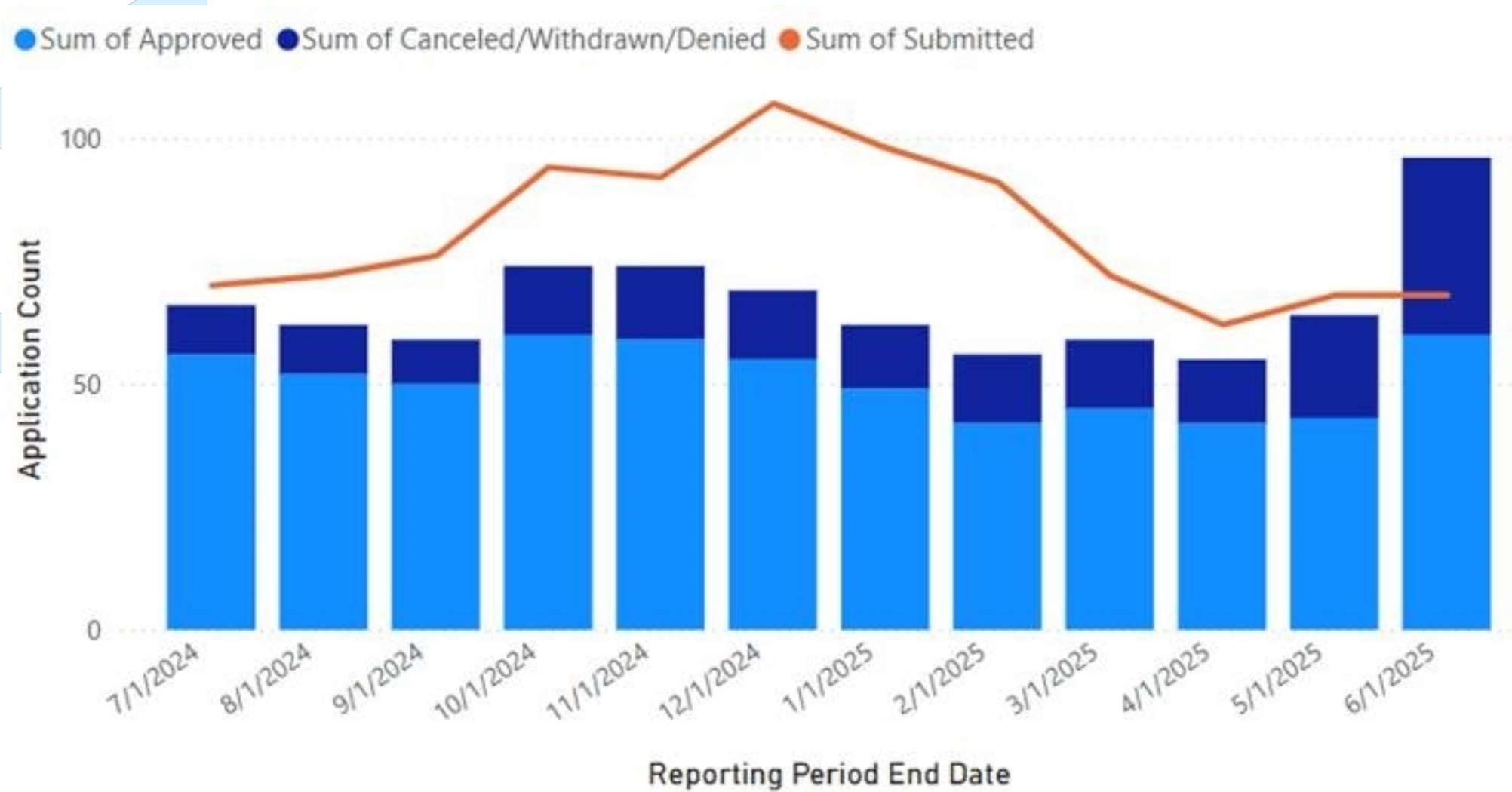
- Application status
- Visual timeline
- Time with Air District and applicant

Application Dashboard



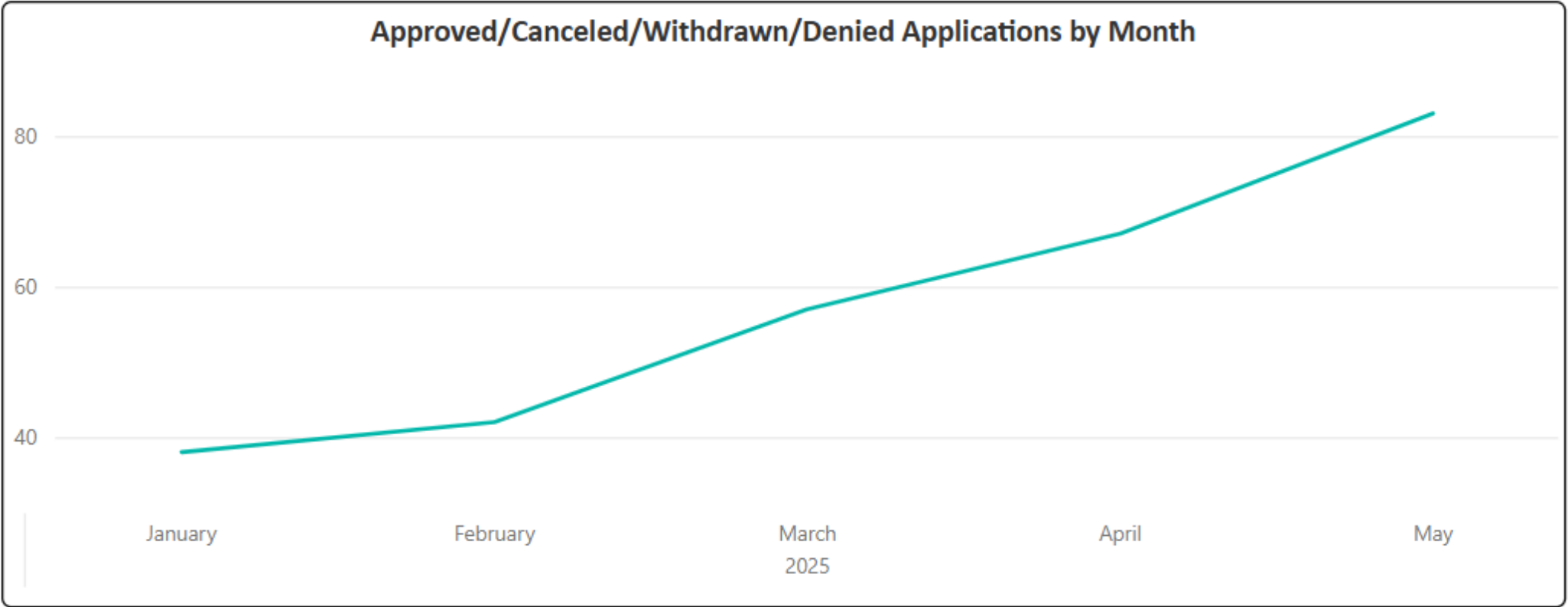
- *Outcomes***
- Prevents applications from going off track
 - Highlights applications that are off track in order to get them back on track

