Bay Area Air District

Board of Directors MEETING December 2, 2026

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

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

Mountain View City Hall
City Council Conference Room
Third Floor
500 Castro Street
Mountain View, CA 94040

City of San Bruno
567 El Camino Real, Room 138
San Bruno, CA 94066

Hayward City Hall
777 B St, Room 4A
Hayward, CA 94541

Gaylord Pacific Resort & Convention Center
1000 H St, Room 22097
Chula Vista, CA 91910

THE FOLLOWING STREAMING OPTIONS WILL ALSO BE PROVIDED

These streaming options are provided for the public's convenience. In the event that streaming connections malfunction for any reason, the Board of Directors may continue with the meeting without remote webcast and/or Zoom access in accordance with the Air District's Broadcast Technology Disruption Policy.

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

Members of the public may participate remotely via Zoom at https://bayareametro.zoom.us/j/88236771867 or may join Zoom by phone by dialing (669) 900-6833 or (408) 638-0968. The Webinar ID for this meeting is: 882 3677 1867

PUBLIC COMMENT ON AGENDA ITEMS

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

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

BOARD OF DIRECTORS
MEETING AGENDA

WEDNESDAY, DECEMBER 2, 2026
10:00 AM

Chairperson, Lynda Hopkins

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

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

2. **Pledge of Allegiance**

CLOSED SESSION

NOTE FOR MEMBERS OF THE PUBLIC INTERESTED IN ATTENDING OPEN SESSION ITEMS: OPEN SESSION WILL NOT RESUME BEFORE 10:30 A.M.

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

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

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

4. Public Employee Appointment and Employment

   Pursuant to Government Code Section 54957(b)

   Title: General Counsel

OPEN SESSION - OPEN SESSION WILL NOT RESUME BEFORE 10:30 A.M.

5. Public Comment on Non-Agenda Matters

Pursuant to Government Code Section 54954.3, members of the public who wish to speak on matters not on the agenda will be given an opportunity to address the Board of Directors. Members of the public will have two minutes each to address the Board, unless a different time limit is established by the Chair. If public comment lasts more than 30 minutes, this item may be continued to later in the meeting. Any person who has not had an opportunity to speak on matters not on the agenda may provide their comment at that time.

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

6. Special Orders of the Day

CONSENT CALENDAR (Items 7 - 27)

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

7. Approval of the Draft Minutes of the Special Board of Directors Meeting of October 30, 2026

The Board will consider approving the Draft Minutes of the Special Board of Directors Meeting of October 30, 2026.

8. Approval of the Draft Minutes of the Board of Directors Meeting of November 4, 2026

The Board will consider approving the Draft Minutes of the Board of Directors Meeting of November 4, 2026.

9. Notices of Violations Issued and Settlements in Excess of $10,000 in the Month of October 2026

In accordance with Board Resolution No. 2012-08, staff will provide the Board of Directors with a list of all Notices of Violations issued, and all settlements for amounts in excess of $10,000, during the month of October 2026.

10. Personnel Out-of-State Business Travel Report for October 2026

In accordance with Section 1.1.3 of the Air District's Employee Business and Travel Expense Policy, the Board of Directors will be notified of Air District personnel who have traveled on out-of-state business.

11. Authorization of Transportation Fund for Clean Air Funding for Fiscal Year Ending 2025 Charge! Program Projects

The Board of Directors will consider allocating $8.9 million in Transportation Funding for Clean Air funds from available prior fiscal year allocations to support Fiscal Year Ending 2025 Charge! Program projects approved by the Board on December 3, 2025, and authorizing the Executive Officer/APCO to enter into all necessary agreements to implement the funding.

12. Authorization to Execute Contract with Pacific Policy Group for State Legislative Advocacy Assistance

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract with Pacific Policy Group, for a term of up to five years beginning February 1, 2027, and in an amount not to exceed $504,000, for state legislative advocacy assistance.

13. Authorization to Execute Contract with Clearsparc or Oshyn, Inc. for Software Development and Maintenance for Open Air Community Data Portal

The Board of Directors will consider authorizing the Executive Officer/APCO (i) to execute a contract with Clearsparc for software development and maintenance services for the Open Air Community Data Portal, in an amount not to exceed $1,298,000, contingent upon the determination that Clearsparc has demonstrated its ability to provide qualified personnel to meet the staffing requirements needed for the contract by December 7, 2026; and (ii) in the alternative, if Clearsparc is unable to meet the staffing requirements, to enter into a contract with Oshyn, Inc., subject to the same not-to-exceed amount and substantially the same scope of services.

14. Authorization to Amend Contract with Atkinson, Andelson, Loya, Ruud & Romo for Human Resources and Labor-Relations-Related Outside Counsel Services

The Board of Directors will consider authorizing the General Counsel to amend the contract with Atkinson, Andelson, Loya, Ruud & Romo to increase the total not-to-exceed amount of the agreement by $1,000,000, from $1,337,500 to $2,337,500, for human-resources-related outside counsel representation, including labor negotiation, labor relations, meet-and-confer process, arbitration, and unfair labor practice charges.

15. Authorization to Amend Contract with Niloufar Nazmi for Board Chair Support

The Board of Directors will consider authorizing the Executive Officer/APCO to amend the contract with Niloufar Nazmi to increase the total not-to-exceed amount of the contract by $328,800, from $150,000 to $478,800, and to extend the end of the contract term from September 1, 2027, to December 31, 2029, for continued support as a consultant to the Chair of the Board.

16. Authorization to Execute Contract with Syft Technologies, Inc. for Equipment to Support the Refinery Community Air Monitoring Program

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract with Syft Technologies, Inc. to purchase two selected ion flow tube mass spectrometers in an amount not to exceed $950,000, and authorizing the transfer of funds from Schedule X Capital Reserves to Program 812 for these expenditures. These instruments will be used for measuring criteria gases and volatile organic compounds at ambient air monitoring stations in communities near refineries.

17. Authorization to Execute Contract with Carahsoft Technology Corporation to Purchase One-Year Salesforce Licenses to Support the Grants Management System

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract with Carahsoft Technology Corporation to purchase one-year Salesforce licenses in an amount not to exceed $240,000, to support the Grants Management System.

18. Correction of Transportation Fund for Clean Air Grant Funding Allocation for Fiscal Year 2026–2027

The Board of Directors will consider adopting a corrected Transportation Fund for Clean Air grant funding allocation for Alameda County for Fiscal Year 2026–2027 to correct a typographical error in the funding table the Board previously adopted on May 6, 2026.

19. Amendments to the Air District's Administrative Code and Meeting Compensation and Expense Reimbursement Policy

The Board of Directors will consider adopting amendments to Administrative Code section 5.5 and Meeting Compensation and Expense Reimbursement Policy section 1.2. The proposed amendments will allow Community Advisory Council members to be compensated for expanded participation in Standing and Ad Hoc Committees, Board Meetings, Working Groups, Technical Advisory Council collaboration, and other agency activities as needed.

20. Fiscal Year 2026–2027 Mid-Year Budget Request and Proposed Staffing Modifications

The Board of Directors will consider adopting proposed mid-year budget modifications and authorizing $261,927 in funding sources to fund proposed staffing modifications to align with operational priorities.

21. Fiscal Year 2026–2027 Salary Schedule for Deleted Classifications

The Board of Directors will consider adopting a salary schedule for represented job classifications that were deleted effective September 5, 2026, as part of the Comprehensive Classification Study. This action would establish a Board-approved salary schedule for the period from July 1, 2026, through September 5, 2026, during which employees remained in and were compensated under these classifications until the 2025–2028 Memorandum of Understanding, which contained the revised and new classifications, was approved. Adoption of the salary schedule is an administrative action intended to formally authorize and document compensation paid while the classifications were active and to ensure compliance with Board compensation approval requirements.

22. Publication of 2027 Regulatory Agenda

The Board of Directors will consider publishing the Air District's list of all the regulatory measures the Board may consider in 2027. State law requires the Air District to publish a list of regulatory measures scheduled or tentatively scheduled for consideration during the upcoming year.