Recent Metrics: In vs. Out



- 3-month rolling average
- Submitted
 - Completed
- Large increase in Engines
- Nov-Dec 2024

Recent Metrics: Applications Completed



Data refreshed daily - last updated: 5/26/2025 3:08:18 AM

- Start to clear applications
- Incomplete
 - Legacy
 - Outdated

Recent Metrics: HRAs in Queue

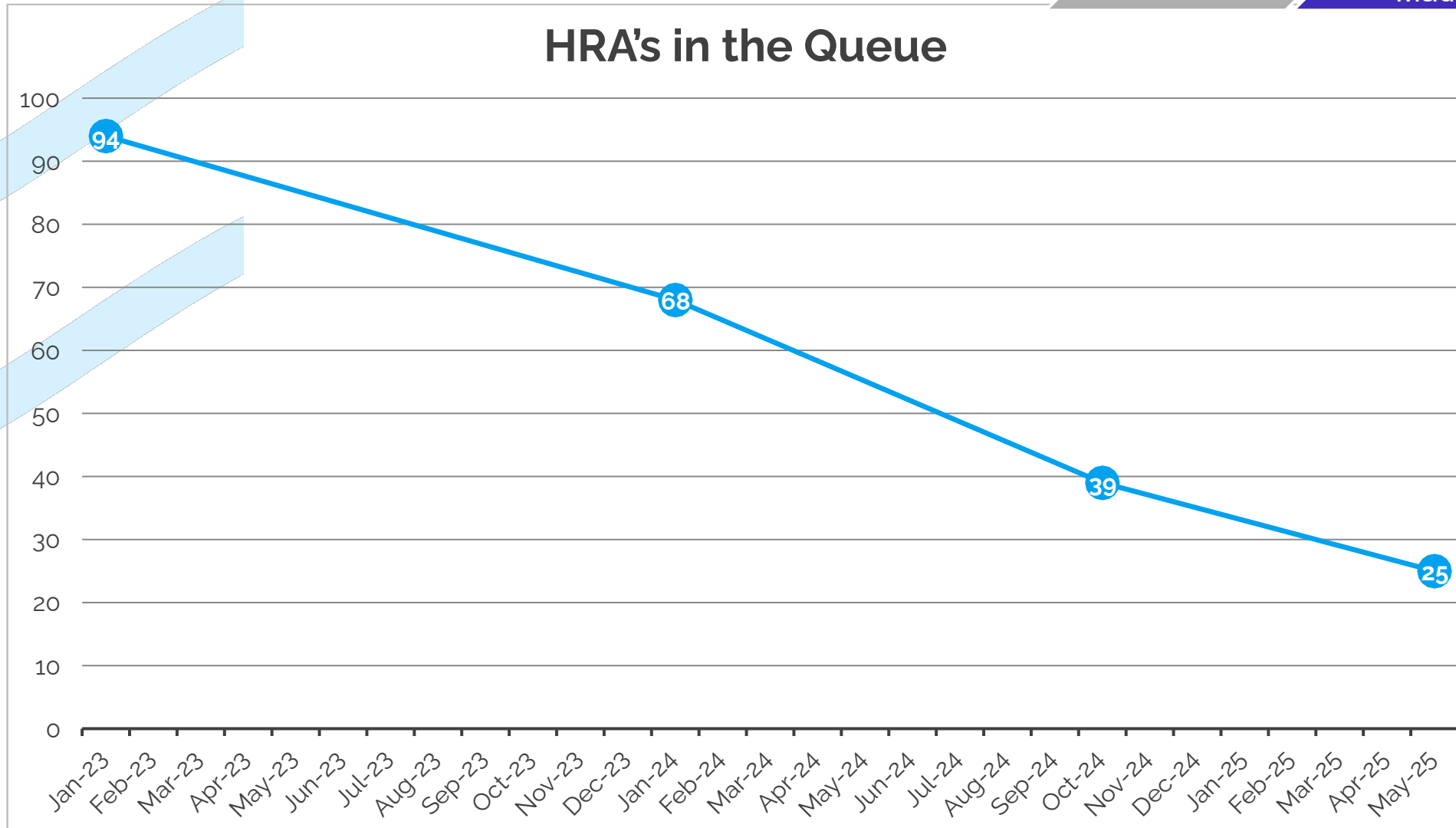
Background

Progress
Made

Backlog
Reduction

Next Steps

HRA's in the Queue



Continuous improvement:

- Staffing
- Streamlining
- Training

Maintenance level

- In=out

Recent Metrics: Timeliness for Completed Permit Applications

Background

Progress
Made

Backlog
Reduction

Next Steps

New source review (NSR) application processing times	# Evaluation to Approved/Deny	% Evaluation to Approved/Deny	# Submit to Approved/Deny	% Submitted to Approved/Deny
<90 days	1874	60%	1019	33%
90 to <180 days	624	20%	725	23%
180 days to <1 year	424	14%	851	27%
1 to <2 years	135	4%	375	12%
2 to <3 years	19	1%	79	3%
3 to <4 years	10	0%	22	1%
4 to <5 years	8	0%	16	1%
5+ years	6	0%	13	0%

Since 2021, once all information is provided by the applicant...

- 60% issued in 90 days or less
- 80% issued in 180 days or less

- Evaluation to Approved/Deny means length of time since application is declared “Complete”
- Submit to Approved means length of time since application was submitted
- January 2021 to June 2025 (excludes canceled and withdrawn)

Progress Made: Take-aways

Background

Progress
Made

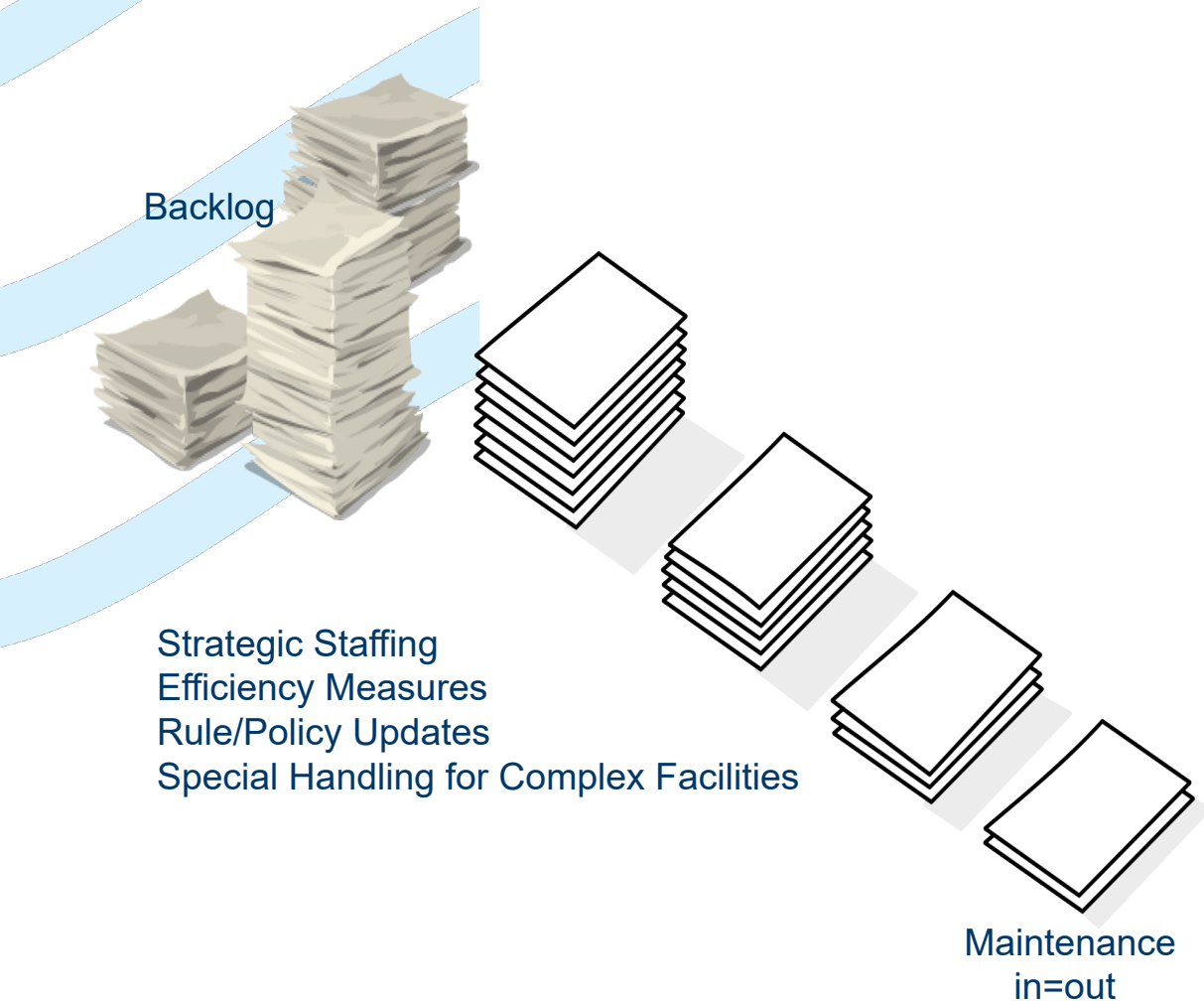
Backlog
Reduction

Next Steps

We are making progress but key sticking points for applicants exist:

1. 20% of completed permit applications take longer than 6 months for action
2. Permit applications can get stalled in the incomplete phase – 44% take longer than 6 months for action from time of submittal
 - It can take many months for the Air District to collect the information needed for a permit application to be deemed complete
3. Lack of dedicated staff to address backlogged permit applications

Backlog Reduction Timeline: Properly Resourced



Clear out legacy permit applications

- 105 applications pre-2021
- Act on all by 2027 (if not prevented by legal/policy issue)
- Tools: project management; permit streamline policies; temporary staff

Standard permit applications (e.g., engines, coatings)

- 558 active applications
- Achieve maintenance by 2027; with app > with Air District
- Tools: tracking, online applications, staffing increases

Complex permit applications

- 404 active applications
- Achieve maintenance by 2028; with app > with Air District
- Tools: EPM positions, rule/policy updates, staffing

Next Steps



Acceleration Plan: Near-term Actions

- System upgrades and tracking
- Policy/program: permit taskforce, rule/policy updates
- Staffing and Mid-year budget request

Long-term Actions

Key points: Increased resources and rule/policy updates are needed to bring about to accelerate timeliness of permit application processing.