23. Proposed Board and Committee Meeting Schedule for Calendar Year 2027

The Board of Directors will consider adopting a Resolution establishing the Board and Committee Meeting Schedule for Calendar Year 2027.

24. Report of the Community Advisory Council Special/Retreat Meeting of October 29, 2026

The Board of Directors will receive a report of the Community Advisory Council Special/Retreat Meeting of October 29, 2026.

For the full Council agenda packet and materials, click on the link below: www.baaqmd.gov/en/about-the-air-district/community-advisory-council/agendasreports

25. Report of the Technical Advisory Council Meeting of November 9, 2026

The Board of Directors will receive a report of the Technical Advisory Council Meeting of November 9, 2026.

For the full Council agenda packet and materials, click on the link below: https://www.baaqmd.gov/en/About-the-Air-District/Advisory-Council/AgendasReports

26. Report of the Policy, Grants, and Technology Committee Meeting of November 18, 2026

The Board of Directors will receive a report of the Policy, Grants, and Technology Committee Meeting of November 18, 2026.

For the full Committee agenda packet and materials, click on the link below: www.baaqmd.gov/bodagendas

27. Report of the Community Advisory Council Meeting of November 19, 2026

The Board of Directors will receive a report of the Community Advisory Council Meeting of November 19, 2026.

For the full Council agenda packet and materials, click on the link below: www.baaqmd.gov/en/about-the-air-district/community-advisory-council/agendasreports

ACTION ITEM(S)

Action items are items in which a formal action by the Board of Directors is requested or recommended. The Board may take the action requested or recommended, may take a different action within the scope of the agendized item, or may take no action.

28. General Counsel's Employment Agreement

The Board of Directors will consider approving the next General Counsel's employment agreement and authorizing the Board Chairperson to execute the agreement. The next General Counsel will be appointed to succeed current General Counsel Alexander Crockett, who is retiring at the end of the year. This item will be presented by Lynda Hopkins, Chairperson of the Board.

DISCUSSION ITEM(S)

Discussion items are items in which no formal action by the Board of Directors is requested or recommended. These items are intended primarily to provide information and an opportunity for the Board to discuss the matter. The Board may nevertheless take any action within the scope of the agendized item.

29. Staff Response to the Community Advisory Council's Compliance and Enforcement Recommendations

The Board of Directors will discuss Air District staff's responses to the Community Advisory Council's Compliance and Enforcement Recommendations. The Board of Directors discussed these recommendations at its meeting on April 1, 2026. The Board directed staff to review and analyze the Community Advisory Council's seven recommendations and evaluate their alignment with ongoing policy, assessment, and implementation efforts. Staff will describe how the recommendations align with the 2024–2029 Strategic Plan and how planned work efforts for strategic plan commitments advance each recommendation. The Board will discuss progress and next steps. This item will be presented by Dr. Meredith Bauer, Principal Deputy Executive Officer, and Latasha Washington, Community Advisory Council Co-Chair.

30. New Legal Enforcement Policy

The Board of Directors will discuss the Air District's draft Legal Enforcement Policy. The new Legal Enforcement Policy publicly documents how the Air District's Office of General Counsel takes legal action to enforce air quality regulations to further the agency's mission of protecting public health and reducing historical and current environmental inequities. The Office of General Counsel published a draft of the new policy and held a public comment period that closed on November 30, 2026. This item will provide the Board with an opportunity to provide comments and feedback, which will be incorporated into the final version of the Policy. This item will be presented by General Counsel Alexander Crockett.

31. Zero NOx Readiness Report for Regulation 9, Rule 4: Nitrogen Oxides from Natural Gas-Fired Furnaces

The Board of Directors will discuss an update regarding market status and implementation challenges for the zero-nitrogen oxides standard in Regulation 9, Rule 4: Nitrogen Oxides Emissions from Natural Gas-Fired Furnaces. The discussion and accompanying report were required as part of the Board's adoption of amendments to Rules 9-6 and 9-4 ("building appliance rules") in March 2023. The presentation and report provide an overview of status updates regarding readiness, challenges, and next steps for implementing these rules. This update focuses on Rule 9-4, which establishes a zero-NOx requirement for furnaces starting January 1, 2029. The latest information being presented was developed through the 2025-2026 multi-stakeholder engagement process of the Implementation Working Group (IWG), along with technical research studies and targeted discussions with other key stakeholders. This item will be presented by Greg Nudd, Deputy Executive Officer of Policy.

OTHER BUSINESS

32. Board Member Comments

Any member of the Board, or its staff, on their own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on their 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)

33. Report of the Executive Officer/APCO

34. Chairperson's Report

35. Time and Place of Next Meeting

Wednesday, January 27, 2027, at 10:00 a.m. The meeting will be held in-person at Hayes Mansion San Jose, 200 Edenvale Avenue, San Jose, CA 95136. Members of the Board of Directors and the public may attend at this in-person location, and members of the public may also attend virtually via webcast.

36. Adjournment

The Board meeting shall be adjourned by the Board Chair.

CONTACT:
MANAGER, EXECUTIVE OPERATIONS **(415) 749-4941**
375 BEALE STREET, SAN FRANCISCO, CA 94105 **FAX: (415) 928-8560**
vjohnson@baaqmd.gov **Air District 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 less than 72 hours before the meeting shall be made available at the Air District's offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

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

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

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

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

Questions regarding this Policy should be directed to the Air District's Non-Discrimination Coordinator, Kimberly Leefatt, Civil Rights Officer at 415-749-4610 or by email at non-discriminationcoordinator@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

DECEMBER 2026

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Meeting	Wednesday	2	10:00 a.m.	1st Floor Board Room
Board of Directors Stationary Source Committee	Wednesday	9	10:00 a.m.	1st Floor, Yerba Buena Room
Board of Directors Community Equity, Health, and Justice Committee	Wednesday	9	1:00 p.m.	1st Floor, Yerba Buena Room
Board of Directors Policy, Grants and Technology Committee	Wednesday	16	10:00 a.m.	1st Floor Board Room
Board of Directors Finance and Administration Committee	Wednesday	16	1:00 p.m.	1st Floor Board Room

JANUARY 2027

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Community Advisory Council	Thursday	21	6:00 p.m.	1st Floor, Yerba Buena Room
Board of Directors Special Meeting/Retreat	Wednesday	27	10:00 a.m.	Hayes Mansion San Jose 200 Edenvale Avenue San Jose, CA 95136

11/23/26 – 10:11 a.m. JMB G/Board/Executive Office/Moncal

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Approval of the Draft Minutes of the Special Board of Directors Meeting of October 30, 2026

RECOMMENDED ACTION

Approve the attached Draft Minutes of the Special Board of Directors Meeting of October 30, 2026.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the Draft Minutes of the Special Board of Directors Meeting of October 30, 2026.

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 Special Board of Directors Meeting of October 30, 2026

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

Board of Directors Special Meeting
Wednesday, October 30, 2026

DRAFT MINUTES

This meeting was webcast, and a video recording is available on the website of the Bay Area Air District at
www.baaqmd.gov/bodagendas

CALL TO ORDER

1. **Opening Comments:** Board of Directors (Board) Chairperson, Lynda Hopkins, called the meeting to order at 10:09 a.m.

ROLL CALL:

Present, In-Person (Bay Area Metro Center, 375 Beale Street, 1st Floor Board Room, San Francisco, CA, 94105): Chairperson Lynda Hopkins; and Directors Dionne Adams, Gabe Quinto, Mark Salinas, Linda Sell, and Steve Young.

Present, In-Person Satellite Location: (Napa County Administration Building, 1195 Third Street, Suite 310, County Executive's Office, Napa, CA 94559): Director Joelle Gallagher.

Present, In-Person Satellite Location: (City of Mountain View City Hall City Council Conference Room Third Floor 500 Castro Street Mountain View, CA 94040): Director Chris Clark.

Present, In-Person Satellite Location: (Office of Santa Clara County, 70 W. Hedding St, 1st Floor Conference Room, San Jose, CA 95110): Director Otto Lee.