Near-term Actions



Significant PCS Upgrades

- Add Source Test programs to PCS
- Add HRA data and metrics to PCS
- Strategize moving all renewals and applications submittals online (includes outreach and workgroups)
- Improved notification/reminders (e.g., 30-day reminder on Under Evaluation with Applicant, 10-day cancelation notice, permit expired)
- Improved tracking of Authority to Construct & Start-up

Near-term Actions (cont.)

Background

Progress
Made

Backlog
Reduction

Next Steps

Tracking Tools

- Tracking time permits are with applicants and with Air District staff
- Automated emails to applicants for applications that require attention
- Create tracking alerts for off-track permit applications requiring elevation and timely decision-making
- Expand/refine reports for better tracking
- Improved dashboards for efficient permit application tracking

Near-term Actions (cont.)

Background

Progress
Made

Backlog
Reduction

Next Steps

Policy/Program Updates

- Establish a **Permitting Taskforce** with applicants and other stakeholders
 - Support the transparent implementation of process, rule, and policy changes
 - Meet bi-monthly (minimum), to assess progress and get feedback
- Accelerate first phase of permitting rule amendments (Early 2026)
 - Focus on efficiency and clarity
 - Remove unnecessary bottlenecks and outdated language that do not provide meaningful air quality benefits
- Develop an updated permit streamlining policy
 - Provide predictable timelines for business and stable applications for efficient permit review
- Review/revise rules that require significant engineering resources
 - Revise without losing health protection
 - Examples: Regulation 12-15 emissions reporting and 11-18 process streamlining

Near-term Actions (cont.)

Background

Progress
Made

Backlog
Reduction

Next Steps

Staffing: Currently Approved

- Hiring a consistency coordinator – will bring consistency and transparency to BACT
- Hiring 2 EPMs for complex facilities
 - Webinar is planned for early August
- Contracted with an external refinery expert to assist with challenging technical issues that are causing delays in permit actions
- Aggressively back-filling vacancies – interviewing for 6 entry-level permit Engineers and 1 Principal Air Quality Engineer
- Seek assistance from retired annuitants for backlog-related work

Near-term Actions (cont.)

Background

Progress
Made

Backlog
Reduction

Next Steps

Developing a mid-year budget request for additional permitting resources for Board of Directors Consideration in early Fall 2025, including:

- **Temporary staffing** to clear the backlog:
 - Project managers to track and promote timely action on all permit applications
 - Limited-term contract employees for high-volume easy applications
 - Helpdesk technician to support expanded online application submittals

Near-term Actions (cont.)

Background

Progress
Made

Backlog
Reduction

Next Steps

Mid-year budget request for additional permitting resources for Board (cont.)

- **Additional permanent staffing** to support on-going demand for the Engineering Division
 - Entry-level Engineers to support categories such as back-up engines, landfills and compost, and material handling
 - Shift all non-refinery work away from refinery team
 - Additional staff at the supervisor level to manage the higher volume of applications we anticipate
 - Engineer position to support communication with external stakeholders
 - Improve customer relationships and transparency
 - Promote focus of permit engineers on their permit applications
- Other resources such as information technology, project management, and data analytics

Near-term Actions (cont.)

Background

Progress
Made

Backlog
Reduction

Next Steps

Mid-year budget request for additional permitting resources for Board (cont.)

Non-staff Resource Needs

- Conduct a full business process analysis to identify bottlenecks and additional efficiencies
- We issued the Request for Proposals in early July
- Consultants for efficiency analytics and project management
- On-going support for technical experts (e.g., refinery expert)
- Optimize helpdesk for online permit application submittals

Longer-term Actions



- Continuous Improvements to the PCS, including the external user experience
- Expand EPM program
- Continued rule updates, including backup engines (Rule 9-8) and remediation (Rule 8-47)
- Training
- Explore Artificial Intelligence and automation tools to expedite routine tasks

Questions & Discussion

For more information:

Pamela Leong | Director of Engineering | pleong@baaqmd.gov

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: July 16, 2025

Re: Committee Assignments

RECOMMENDED ACTION

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

BACKGROUND

The Air District's Board members are appointed to standing committees annually as directed in the Air District's Administrative Code:

"The Chairperson shall appoint members of the Board of Directors to the standing committees annually in January, or as soon thereafter as new members are named by their appointing authorities (except for the Nominating Committee, which shall be appointed as specified in Section 3.3(e)). The Chairperson may also appoint members at any time a vacancy occurs. The Chairperson shall ensure that Committee membership is rotated to provide equitable representation of cities and counties and geographical diversity to allow participation in the work of the Air District by as broad a representation as may be possible. In no event shall a committee be composed of a quorum of the Board of Directors or any committee of the Board."

(Air District Administrative Code § 3.4)

DISCUSSION

At the end of each calendar year, on behalf of the Chairperson of the Board, staff notify members of the Board that the Chair has initiated the process of appointing members to standing committees and request that Board members identify their interests in serving and if they wish to take on a leadership role. In this notification, Board members are provided with the full list of standing committees and a description of their work, as outlined in the Air District's Administrative Code. The Chairperson reviews the responses of interest and develops assignments for the coming year.

Moving forward, the Chairperson of the Board will continue to initiate a process of gathering interest in December of the preceding year. In addition, to increase transparency, a final roster will be provided in a future Board of Directors agenda packet.