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

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

Present, In-Person Satellite Location: (San Bruno Fire Station 51, 555 El Camino Real, San Bruno, CA 94066): Director Rico E. Medina.

Arrived After Roll Call: Director Brian Colbert (arrived at 11:44 a.m., at the Bay Area Metro Center in San Francisco.)

Absent: Directors Monica Brown, Ken Carlson, Noelia Corzo, Juan González III, David Haubert, Tyrone Jue, Bilal Mahmood, Ray Mueller, Lena Tam, and Shamann Walton.

2. **PLEDGE OF ALLEGIANCE**

CLOSED SESSION (10:10 a.m.)

NOTED PRESENT: Director Colbert was noted present at 11:44 a.m.

Public Comments

No requests received.

3. **CONFERENCE WITH LEGAL COUNSEL RE ANTICIPATED LITIGATION PURSUANT TO GOVERNMENT CODE SECTIONS 54956.9(a), (d)(2) AND (e)(3)**

Pursuant to Government Code Sections 54956.9(a), (d)(2) and (e)(3), the Board of Directors met in Closed Session with Legal Counsel to discuss a significant exposure to litigation regarding the government code claim of Mia Rose Madden received by the Air District on September 30, 2026.

Reportable Action: Alexander Crockett, General Counsel, announced that there was no reportable action.

4. **PUBLIC EMPLOYEE APPOINTMENT AND EMPLOYMENT**

Pursuant to Government Code Section 54957(b)

Title: General Counsel

Reportable Action: Mr. Crockett announced that there was no reportable action.

OPEN SESSION (2:24 p.m.)

At 2:24 p.m., a quorum of Board members (in any location) was lost, and the meeting was forced to adjourn. Items 5, 6, and 7 did not occur.

5. **BOARD MEMBER COMMENTS**

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

Wednesday, November 4, 2026, at 9:00 a.m. The meeting will be held in-person at the Bay Area Metro Center. Members of the Board of Directors must attend in person at the Bay Area Metro Center; members of the public will be able to attend in person or virtually via webcast.

7. ADJOURNMENT

The meeting was adjourned at 2:24 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Approval of the Draft Minutes of the Board of Directors Meeting of November 4, 2026

RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors Meeting of November 4, 2026

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Meeting of November 4, 2026.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Justine Buenaflor
Reviewed by: Vanessa Johnson

ATTACHMENT(S):

1. Draft Minutes of the Board of Directors Meeting of November 4, 2026

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

Board of Directors Meeting
Wednesday, November 4, 2026

DRAFT MINUTES

This meeting was webcast, and a video recording is available on the website of the Bay Area Air District at
www.baaqmd.gov/bodagendas

CALL TO ORDER

1. **Opening Comments:** Board of Directors (Board) Chairperson, Lynda Hopkins, called the meeting to order at 9:09 a.m.

   Roll Call:

   Present, In-Person (Bay Area Metro Center, 375 Beale Street, 1st Floor Board Room, San Francisco, CA, 94105): Chairperson Lynda Hopkins; and Directors Monica Brown, Chris Clark, Brian Colbert, Noelia Corzo, Joelle Gallagher, John Gioia, Juan González III, Tyrone Jue, Otto Lee, Mark Salinas, Linda Sell, Lena Tam, and Steve Young.

   Arrived After Roll Call: Vice Chair Vicki Veenker (arrived at 9:39 a.m.); Director Ray Mueller (arrived at 9:55 a.m.); Rico E. Medina (arrived at 11:00 a.m.); Bilal Mahmood (arrived at 12:56 p.m.); and Shamann Walton (arrived at 1:10 p.m.).

   Absent: Directors Dionne Adams, Ken Carlson, David Haubert, and Gabe Quinto.

2. **PLEDGE OF ALLEGIANCE**

3. **SPECIAL ORDERS OF THE DAY**

Chair Hopkins congratulated the following promoted Air District employees: Alona Davis, Director in the Strategic Incentives Division and Cynthia Wang, Staff Specialist I in the Strategic Incentives Division.

Chair Hopkins also welcomed the following new Air District employees: Joshua Mendelson, Air Quality Engineer I in the Engineering Division; Nicki Ruszczycky, Director in the Enterprise Technology Solutions Division; and Dmitry Vayntrub, Director in the Information Services Division.

CONSENT CALENDAR (ITEMS 4 – 13)

4. Approval of the Draft Minutes of the Board of Directors Meeting of October 7, 2026
5. Notices of Violations Issued and Settlements in Excess of $10,000 in the Month of September 2026
6. Personnel Out-of-State Business Travel Report for September 2026
7. Authorization to Purchase Ultrafine Particle Monitors for Refinery Community Air Monitoring Stations
8. Authorization to Amend Contract with Adaptalytics, LLC Providing Configuration and Customization of the Ceridian Dayforce System
9. Amendments to the Transportation Fund for Clean Air Policies Commencing Fiscal Year 2026-2027
10. Community Advisory Council Charter Amendments
11. Report of the Advisory Council Meeting of October 5, 2026
12. Report of the Stationary Source Committee Meeting of October 14, 2026
13. Report of the Community Equity, Health, and Justice Committee Meeting of October 14, 2026

Public Comments

No requests received.

Board Comments

None.

Board Action

Director Tam made a motion, seconded by Director González, to **approve** Consent Calendar Items 4 through 13, inclusive; and the motion **carried** by the following vote of the Board:

AYES:	Brown, Clark, Colbert, Corzo, Gallagher, Gioia, González, Hopkins, Jue, Lee, Salinas, Sell, Tam, Young.
ABSTAIN:	None.
NOES:	None.
ABSENT:	Adams, Carlson, Haubert, Mahmood, Medina, Mueller, Quinto, Veenker, Walton.

PUBLIC HEARING

14. ADOPTION OF PROPOSED AMENDMENTS TO REGULATION 9: INORGANIC GASEOUS POLLUTANTS, RULE 6: NITROGEN OXIDE EMISSIONS FROM NATURAL GAS-FIRED BOILERS AND WATER HEATERS

Greg Nudd, Deputy Executive Officer of Policy, gave the presentation *Adoption of Proposed Amendments to Regulation 9, Rule 6*, including: outline; recommended action; Part I. Rule 9-6 Background and Overview; current requirements; decision before the Board; NOx emissions from buildings; major health benefits from Rules 9-4 and 9-6; health benefits not on the

balance sheet; benefits accumulate over time NOx reductions from incentives and Rule 9-6; long-term benefits of Rule 9-6 with proposed amendments; public health benefits: who? where?; zero NOx water heater technology is widely available; implementation working group Phase 1 small water heaters; Board and Committee timeline; continuous public reporting; Part II. Proposed Amendments; proposed amendments; one-time exemptions: space and electrical constraints; low-income qualified property owner; total estimated exemptions; Part III. Exemption Framework and Implementation Process; implementation guiding principles; implementation process; public awareness campaign timeline; Part IV. Environmental and Socioeconomic Impacts; 2023 socioeconomic analysis; 2026 socioeconomic impacts from amended rule; socioeconomic impacts from amended rule; California Environmental Quality Act (CEQA) Impact Analysis: Rule 9-6 Addendum; Ongoing heat pump water heater (HPWH) incentives; NOx reductions from incentives and 9-6; Part V. Public Comment; public comments received; rule language updates; Part VI. Resolution and Recommended Action; statutory findings; and additional resolution language.

Chair Hopkins invited Community Advisory Council (CAC) Co-Chair Patrick Messac to summarize topics from the CAC Retreat on October 29, 2026, relating to the decision presented at this meeting. CAC Co-Chair Messac gave the presentation *From the CAC Retreat to Today's Water Heater Decision*, including: communities most impacted already mobilizing; the cost of inaction; a 36-year commitment to cleaner air; the proposal addresses hardship; and the courage to follow through.

NOTED PRESENT: Vice Chair Veenker was noted present at 9:39 a.m. and Director Mueller was noted present at 9:55 a.m.

Public Comments

Public comments were given by Monica Padilla, Silicon Valley Clean Energy; Hon. Zac Unger, City of Oakland Councilmember; Rod Sinks, Air District Board Chair Emeritus; Hon. Preston Jordan, City of Albany Councilmember; Adam George, Sonoma Clean Power Authority; Hon. Igor Tregub, City of Berkeley Councilmember; Peter Reitz, Small Property Owners of San Francisco Institute (SPOSFI); Melanie Zauscher, California Air Resources Board (CARB); Hon. David Cohen, San Jose City Councilmember; Diane Bailey, City of Palo Alto Utilities; Unidentified student; Skylar Waite, student/Napa Group Sierra Club; Allison Chanin; Daphne; René Vetter; Kanami Taniguchi, Palo Alto Middle College High School; Niam, San Francisco resident; Sarah Seeger, Palo Alto high school student; David Rabinovich, San Mateo County high school student; Tara Manning, UC Berkeley student; Veronica, student intern/Induction Rocks; Kelly Liu, Valley Christian High School student/ConServe; Nova Jayaraj, Los Gatos High School student/Silicon Valley Youth Climate Action; Catherine, UC Berkeley student; Sven Thesen; Julie Lindow, San Francisco Bay Physicians for Social Responsibility; Teresa Dulalas, South of Market Community Action Network (SOMCAN); Chrystal Loucel, San Francisco resident; Nick Pilch, Sierra Club; Dr. Bret Andrews; Tonia Randell, Marie Harrison Community Foundation; Dr. Lisa Patel; Karen Williams, Menlo Park resident; Dr. Cynthia Mahoney; Yi Yunying; Dr. Wendy Bernstein; Tina Wong, BetterHousingPolicies.org; Dr. Margie Chen; Diane Sweet; Matt Vespa, Earthjustice; Brady Seals; Robert Mayo, Mountain View resident; John McKenna; Paul Wermer; Fernando Gaytan, Earthjustice; Merha Mehzun, Brightline Defense; Owen Grimsich, 1-888-Heat-Pumps; Melissa Holmes, Fremont resident; Gerard Manning, Burlingame resident; Scott Thomason, Napa Group Sierra Club; Kristen;

Linda Brown, Napa Climate NOW!; Angela Evans, Menlo Park resident; Jim Hirsch, San Francisco rental housing provider; Bhima Sheridan, Berkeley realtor; Chris Benz, Napa Climate NOW!; Ariella Granett; Nancy Tierney, Pacifica resident; Lisa Jackson, 350 Bay Area; Bob Adiske, San Jose resident; Rev. Dr. Bryan Franzen, Westminster Presbyterian Church San Jose; Anil Babar, California Apartment Association; Sue Ann Lorig; Mark Forbes, San Carlos resident; Dr. Michelle Merrill, Novasutras; Tom Greeley, Berkeley resident; Rev. Matthew McHale, First Unitarian Church San Jose; Alicia Bales, Sierra Club; Jennifer Rizzo, California Apartment Association; Wendy Chou, Acterra; Heather Bromfield, Enterprise Community Partners; Bill Olsen, Walnut Creek resident; David Moller, Larkspur resident; Brian Schmidt, Menlo Spark; Nick Despota, East Richmond Neighborhood Council/Richmond resident; Debbie Mytels, Peninsula Interfaith Climate Action; Jocelyn Anaya Galvan, San Jose resident; Brian Wallace, SPOSFI; Robert Whitehair, Elders Climate Action; Bruce Hodge, Carbon Free Palo Alto; Bret Anderson, Palo Alto resident; Mark Garrison, MG Constructors and Engineers, Inc.; Lucinda Young, Albany resident; Sam Chetcuti, South San Francisco resident; Rev. Gregory Stevens, California Interfaith Power & Light; Gary Lane, San Jose resident; Nicole Merino Tsui, West Oakland Environmental Indicators Project (WOEIP); Todd Titus, HARDI; Fangxue Zheng, Local Clean Energy Alliance; Noni Richen; Colleen Corrigan, San Francisco Bay Area Planning and Urban Research Association (SPUR); Chris Selig, People Organizing to Demand Environmental and Economic Rights (PODER); Megan Leary, Emerald Cities Collaborative; Amy Jue; Sam Fishman, SPUR; Enrique Santa Clara County Association of REALTORS; Tony Sirna, Evergreen Action; Gloria Ashdown, Almaden Valley resident/realtor; Mike DeCecco; Fariya Ali, PG&E; Melissa Yu, Sierra Club; Hilda Ramirez, San Jose resident; Unidentified speaker, Sierra Club; Jeff Podraza; Sarah Ranney, Sierra Club; Anton Nguyen; Dr. Chelsea Young, Climate Health Now; Meina Young, Business and Housing Network; Greg Spooner; Casper Leung, San Francisco property owner; Rebecca Milliken, City of Berkeley Office of Energy and Sustainable Development; Donna Lee; Mia Liu, East Bay resident; Hua Fong Yi; Srinidhi Sampath Kumar, Albany resident; Jed Holtzman, RMI; Helen Fitzmaurice, Oakland resident; Ruth Ann Norton, Green & Healthy Homes Initiative; Ben Keller, Oakland resident; Reuben Veek, Mountain View resident; Charley Goss, San Francisco Apartment Association; Jonny Kocher, Alameda County resident; Steven Boston, San Jose resident; Meron Lemmi, RMI; Hon. Betsy Nash, City of Menlo Park Mayor; Hon. Sarah Margulies, City of Larkspur Councilmember; Emily Levin, Northeast States for Coordinated Air Use Management (NESCAUM); Dashiell Leeds, Sierra Club; Martha O'Connell; Lisa Badenfort, North Bay Association of REALTORS; Steve Walter; Regan Avery, Acco Management; Matthew Smithhisler, the Air-Conditioning, Heating, and Refrigeration Institute (AHRI); Howdy Goudey, El Cerrito resident; Kathy Kerridge, Benicia resident; Alice San Jose resident; C. Mill; Kristel Rietesel, Bay Area Clean Air Coalition; Hon. Stacy Miles Holland, Town of Atherton Mayor; Hon. Leslie Ragsdale, Town of Hillsborough Vice Mayor; Sonja Shephard, 350 Contra Costa Action; Glen Lynch, Cupertino Supply and Menlo Supply; Hon. Fred Simon, San Leandro Councilmember; Ana Maria Russo, San Jose resident; Ted Earle, San Jose resident; Dr. Ann Harvey, Oakland resident; Nicole Angiel, San Mateo County resident; Larry Moody, JobTrain; Wynn Tucker, Green and Healthy Homes Initiative; Terry Nagel, Sustainable San Mateo County; Marianne Osberg, Pacifica rental housing provider; Hoai-An Troung, Mothers Out Front; Charlotte, Oakland resident; Dennis Murphy, Acterra Action for a Healthy Planet; Kristel Wickham; Kristina Pappas; Vijay Kumar, Sunnyvale resident; Krysta Wanner, Western Propane Gas Association (WPGA); Tom Kunhardt; Kirsten Edub, San Ramon resident; Sarah Elliot, San Francisco resident; Amar Shah, Berkeley resident; Amanda Bancroft; Cameron Rogers, Hayward resident; Elaine Lee, Climate Reality

Project; Jeremy Wright, Los Altos resident; Bob Leone, San Francisco resident; Tim Frank; Susan Stevenson, California Interfaith Power and Light; Sue Bozzini; Clara Weinstein, WOEIP; Maneck Bhujwala; Angelica, Pittsburg resident; Jim Gentleman; Moria Merriweather, Mothers Out Front Silicon Valley and Marin County; Kevin Ponty; Unidentified speaker; Micheal Rodgers; Kathy F; Gabrielle; Angela; Sarah Moore, City of Berkeley Office of Energy and Sustainable Development; Lara Calvert, Spectrum Community Services; Wendy; Abigail Kubota, Rising Sun Center for Opportunity; Donna; Linda Hutchins-Knowles, Mothers Out Front; Leslie, San Francisco resident; Eleni Scanagatta; and Jacob Klein, Oakland resident.

NOTED PRESENT: Director Medina was noted present at 11:00 a.m.