Proposed Timeline

Timing	Action
Early December	Chairperson initiates process of appointing members; Air District notifies Board members to share interest
Late December	Board members submit requests
January	Chairperson reviews requests and finalizes roster of assignments*
February	Board of Directors Meeting Agenda includes the roster on the consent calendar

**This process could be delayed if there is a change in Chairperson*

Update Board of Directors Rules of Procedure

Air District staff is proposing to clarify and memorialize this process in the Board of Directors Rules of Procedure. If the Chairperson of the Board of Directors is slated to change, this process may be delayed and changed.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Sonam Shah-Paul
Reviewed by: Philip M. Fine and Vanessa Johnson

ATTACHMENT(S):

1. Current Board of Directors Rules of Procedure - Effective Jan. 1 2024
2. Committee Assignments Presentation



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

Board of Directors Rules of Procedure

Effective January 1, 2024

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT
BOARD OF DIRECTORS RULES OF PROCEDURE

SECTION 1. AUTHORITY FOR AND PURPOSE OF RULES

1.1 State Law.

The Board of Directors serves as the governing body of the Bay Area Air Quality Management District (“Air District”). (Health & Safety Code §§ 13840, 40220.) These rules govern the procedures for meetings of the Board of Directors.

1.2 Purpose.

These Rules of Procedure are intended to ensure that the Board of Directors can attend to business efficiently, fairly, with full participation of the Directors, while ensuring that members of the public are provided with an equal opportunity to observe and make public comments at Board meetings.

1.3 Applicability.

These Rules of Procedure govern meetings and conduct of the Board of Directors, and of committees of the Board of Directors to the extent the Rules are, by their nature, applicable to those committees. To the extent that any provision of the Air District Administrative Code or provision of state law conflicts with these Rules of Procedure, the Administrative Code or state law shall govern.

1.4 Discrimination-Free Environment.

As set forth more fully in the Air District’s Non-Discrimination Policy, the Air District is committed to maintaining a professional work environment, including at meetings of the Board of Directors and its Committees, that is free from discrimination and harassment, including but not limited to discrimination and harassment based on a protected category. The Non-Discrimination policy is designed to encourage professional and respectful behavior and to prevent discriminatory and harassing conduct in the workplace.

SECTION 2. MEETINGS AND ACTIONS, GENERALLY

2.1 Meetings to Be Public.

All meetings of the Board of Directors shall be open to the public, except that the Board may meet in closed session as permitted under the Ralph M. Brown Act (“Brown Act”). (Govt. Code §§ 54950 et seq.)

2.2 Record of Proceedings.

The Clerk of the Boards shall attend all meetings and keep a written account (“minutes”) of acts of the Board of Directors at all public portions of the meetings of the Board, and those minutes shall be permanently retained pursuant to the Air District’s Records Management and Retention Policy. The Clerk shall include the names of the Directors present in the minutes. The names of the Directors who arrive after the roll call, and the times of their arrivals, shall be noted in the minutes at the stage of the proceedings during which they arrived.

2.3 Air Pollution Control Officer (“APCO”).

The APCO, or their designee, shall attend all meetings of the Board of Directors.

2.4 General Counsel.

The General Counsel for the Air District, or their designee, shall attend all meetings of the Board of Directors unless excused and shall, upon request of the presiding officer, give an opinion, either written or oral, on questions of law.

2.5 Rosenberg’s Rules of Order.

In the absence of a rule herein to govern a point or procedure, and in absence of any controlling provision in the Air District Administrative Code or other legal authority, Rosenberg’s Rules of Order shall be used as a guide.

2.6 Written Correspondence.

The Clerk of the Boards shall furnish to the Board of Directors and to the APCO a synopsis of communications received for consideration by the Board up to twenty-four (24) hours prior to the time scheduled for a Board meeting.

2.7 Suspension of Rules.

The Board of Directors may, by affirmative vote of a majority of the Directors present at a meeting, suspend any provision of these rules not governed by state law or the Air District Administrative Code.

2.8 Amendment of Rules.

The Board of Directors may amend these rules by resolution adopted by a majority vote of the Board.

SECTION 3. TYPES OF MEETINGS.

3.1 Regular Meetings.

Regular meetings of the Board of Directors are held as specified in the Air District Administrative Code.

3.2 Special Meetings.

A special meeting is a meeting held at a time or place that is different from the regular time or place of regular meetings. The Chairperson, in consultation with the APCO, or the Board of Directors by a majority vote, may call for a special meeting. The notice and agenda for a special meeting shall specify the day, the hour, and the location of the special meeting and shall include an agenda of the items to be considered. Notice shall be provided to any local newspaper and radio or television station that has requested in writing to receive notice and shall be posted on the Air District website. No special meeting shall be held unless it complies with the twenty-four (24) hour minimum notice requirements set forth in the Brown Act. (Govt. Code § 54956.)

3.3 Emergency Meetings.

The Board of Directors may hold an emergency meeting if a majority of the members of the Board find that a work stoppage, crippling activity, or other activity severely impairs public health, safety, or both. In doing so, the Air District must comply with the notice and minutes requirements provided in Government Code section 54956.5.

3.4 Adjourned Meetings.

When the Board of Directors wishes to continue a regular or special meeting to a later date, the Board may, by majority vote, adjourn the meeting and continue it to a definite later time. The subsequent meeting is an “adjourned meeting.” Any meeting of the Board of Directors may be adjourned to a later date and time. The Clerk of the Boards shall provide notice of an adjourned meeting in the same manner required for a special meeting. A copy of the notice of adjournment shall be posted on or near the door of the place where the meeting was held within 2 hours of adjournment. If the adjourned meeting occurs more than five days after the meeting that was continued, a new agenda for the adjourned meeting shall be posted 72 hours in advance of the adjourned meeting. When a regular meeting is adjourned, the adjourned meeting is conducted in the same way as a regular meeting. (Govt. Code § 54955.)

3.5 Closed Sessions.

The Board of Directors may meet in closed session only as permitted by the Brown Act. Closed sessions shall normally be scheduled at the end of the Board of Directors meetings, although the Board may hold closed sessions at other times during meetings as appropriate. Before entering into the closed session, the Board of Directors shall take public comment on the closed session agenda item(s). After the closed session, the Board shall report any action taken in closed session and the vote of each member on that action as required by Government Code section 54957.1.