Board Comments

The Board and staff discussed clarification regarding the decision options available to the Board, including whether repeal of the rule was an option; questioned the reasoning for not providing the Board an option to address opposition to the rule; concerns regarding the approaching January 1, 2027 deadline and potential for the proposed amendments providing additional time to address concerns raised about the rule; support for Rule 9-6 and the proposed amendments, emphasizing public health and equity benefits of reducing air pollution; the importance of exemptions and flexibility to address affordability and installation challenges; the need for continued staff reporting on implementation readiness, costs, public outreach, and available assistance; support for Rule 9-6 and the proposed amendments, emphasizing the Board's responsibility to protect public health and recognition that the amendments address affordability and electrical capacity; concern that further delays would prolong preventable health impacts; recognition of staff's efforts to address community concerns; emphasis on estimated reductions in premature deaths, asthma cases, and associated healthcare costs; concerns regarding the financial burden of compliance on homeowners, particularly for those who do not qualify for exemptions; concerns regarding the practicality of financing options for emergency water heater replacements; concerns regarding potential delays in electrical service upgrades and proposed processing fees for exemptions; concerns regarding cost recovery methods; concerns regarding the proposed self-certification process; concerns regarding the financial burden of compliance, particularly for seniors and financially vulnerable residents; the need for clear public outreach and accessible resources on the Air District website, including information on financial assistance and trusted contractors to help residents navigate the requirements; support for the proposed amendments, emphasizing that the exemptions address affordability concerns especially for low-income households; importance of continued public education and outreach on the rule, especially with the delayed implementation period; recognition of advancements in heat pump water heater technology and the potential for reduced costs in the future; support for transitioning to zero-NOx technology for public health and climate benefits, and recognition that additional implementation time can help address homeowner costs and other practical challenges; whether the repeal of the Rule 9-6 mandate was included in the noticed agenda; importance of providing flexibility and accommodations for low-income households; concerns regarding cumulative financial burden on households from regulatory requirements, including those imposed from other regulating agencies, especially during an affordability crisis; importance of making difficult policy decisions for the benefit of future generations and to consider long-term impacts by drawing comparisons to other past regulations of household products and appliances that provided lasting benefits; importance of language accessibility

in public outreach, particularly when communicating information regarding rebates and the exemption process; the amendments strike a reasonable balance between addressing community concerns and providing certainty to residents, businesses, and manufacturers; recognition that the amendments may require future adjustments but emphasis to move forward to continue to protect public health and future generations; concerns regarding balancing public health benefits with the financial hardships imposed on low-income households and vulnerable communities; concerns regarding the effectiveness of proposed exemptions, electrical infrastructure reliability, utility costs, and potential legal challenges; emphasis on the need for additional implementation time or alternative approaches to protect financially vulnerable residents; importance of ensuring a simple and accessible exemption process without unnecessary administrative burdens; emphasis on multilingual public outreach and clear communication regarding exemption eligibility, timelines, and available assistance; concerns regarding the financial burden of compliance and reliability of electrical infrastructure, including service delays and disruptions; recognition that extending implementation is beneficial and emphasis on the need for clearer and more consistent public communications, particularly for seniors, regarding the rule, proposed exemptions, and implementation requirements; whether the proposed exemptions adequately address community concerns; acknowledgement of success in Palo Alto's heat pump water heater program and advancements in electrification technology; confidence in electrical grid capacity to accommodate increased adoption of electric appliances; importance of voluntary adoption and mandatory compliance to protect public health, while still providing exemptions to protect low-income residents; concerns regarding the financial burden of compliance on low-income households and communities disproportionately impacted by air pollution; importance of public outreach and education, particularly for renters, and concerns regarding the potential compliance costs being passed on to tenants; the importance of community education, outreach, and collaboration with community partners to support the transition to cleaner technologies; recognition of financial challenges residents face and the continued need for programs to address affordability; importance of continued commitment to environmental equity and expanding protections for communities disproportionately impacted by air pollution; importance of balancing public health protections with affordability and equity concerns, while remaining responsive to community feedback and implementation challenges; and concerns that further delays would create uncertainty for businesses and residents, potentially contributing to confusion and misinformation regarding the rule.

NOTED PRESENT: Director Mahmood was noted present at 12:56 p.m., and Director Walton was noted present at 1:10 p.m.

Board Action

Director Young made a motion, seconded by Director Brown, to agendize an item for the December Board meeting to consider eliminating the existing mandate under Regulation 9, Rule 6. Staff clarified that the required analysis and public notice process could not be completed in time for the December Board meeting.

Director Corzo made a substitute motion, seconded by Director Gioia, to approve staff's recommendations to adopt the proposed amendments to Regulation 9, Rule 6.

Director Walton made a substitute motion, seconded by Director Young, to continue consideration of this item to the call of the Chair, without the Board taking action at this meeting.

The Board discussed with the General Counsel the procedures for addressing substitute motions under Rosenberg's Rules of Order. General Counsel Crockett advised that the Rules of Order allow up to three motions to be on the floor at any one time, and that the most recent motion (in this case Director Walton's substitute motion) is considered first.

The Board then took the following votes on the substitute motions to determine which motion would be considered as the main motion for consideration:

1) On Director Walton's substitute motion to continue consideration of this item without taking any action at this meeting, the substitute motion **failed** by the following vote of the Board:

   AYES: Brown, Salinas, Walton, Young.
   NOES: Clark, Colbert, Corzo, Gallagher, Gioia, González, Jue, Hopkins, Lee, Mahmood, Medina, Sell, Tam, Veenker.
   ABSENT: Adams, Carlson, Haubert, Mueller, Quinto.
   ABSTAIN: None.
   RECUSED: None.

2) On Director Corzo's substitute motion to approve staff's recommendations to adopt the proposed amendments to Regulation 9, Rule 6, the substitute motion **carried** by the following vote of the Board:

   AYES: Clark, Colbert, Corzo, Gallagher, Gioia, González, Jue, Hopkins, Lee, Mahmood, Medina, Salinas, Sell, Tam, Veenker.
   NOES: Brown, Walton, Young.
   ABSENT: Adams, Carlson, Haubert, Mueller, Quinto.
   ABSTAIN: None.
   RECUSED: None.

Following approval of substitute motion, the main motion on the floor was Director Corzo's motion to adopt the proposed amendments to Regulation 9, Rule 6 as proposed by staff. Director González proposed friendly amendments to Director Corzo's motion regarding language outreach, the inclusion of city permit numbers in exemptions certifications, and allowing the use of low-income housing tax credits (LIHTC) funding. The amendment subsequently removed the request to include LIHTC funding. As the motioner, Director Corzo did not accept the proposed friendly amendments citing concerns regarding implementation complexity and potential errors across jurisdictions. Staff committed to exploring the feasibility of incorporating permit numbers in the implementation process.

After further discussion, on the motion of Director Corzo (seconded by Director Gioia), the Board voted to adopt the proposed Resolution to:

- Adopt the Proposed Amendments to Regulation 9, Rule 6; and
- Make the required statutory findings regarding necessity, authority, clarity, consistency, non-duplication, and reference.

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

AYES:	Brown, Clark, Colbert, Corzo, Gallagher, Gioia, González, Jue, Hopkins, Lee, Mahmood, Medina, Salinas, Sell, Tam, Veenker.
NOES:	Walton.
ABSENT:	Adams, Carlson, Haubert, Mueller, Quinto.
ABSTAIN:	Young.
RECUSED:	None.

OTHER BUSINESS

15. PUBLIC COMMENT ON NON-AGENDA MATTERS

Public comments were given by Jack Lucero Fleck, No Coal East Bay Coalition.

16. BOARD MEMBER COMMENTS

Director Gioia expressed appreciation for Director Corzo's advocacy on environmental justice and community issues, Chair Hopkins' leadership through a challenging series of meetings, and Director Young and Director Brown's thoughtful participation in the meeting's robust discussion.

17. REPORT OF THE EXECUTIVE OFFICER / APCO

Dr. Philip M. Fine, Executive Officer/APCO, waived the report.

18. CHAIRPERSON'S REPORT

Chair Hopkins waived the report.