3.6 Disclosure of Information from Closed Session.

Members of the Board of Directors and all other persons attending a closed session may not disclose confidential information acquired in a closed session to a person not authorized to receive it unless the Board of Directors votes to disclose that information. “Confidential information” means a communication made in a closed session that is specifically related to the basis for the Board of Directors to meet lawfully in closed session. (Govt. Code § 54963.)

3.7 Cancellations

The Chairperson, in consultation with the APCO, may cancel a meeting. The Clerk of the Boards shall post notice of the cancellation at the Air District’s headquarters and on the Air District’s website.

SECTION 4. AGENDAS AND ORDER OF BUSINESS

4.1 Agenda.

The Clerk of the Boards shall prepare the agenda for a meeting of the Board of Directors as directed by the APCO in consultation with the Chairperson. The Clerk of the Boards shall prepare the agenda for a meeting of a Board of Directors committee meeting as directed by the APCO in consultation with the Chairperson of the committee. The agenda shall list all items to be considered at the meeting, in the order stated in section 4.3, below. The agenda shall contain a brief general discussion of each item of business to be transacted or discussed at the meeting. Each agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation to participate in the public meeting. (Govt. Code §§ 54954, 54954.2.)

4.2 Agenda posting, agenda packets.

The agenda and any supporting documents shall be provided to members of the Board of Directors, posted at the Air District’s headquarters, and posted on the Air District’s website, at least 72 hours before a regular meeting and at least 24 hours before a special meeting, and shall be provided to anyone who has requested, in writing, to receive copies of the agenda.

In the case of a teleconference meeting pursuant to Government Code section 54953, agendas shall also be posted at all teleconference locations at least 72 hours before a regular meeting and at least 24 hours before a special meeting.

Any public documents provided to the Directors less than 72 hours before the meeting shall be placed on the Air District’s website, if feasible, and be made available for review at the District Administrative Office. (Govt. Code §§ 54954.1, 54956, 54957.5.)

4.3 Order of Business.

To facilitate the orderly conduct of the business of the Air District Board of Directors, unless otherwise determined by the APCO and Chairperson, the meeting shall be conducted as follows:

1. CALL TO ORDER and ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. COMMENDATIONS AND PRESENTATIONS
4. CONSENT AGENDA
5. PUBLIC HEARINGS
6. ACTION ITEMS
7. INFORMATIONAL ITEMS
8. PUBLIC COMMENT ON NON-AGENDA ITEMS
9. BOARD MEMBER COMMENTS
10. CLOSED SESSION
11. ADJOURNMENT

4.4 Change to the Order of Business.

The presiding officer, or the Board of Directors upon a majority vote, may change the order of business as listed on the agenda for a meeting to facilitate the conduct of the meeting.

4.5 Consent Agenda.

Items of a routine or non-controversial nature may be placed on the Consent Agenda. The Board of Directors shall take public comment on the consent agenda items. All items may be approved by one blanket motion. Any Director may request that any item be withdrawn from the Consent Agenda for separate consideration.

4.6 Discussion of Items Not on the Agenda Prohibited.

Except as provided in section 4.7, the Board of Directors may not discuss, deliberate, or take action on any item not appearing on the agenda. A Director or staff member may briefly respond to statements made or questions posed by members of the public during public comment. A Director or staff member may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. A Director may provide a reference to the APCO or other resources for information, request that the APCO report back to the Board of Directors at a subsequent meeting concerning any matter, or request that a matter be placed on a future agenda for discussion. (Govt. Code § 54954.2(a)(3).)

4.7 Exceptions for Considering Items Not on the Agenda.

The Board of Directors may discuss or take action on an item not on the agenda only under the following circumstances, and only after publicly identifying the item and the basis for taking action:

1. Upon a determination by a majority vote of the Board of Directors that an emergency exists. For purposes of this section, an emergency is defined as a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both, as determined by a majority of the members of the Board of Directors.
2. Upon a determination by a two-thirds vote of the Board of Directors present at the meeting, or, if less than two-thirds of the Directors are present, a unanimous vote of those Directors present, that there is a need to take immediate action and that the need for action came to the attention of the Air District after the agenda was posted.
3. The item was posted for a prior meeting of the Board of Directors occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(Govt. Code § 54954.2 (b).)

SECTION 5. CONDUCT OF MEETINGS.

5.1 Call to Order.

The Chairperson shall preside over meetings of the Board of Directors and shall commence each meeting by calling the meeting to order. In the absence of the Chairperson, the Vice-Chairperson shall preside. In the absence of both officers, the Clerk of the Boards shall call the meeting to order. The Directors present shall then, by majority vote of those present, appoint a temporary presiding officer. Upon arrival of the Chairperson or Vice-Chairperson, the temporary presiding officer shall relinquish the chair immediately.

5.2 Preservation of Order.

The presiding officer shall preserve order and decorum and shall confine the debate to the question under discussion. The presiding officer, in the interest of efficiently completing the business of the Board of Directors, may limit the time allotted to Directors to speak and debate, provided that each Director has an equal opportunity to speak on the issue.

5.3 Points of Order.

Directors may raise points of order and questions of privilege, including points of information or clarification. The presiding officer shall determine all points of order, subject to the right of any Director to appeal to the Board of Directors.

5.4 Procedure for Board Consideration of Agenda Items.

The presiding officer shall lead the Board of Directors in consideration of each agenda item according to the following procedure. The presiding officer may adjust the procedure to facilitate efficient consideration of the item.

1. The presiding officer shall call the item.
2. The APCO, the APCO's designee, and/or an invited expert shall provide a report on the item.
3. The presiding officer shall provide an opportunity for Directors to ask questions of staff or an invited expert.
4. The presiding officer shall provide an opportunity for members of the public to provide comments.
5. If the item is an action item, the presiding officer shall entertain a motion and a second on the item.
6. The presiding officer shall provide an opportunity for discussion and deliberation by the Board of Directors and, if the item is an action item, a vote on the pending motion.

5.5. Hearings When Board sits as a Quasi-Adjudicatory Body.

If the Board of Directors is acting in a quasi-adjudicatory capacity, the hearing shall be conducted in the following manner:

1. The Directors disclose any ex parte communications.
2. Staff report.
3. Directors ask questions of staff.
4. The presiding officer then opens the public portion of the hearing.
5. Presentation by appellant/applicant (10 minutes).
6. Directors question appellant, applicant and/or staff.
7. Public comment.

8. Rebuttal by staff (5 minutes).
9. Rebuttal by appellant/applicant (5 minutes)
10. Final Board questions of appellant/applicant.
11. Final Board questions of staff.
12. Presiding officer closes the public portion of hearing.
13. Board discusses, deliberates, makes findings, and takes final action by motion.

At any hearing before the Board sitting as the Board of Appeal, the Board may require that parties and their representatives and witnesses testify under oath.

SECTION 6. VOTING PROCEDURE.

6.1 Voting Procedure.

When meetings are held using teleconferencing, the Clerk shall call for a roll call vote on each action. When meetings occur without teleconferencing, a vote may be taken by roll call vote or other method, provided that each Director casts a vote or indicates their abstention, and the Clerk of the Boards or presiding officer can state the number of votes for and opposed and the number of abstentions. A Director must vote for or against or abstain on each item. If a Director is recused from voting on a matter due to a conflict of interest, the Director must comply with section 6.4, below.

(Govt. Code § 54953(b)(2).)

6.2. Announce Vote.

The presiding officer or Clerk of the Boards shall publicly report any action taken and the vote or abstention on that action of each member present for the action. (Govt. Code § 54953.)

6.3 Reconsideration.

Any Director who voted with the majority on an action may move for reconsideration of that action at the same meeting. After a motion for reconsideration has been acted upon, no other motion for reconsideration of that action shall be made without unanimous consent of the Board of Directors.

6.4 Conflict of Interest.

All Directors are subject to the provisions of Government Code section 1090 *et seq.*, the Political Reform Act (Government Code section 87100 *et seq.*), and applicable regulations regarding conflicts of interest. Any Director prevented from voting on a matter because of a conflict of

interest or a declared financial interest shall identify the conflict, leave the dais, refrain from discussion, debate and voting on that matter.

SECTION 7. PUBLIC PARTICIPATION.

7.1 Conditions of Attendance.

(a) The Air District may not require a member of the public to provide their name or other information or to complete a questionnaire as a condition for attending or speaking at a Board of Directors or Board committee meeting. Any attendance list, questionnaire, or other document circulated at a meeting must state clearly that signing or completing the document is optional.

(b) No attendee of a Board of Directors meeting, at any meeting site or virtually, shall engage in conduct that disrupts the orderly conduct of the meeting, including but not limited to using loud or threatening language, whistling, clapping, stamping feet, or speaking over or interrupting the recognized speaker.

(Govt. Code §§ 54953.3; 54954.3(b)(1).)

7.2 Public Comment at Meetings.

(a) Public Comment Requirements.

Each agenda for a regular meeting shall provide for public comment on any matter within the subject matter jurisdiction of the Air District. At every regular and special meeting, the agenda shall provide an opportunity for members of the public to directly address the Board of Directors on each item on the agenda, before or during the Board's consideration of the item.

(b) Manner of Addressing the District Board.

A member of the public wishing to address the Board of Directors shall wait to be recognized by the presiding officer. Once recognized, the person shall direct their remarks to the Chairperson and not to any individual Board member, employee, or other person.

(c) Public Comment Rules.

(1) Time Limits

The presiding officer or the Board of Directors, upon majority vote, may reasonably limit the total amount of time allocated for public comment on particular items and may limit the time for each individual speaker. Members of the public who wish to speak on an item on the agenda for a meeting, or who wish to speak on non-agenda matters, shall be allowed two minutes each to address the Board on that item, unless a different time limit is established by the Chairperson for that item.

(2) Time Limits for Those Using a Translator

If a member of the public uses a translator when making public comment, the Board of Directors shall allow that person at least twice the amount of time otherwise allowed for public comment on that item.

(3) Public's Right to Criticize.

The Board of Directors shall not prohibit public criticism of the policies, procedures, programs, or services of the Air District, or of the acts or omissions of the Board.

(Govt. Code § 54954.3.)

7.3 Removal of Disruptive Individuals.

(a) Threat of Force

The presiding officer may order an individual to be removed from a Board of Directors meeting when the individual is engaging in behavior that constitutes use of force or a “true threat of force,” meaning a threat that has sufficient indicia of intent and seriousness that a reasonable observer would perceive it to be an actual threat to use force by the person making the threat.

(b) Disruptive Conduct

(1) The presiding officer may order an individual to be removed from a Board of Directors meeting when the individual is engaging in behavior that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting, which may include but is not limited to failing to comply with these Rules of Procedure.

(2) Continued use of loud, threatening, profane, or abusive language or discriminatory or harassing remarks after a warning from the presiding officer impedes the orderly conduct of the meeting because it interferes with the Board's ability to accomplish its functions in a reasonably efficient matter by causing a distraction from Air District business, chilling public participation, interfering with the ability of those present to listen and understand the business and proceedings of the Air District, and may constitute or contribute to employment discrimination. “Discriminatory or harassing remarks” is speech, the content of which may be legally protected, at a Board of Directors meeting that disparages an individual or group based on a protected class or violates the Air District's Non-Discrimination Policy.