19. TIME AND PLACE OF NEXT MEETING

Wednesday, December 2, 2026, at 10:00 a.m. The meeting will be held in-person at the Bay Area Metro Center and at satellite locations as may be specified on the meeting agenda using a remote teleconferencing link. Members of the Board of Directors and the public may attend at any of those in-person locations, and members of the public may also attend virtually via webcast.

20. **ADJOURNMENT**

The meeting was adjourned at 3:02 p.m.

Marcy Hiratzka
Clerk of the Boards

Justine Buenaflor
Sr. Executive Assistant

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Notices of Violations Issued and Settlements in Excess of $10,000 in the Month of October 2026

RECOMMENDED ACTION

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

BACKGROUND

None.

DISCUSSION

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

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

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Stacey Pon
Reviewed by: Alexander Crockett

ATTACHMENT(S):

1. Notices of Violations Issued and Settlements in Excess of $10,000 - October 2026

NOTICES OF VIOLATIONS ISSUED

The following Notice(s) of Violation(s) were issued in October 2026:

Alameda

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Alameda Health System - Highland Hospital Campus	A3885	Oakland	A65396A	10/9/26	2-1-307	Permit Requirement/Condition Violation
Alameda Health System - Highland Hospital Campus	A3885	Oakland	A65397A	10/9/26	2-1-307	Permit Requirement/Condition Violation
Alameda Health System - Highland Hospital Campus	A3885	Oakland	A65398A	10/9/26	9-7-503.4	Boiler Emissions Violation
ATI Restoration, LLC	S815804	Hayward	A65012A	10/29/26	11-2-303.6	Asbestos Violation
ATUM	E3217	Newark	A61952A	10/14/26	2-1-302	No Permit to Operate
Bay Fair Unocal 76	C8617	San Leandro	A65744A	10/26/26	2-1-302	No Permit to Operate
David Rivera	S815341	Oakland	A65743A	10/19/26	11-2-401.5	Asbestos Violation
PCC Structurals - San Leandro	A0194	San Leandro	A66218A	10/5/26	2-1-307	Permit Requirement/Condition Violation
PCC Structurals - San Leandro	A0194	San Leandro	A66219A	10/5/26	2-1-301	No Authority to Construct and No Permit to Operate
PCC Structurals - San Leandro	A0194	San Leandro	A66219B	10/5/26	2-1-302	No Authority to Construct and No Permit to Operate
Reyes Coca-Cola Bottling, LLC	E0430	San Leandro	A66220A	10/20/26	9-7-506	Boiler Emissions Violation
Reyes Coca-Cola Bottling, LLC	E0430	San Leandro	A66221A	10/20/26	9-7-307	Boiler Emissions Violation
Sahota Petroleum LLC	C8278	Hayward	A65745A	10/27/26	8-7-301.13	Gasoline Dispensing Facility Violation

Sahota Petroleum LLC	C8278	Hayward	A65745B	10/27/26	8-7-302.3	Gasoline Dispensing Facility Violation
Smart Demolition and Excavation Inc.	S814459	Union City	A65005A	10/1/26	11-2-303.8	Asbestos Violation
Thermionics Metal Processing Inc.	B0535	Hayward	A65083A	10/22/26	2-1-301	No Authority to Construct and No Permit to Operate
Thermionics Metal Processing Inc.	B0535	Hayward	A65083B	10/22/26	2-1-302	No Authority to Construct and No Permit to Operate
Vasco Road Landfill	A5095	Livermore	A63486A	10/15/26	2-6-307	Title V Requirement/Permit Condition Violation
West Coast Premier Construction, Inc.	S815770	Oakland	A63689A	10/8/26	11-2-303.8	Asbestos Violation
West Coast Premier Construction, Inc.	S815770	Oakland	A63689B	10/8/26	11-2-401.3	Asbestos Violation

Contra Costa

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
CEMCON Inc.	S814889	Pittsburg	A64448A	10/9/26	11-2-401.3	Asbestos Violation
Central Contra Costa Sanitary District	A0907	Martinez	A66155A	10/26/26	2-6-307	Title V Requirement/Permit Condition
Chemtrade West US LLC	A0023	Richmond	A64395A	10/5/26	8-22-402	Valves and Flanges at Chemical Plants Violation
Chevron Products Company	A0010	Richmond	A60108A	10/15/26	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A65781A	10/6/26	2-6-307	Title V Requirement/Permit Condition Violation
Chevron Products Company	A0010	Richmond	A65782A	10/6/26	2-6-307	Title V Requirement/Permit Condition Violation
Chevron Products Company	A0010	Richmond	A65786A	10/26/26	1-301	Public Nuisance Violation

City of Brentwood	B5789	Brentwood	A66157A	10/15/26	2-1-301	No Authority to Construct and No Permit to Operate
City of Brentwood	B5789	Brentwood	A66157B	10/15/26	2-1-302	No Authority to Construct and No Permit to Operate
Cutting Arco & Food Mart	C8441	Richmond	A64445A	10/15/26	2-1-307	Permit Requirement/Condition Violation
Cutting Arco & Food Mart	C8441	Richmond	A64445B	10/15/26	8-7-301.6	Gasoline Dispensing Facility Violation
Cutting Arco & Food Mart	C8441	Richmond	A64445C	10/15/26	8-7-301.13	Gasoline Dispensing Facility Violation
Cutting Arco & Food Mart	C8441	Richmond	A64446A	10/15/26	2-1-302	No Permit to Operate
Eisen Environmental & Construction Services	S815465	Martinez	A63691A	10/21/26	11-2-303.6	Asbestos Violation
El Cerrito Valero	C9169	El Cerrito	A64449A	10/9/26	2-1-307	Permit Requirement/Condition Violation
Martinez Refining Company LLC	A0011	Martinez	A65119A	10/19/26	10	Code of Federal Regulation Violation
Martinez Refining Company LLC	A0011	Martinez	A65910A	10/21/26	12-11-502.3	Refinery Flare Monitoring Violation
Martinez Refining Company LLC	A0011	Martinez	A65911A	10/21/26	12-12-301	Flares at Refineries Violation
Military Ocean Terminal Concord	B2769	Concord	A63825A	10/20/26	2-1-307	Permit Requirement/Condition Violation
United Gas & Food Mart	C5719	Richmond	A65510A	10/19/26	2-1-307	Permit Requirement/Condition Violation
United Gas & Food Mart	C5719	Richmond	A65510B	10/19/26	8-7-301.5	Gasoline Dispensing Facility Violation
United Gas & Food Mart	C5719	Richmond	A65510C	10/19/26	8-7-301.13	Gasoline Dispensing Facility Violation
Ventura's Body Shop	A5191	San Pablo	A66240A	10/5/26	2-1-302	No Permit to Operate

Marin

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
North Bay Gas	D0019	Fairfax	A65010A	10/28/26	2-1-302	No Permit to Operate
North Bay Gas	D0019	Fairfax	A65011A	10/28/26	2-1-307	Permit Requirement/Condition Violation
North Bay Gas	D0019	Fairfax	A65011B	10/28/26	8-7-302.3	Gasoline Dispensing Facility Violation
North Bay Gas	D0019	Fairfax	A65011C	10/28/26	8-7-301.5	Gasoline Dispensing Facility Violation

San Franciso

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
CEMEX Construction Materials Pacific, LLC	B7111	San Francisco	A64042A	10/28/26	2-1-307	Permit Requirement/Condition Violation
University of California SF	B3160	San Francisco	A64044A	10/7/26	2-1-307	Permit Requirement/Condition Violation
University of California SF	B3160	San Francisco	A64045A	10/7/26	2-1-307	Permit Requirement/Condition Violation

San Mateo

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
2B Living, Inc.	S814830	San Carlos	A65009A	10/8/26	11-2-303.8	Asbestos Violation
Ameresco Half Moon Bay LLC	B7040	Half Moon Bay	A64043A	10/7/26	2-1-307	Permit Requirement/Condition Violation
Restoration Management Company	S815421	South San Francisco	A63690A	10/20/26	11-2-303.4	Asbestos Violation
Restoration Management Company	S815421	South San Francisco	A63690B	10/20/26	11-2-303.6	Asbestos Violation
San Mateo County Transit District	B0184	South San Francisco	A65147A	10/19/26	2-1-307	Permit Requirement/Condition Violation

Skyline Colleges	B5348	San Bruno	A64070A	10/27/26	8-7-408	Gasoline Dispensing Facility Violation

Santa Clara

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Al's Arco	C4360	Santa Clara	A65476A	10/28/26	8-7-301.6	Gasoline Dispensing Facility Violation
Al's Arco	C4360	Santa Clara	A65476B	10/28/26	8-7-301.13	Gasoline Dispensing Facility Violation
Nguyen Minh	S815898	Milpitas	A66192A	10/28/26	2-1-307	Permit Requirement/Condition Violation
Nguyen Minh	S815898	Milpitas	A66192B	10/28/26	8-7-301.5	Gasoline Dispensing Facility Violation
Nguyen Minh	S815898	Milpitas	A66192C	10/28/26	8-7-301.13	Gasoline Dispensing Facility Violation
Nguyen Minh	S815898	Milpitas	A66193A	10/28/26	2-1-302	No Permit to Operate
Nguyen Minh	S815898	Milpitas	A66194A	10/28/26	8-7-302.1	Gasoline Dispensing Facility Violation
Nguyen Minh	S815898	Milpitas	A66194B	10/28/26	8-7-302.8	Gasoline Dispensing Facility Violation
Rebuild Green	S815608	Palo Alto	A64069A	10/23/26	11-2-401.5	Asbestos Violation
Salkhi Petroleum Inc. DBA De Anza Blvd Gas	C9872	San Jose	A65474A	10/13/26	8-7-301.6	Gasoline Dispensing Facility Violation
Salkhi Petroleum Inc. DBA De Anza Blvd Gas	C9872	San Jose	A65474B	10/13/26	8-7-301.5	Gasoline Dispensing Facility Violation
Stevens Creek Quarry	S815981	Cupertino	A64474A	10/29/26	2-1-301	No Authority to Construct and No Permit to Operate
Stevens Creek Quarry	S815981	Cupertino	A64474B	10/29/26	2-1-302	No Authority to Construct and No Permit to Operate
Sun Garden Chevron	S200031	San Jose	A65475A	10/26/26	8-7-301.6	Gasoline Dispensing Facility Violation
SV12x	E5262	San Jose	A65419A	10/26/26	2-1-307	Permit Requirement/Condition Violation

Vantage Data Centers Management Co., LLC	A0798	Santa Clara	A65568A	10/28/26	2-1-307	Permit Requirement/Condition Violation
WestRock CP, LLC	A0715	Milpitas	A66278A	10/26/26	2-1-307	Permit Requirement/Condition Violation
Yu Wah Construction	S815618	San Jose	A64068A	10/22/26	11-2-303.8	Asbestos Violation
Yu Wah Construction	S815618	San Jose	A64068B	10/22/26	11-2-401.3	Asbestos Violation

Solano

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Discount Gas Grocery and Liquor	D0303	Vallejo	A64447A	10/9/26	8-7-301.5	Gasoline Dispensing Facility Violation
Discount Gas Grocery and Liquor	D0303	Vallejo	A64447B	10/9/26	8-7-301.13	Gasoline Dispensing Facility Violation
Discount Gas Grocery and Liquor	D0303	Vallejo	A64447C	10/9/26	8-7-302.3	Gasoline Dispensing Facility Violation
Element Petroleum	S702597	Vallejo	A64444A	10/6/26	8-7-301.6	Gasoline Dispensing Facility Violation
Element Petroleum	S702597	Vallejo	A64444B	10/6/26	8-7-302.5	Gasoline Dispensing Facility Violation
Element Petroleum	S702597	Vallejo	A64444C	10/6/26	8-7-408	Gasoline Dispensing Facility Violation
Grand Gas	C8800	Vallejo	A64442A	10/6/26	8-7-301.5	Gasoline Dispensing Facility Violation
Grand Gas	C8800	Vallejo	A64442B	10/6/26	8-7-301.6	Gasoline Dispensing Facility Violation

Sonoma

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Randal Nutritional Products, Inc.	A1653	Santa Rosa	A64342A	10/21/26	2-1-307	Permit Requirement/Condition Violation

Company Address Outside of the Bay Area						
Site Name	**Site #**	**City**	**NOV #**	**Issuance Date**	**Regulation**	**Comments**
Costco Wholesale Corporation	FB582	Kent	A64065A	10/5/26	8-7-408	Gasoline Dispensing Facility Violation

SETTLEMENTS FOR $10,000 OR MORE REACHED

There was 1 settlement for $10,000 or more completed in September 2026.

1) On September 28, 2026, the Air District reached a settlement with SAGE Centers dba SAGE San Francisco for $12,000, regarding the allegations contained in the following 2 Notices of Violations:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A60997A	12/29/25	6/16/23	2-1-307	Permit Requirement/Condition Violation
A60998A	12/29/25	5/15/24	2-1-307	Permit Requirement/Condition Violation

SETTLEMENTS FOR $10,000 OR MORE REACHED

There were 6 settlements for $10,000 or more completed in October 2026.

1) On October 5, 2026, the Air District reached a settlement with Gold Bond Building Products, LLC for $188,500, regarding the allegations contained in the following 13 Notices of Violations:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A58705A	9/17/19	9/17/19	2-1-301	No Authority to Construct and No Permit to Operate
A58705B	9/17/19	9/17/19	2-1-302	No Authority to Construct and No Permit to Operate
A58801A	4/26/22	4/26/22	6-1-301	Visible Emissions Violation
A61728A	5/4/22	2/16/22	1-301	Public Nuisance Violation
A61729A	5/4/22	3/7/22	1-301	Public Nuisance Violation
A61730A	5/4/22	2/17/22	1-301	Public Nuisance Violation
A61733A	7/19/22	2/18/22	2-1-301	No Authority to Construct and No Permit to Operate

A61733B	7/19/22	2/18/22	2-1-302	No Authority to Construct and No Permit to Operate
A61751A	3/30/23	9/2/63	2-1-301	No Authority to Construct and No Permit to Operate
A61751B	3/30/23	9/2/63	2-1-302	No Authority to Construct and No Permit to Operate
A61752A	3/30/23	10/1/19	2-1-302	No Permit to Operate
A62075A	11/9/23	10/30/23	2-1-320	Misrepresentation in Permit Application
A62076A	11/9/23	10/23/23	1-301	Public Nuisance Violation
A62077A	11/9/23	10/2/20	2-1-302	No Permit to Operate
A62731A	5/15/23	4/27/23	1-301	Public Nuisance Violation
A66232A	7/7/26	7/6/26	6-1-301	Visible Emissions Violation

2) On October 7, 2026, the Air District reached a settlement with Ed Ali Bozorghadad for $18,525, regarding the allegations contained in the following 13 Notices of Violations:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A62926A	8/26/24	8/26/24	2-1-301	No Authority to Construct
A62929A	9/25/24	8/14/24	8-7-301.5	Gasoline Dispensing Facility Violation
A62929B	9/25/24	8/14/24	8-7-301.6	Gasoline Dispensing Facility Violation
A64012A	12/9/25	8/27/25	8-7-408	Gasoline Dispensing Facility Violation
A59441A	4/6/26	1/26/26	8-7-301.6	Gasoline Dispensing Facility Violation
A64885A	4/29/25	2/14/24	2-1-307	Permit Requirement/Condition Violation
A64900A	4/7/26	1/31/25	8-7-301.6	Gasoline Dispensing Facility Violation
A64900B	4/7/26	1/31/25	8-7-301.13	Gasoline Dispensing Facility Violation
A62930A	10/23/24	10/23/24	8-7-301.5	Gasoline Dispensing Facility Violation
A62930B	10/23/24	10/23/24	8-7-302.1	Gasoline Dispensing Facility Violation
A62935A	1/6/25	10/17/24	8-7-301.5	Gasoline Dispensing Facility Violation
A62935B	1/6/25	10/17/24	8-7-301.6	Gasoline Dispensing Facility Violation