(3) Prior to ordering the removal of the individual for disruptive conduct, the presiding officer shall warn the individual that their behavior is disrupting the meeting and shall follow the procedures in Section 7.4 below if applicable.

7.4 Disruptive Discriminatory or Harassing Remarks.

When a person makes discriminatory or harassing remarks, as defined in Section 7.3(b)(2), that disrupts, disturbs, impedes, or renders infeasible the orderly conduct of a meeting, the presiding officer shall take the following actions:

(a) The presiding officer shall stop the speaker and read the relevant portions of the Air District's Non-Discrimination Policy. The presiding officer shall state that the Air District does not condone comments in violation of the Air District's Policy and that the speaker's language is unwanted and unwelcome and impedes the orderly conduct of the meeting by interfering with the Board's ability to accomplish its functions in a reasonably efficient matter by causing a distraction from Air District business, chilling public participation, interfering with the ability of those present to listen and understand the business and proceedings of the Air District, and may constitute or contribute to employment discrimination.

(b) The presiding officer shall state that any Air District employee present may be excused from attendance at the meeting during the speaker's remarks.

(c) The presiding officer shall hold the speaker's time and the speaker may resume speaking after the presiding officer's admonishment, unless the speaker's comments continue to disrupt, disturb, or impede the orderly conduct of the meeting. If the speaker continues to disrupt, disturb, or impede the orderly conduct of the meeting, the presiding officer may prohibit the speaker from further commenting or may order the speaker to be removed from the meeting.

(d) After the end of the speaker's comments, any Director may make a brief response to such comments, if desired.

(Govt. Code § 54957.95.)

7.5 Disruptions by Groups of People.

If a meeting is willfully disrupted by a group of people so as to render the orderly conduct of the meeting unfeasible, the presiding officer shall first attempt to maintain order. If unsuccessful, the presiding officer may call a recess, adjourn the meeting to another date, or order the removal of the people disrupting the meeting. If order is not restored by removing the people disrupting the meeting, the presiding officer may order the meeting room cleared and continue holding the meeting. Representatives of the media, except those participating in the disturbance, shall be allowed to continue attending the meeting. (Govt. Code § 54957.9.)

SECTION EIGHT. BOARD OF DIRECTORS CODE OF CONDUCT.

8.1 Code of Conduct Generally.

Members of the Board of Directors shall accord the utmost courtesy to each other, to Air District employees, and to the public appearing before them, and they shall always refrain from rude and derogatory remarks, reflections as to integrity, abusive comments, and statements as to motives

and personalities. Directors shall comply with the requirements of Administrative Code section 2.9 and not engage in interference in administrative affairs.

8.2 Conduct at Meetings of the Board of Directors

Members of the Board of Directors shall practice and promote civility and decorum in discussions and debate. Directors shall honor and support the role of the presiding officer in maintaining order and equity and the presiding officer's efforts to focus discussion on current agenda items. Each Director shall be given an equal opportunity to speak on each item of business at Board meetings. The presiding officer shall not influence, interfere with, or otherwise guide discussion in such a way as to prejudice the proceedings.

Upon taking an action, the will of the majority of the Board of Directors shall prevail. Each Director shall be responsible for and obligated to respect and uphold the action regardless of their individual opinion on the subject matter. A Director may express a personal view, so long as the Director makes clear that their view is not the position of the Board of Directors.

8.3 Violations of the Code of Conduct

If the Board of Directors determines that a Director has violated the Air District Administrative Code, these Rules of Procedure, or any other policy approved by the Board of Directors, the Board, may, in addition to any remedy permitted under state law, take any or all of the following actions.

(a) Censure

The Board of Directors may adopt a resolution that censures the Director.

(b) Express Disapproval

The Board of Directors may adopt a resolution that does not censure the Director, but still expresses the Board's disapproval of the Director's conduct or acknowledges that the Director violated the Administrative Code, Rule, or policy.

(c) Removal of Officer

If the Director serves as an officer, the Board of Directors may, as provided in the Air District Administrative Code section 2.8, upon a two-thirds vote, remove the Director from their officer position.

(d) Removal from Committee

The Board of Directors may direct the Chairperson to remove the Director from any or all committees upon which the Director serves.

(e) Inform Appointing Authority

The Board of Directors may direct the Chairperson to inform the Director's appointing authority of the Board's action relating to the Director.



Committee Assignments

Finance and Administration Committee

July 16, 2025

Dr. Philip M. Fine

Executive Officer / Air Pollution Control Officer

Air District Administrative Code

The Chairperson shall appoint members of the Board of Directors to the standing committees annually in January, or as soon thereafter as new members are named by their appointing authorities (except for the Nominating Committee, which shall be appointed as specified in Section 3.3(e)). The Chairperson may also appoint members at any time a vacancy occurs. The Chairperson shall ensure that Committee membership is rotated to provide equitable representation of cities and counties and geographical diversity to allow participation in the work of the Air District by as broad a representation as may be possible. In no event shall a committee be composed of a quorum of the Board of Directors or any committee of the Board.

(Air District Administrative Code § 3.4)

Current Process

- At the end of the year, Chairperson initiates process to assign Board members to Committees
- Air District notifies Board members and gathers interest
- Chairperson reviews interests and determines assignments
- Chairperson shares roster with Air District leadership
- Air District updates materials with new Committee assignments

Proposed Timeline

Timing	Action
Early December	Chairperson initiates process of appointing members; Air District notifies Board members to share interest
Late December	Board members submit interest
January	Chairperson reviews requests and finalizes roster of assignments*
February	Board of Directors Meeting Agenda item includes the committee assignments (informational only, on the consent calendar)

**This process could be delayed if there is a change in Chairperson*

Board of Directors Rules of Procedure

- Air District staff is proposing to clarify and memorialize this process in the Board of Directors Rules of Procedure.

Questions & Discussion

For more information:

Dr. Philip M. Fine | Executive Officer | pfine@baaqmd.gov