A62935C	1/6/25	10/17/24	8-7-302.3	Gasoline Dispensing Facility Violation
A62935D	1/6/25	10/17/24	2-1-307	Permit Requirement/Condition Violation
A63654A	3/26/25	9/17/24	8-7-301.5	Gasoline Dispensing Facility Violation
A63654B	3/26/25	9/17/24	8-7-302.3	Gasoline Dispensing Facility Violation
A64154A	12/16/24	12/16/24	8-7-302.3	Gasoline Dispensing Facility Violation
A64154B	12/16/24	12/16/24	8-7-301.5	Gasoline Dispensing Facility Violation
A64175A	3/16/25	10/30/24	8-7-302.3	Gasoline Dispensing Facility Violation
A65603A	5/11/26	10/28/25	8-7-301.5	Gasoline Dispensing Facility Violation
A62934A	12/6/24	8/2/24	2-1-301	No Authority to Construct

3) On October 9, 2026, the Air District reached a settlement with East Bay Municipal Utility District for $16,000, regarding the allegations contained in the following 2 Notices of Violations:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A63863A	1/17/25	12/18/24	2-6-307	Title V Requirement/Permit Condition Violation
A62622A	7/23/24	6/7/24	2-6-307	Title V Requirement/Permit Condition Violation

4) On October 19, the Air District reached a settlement with Air Liquide Large Industries, US LP for $103,000, regarding the allegations contained in the following 7 Notices of Violations:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A62208A	9/19/23	1/30/23	2-6-307	Title V Requirement/Permit Condition Violation
A63924A	5/28/25	3/19/24	2-6-307	Title V Requirement/Permit Condition Violation
A63925A	5/28/25	8/20/24	2-6-307	Title V Requirement/Permit Condition Violation
A63926A	5/28/25	10/4/24	2-6-307	Title V Requirement/Permit Condition Violation
A64424A	5/28/25	11/6/24	2-6-307	Title V Requirement/Permit Condition Violation
A64425A	5/28/25	11/8/24	2-6-307	Title V Requirement/Permit Condition Violation
A64426A	5/28/25	12/22/24	2-6-307	Title V Requirement/Permit Condition Violation

5) On October 21, 2026, the Air District reached a settlement with Sierra Circuits, Inc. for $28,000, regarding the allegations contained in the following 1 Notice of Violation:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A60948A	2/10/25	8/16/18	2-1-301	No Authority to Construct and No Permit to Operate
A60948B	2/10/25	8/16/18	2-1-302	No Authority to Construct and No Permit to Operate

6) On October 27, 2026, the Air District reached a settlement with Recology Pacheco Pass for $125,000, regarding the allegations contained in the following 9 Notices of Violations:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A57370A	2/25/20	9/2/19	8-34-301.1	Landfill Violation
A57370B	2/25/20	9/2/19	2-1-307	Permit Requirement/Condition Violation
A57371A	5/7/20	5/3/19	8-34-301.1	Landfill Violation
A57371B	5/7/20	5/3/19	2-1-307	Permit Requirement/Condition Violation
A58772A	11/6/20	9/22/20	2-1-307	Permit Requirement/Condition Violation
A58772B	11/6/20	9/22/20	8-34-301.1	Landfill Violation
A58772C	11/6/20	9/22/20	1-523.3	Parametric Monitor Violation
A57376A	6/21/21	4/11/21	8-34-301.1	Landfill Violation
A59782A	2/2/22	10/23/21	8-34-301.1	Landfill Violation
A59786A	8/17/22	4/3/22	8-34-301.1	Landfill Violation
A59787A	8/17/22	5/9/22	8-34-301.1	Landfill Violation
A59795A	10/4/23	4/23/23	8-34-301.1	Landfill Violation
A64231A	7/31/24	9/24/24	8-34-301.1	Landfill Violation

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Personnel Out-of-State Business Travel Report for October 2026

RECOMMENDED ACTION

No action is requested at this time.

BACKGROUND

Section 1.1.3 of the Air District's Employee Business and Travel Expense Policy (Policy) requires notification to the Board of Directors of Air District personnel who have traveled on out-of-state business. The monthly out-of-state business travel report is presented at a regular Board meeting following travel completion.

DISCUSSION

In accordance with Section 1.1.3 of the Policy, the Board of Directors is hereby notified of Air District personnel who have traveled on out-of-state business. This report covers out-of-state business travel for the month of October 2026.

The following out-of-state business travel activities occurred during the reporting period:

Annual National Association of Government Defined Contribution Administrators, Orlando, Florida, September 26 - October 1, 2026 attendee:

- Leonid Bak, Senior Advanced Projects Advisor, Regulatory Development Division

International Society for Exposure Science Annual Meeting, Vancouver, British Columbia, Canada, October 2-12, 2026 attendee:

- Byron Rice, Senior Air Quality Specialist, Meteorology and Measurements Division

National Association of Clean Air Agencies Fall Membership Meeting, Alexandria, Virginia, October 5-7, 2026 attendees:

- Meredith Bauer, Ph.D., Principal Deputy Executive Officer
- Andrea Polidori, Ph.D., Deputy Executive Officer of Science

Air & Waste Management Association Specialty Conference on Air Quality Models, Durham, North Carolina, October 12-16, 2026 attendee:

- Qi Zhang, Supervising Air Quality Engineer, Engineering Division

Community Modeling and Analysis System Conference, Chapel Hill, North Carolina, October 18-22, 2026 attendee:

- Bonyoung Koo, Senior Atmospheric Modeler, Assessment, Inventory, and Modeling Division

National Residential Wood Heating Conference, Portland, Oregon, October 19-21, 2026 attendee:

- Julia Luongo, Principal Air Quality Engineer, Regulatory Development Division

NEOGOV Ignite Conference, Orlando, Florida, October 20-24, 2026 attendees:

- Joseph Huynh, Principal Analyst, Human Resources Office
- Regina Soo, Senior Analyst, Human Resources Office

Dayforce Discover Conference, Las Vegas, Nevada, October 26-29, 2026 attendees:

- Christopher Lindstrand, Senior Analyst, Finance Office
- Soyeb Palya, Analyst II, Human Resources Office
- Renee Strain, Analyst II, Finance Office

International Conference on Thermal Treatment Technologies & Hazardous Waste Combustors, Salt Lake City, Utah, October 26-30, 2026 attendee:

- Mark Kiffe, Senior Air Quality Engineer, Engineering Division

BUDGET CONSIDERATION/FINANCIAL IMPACT

All associated business travel-related costs are covered by the respective division's Fiscal Year Ending 2027 Budget.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Michelle Hutson
Reviewed by: Stephanie Osaze

ATTACHMENT(S):

None

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Authorization of Transportation Fund for Clean Air Funding for Fiscal Year Ending 2025 Charge! Program Projects

RECOMMENDED ACTION

Allocate $8.9 million in Transportation Fund for Clean Air funds from available prior fiscal year allocations for Fiscal Year Ending 2025 Charge! Program projects approved by the Board of Directors on December 3, 2025; and authorize the Executive Officer/APCO to enter into all necessary agreements and amendments to implement the funding.

BACKGROUND

The Air District's Charge! Program provides grant funding to support the purchase and installation of electric vehicle (EV) charging infrastructure at workplaces, destinations, transit parking locations, and multi-family housing throughout the Bay Area.

On November 19, 2025, the Policy, Grants, and Technology Committee recommended approval of the Fiscal Year Ending (FYE) 2025 Charge! Program project rank list and $23.3 million in funding for the highest-ranked projects. On December 3, 2025, the Board of Directors approved the recommendations and authorized the Executive Officer/APCO to enter into the necessary funding agreements.

DISCUSSION

The FYE 2025 Charge! Program project funding, approved on December 3, 2025, consisted of $10 million in Transportation Fun for Clean Air (TFCA) funds, including $5 million from FYE 2025 and $5 million from FYE 2026, and $13.3 million from the Federal Highway Administration's Charging and Fueling Infrastructure (CFI) Discretionary Grant Program. The $13.3 million in federal CFI funding anticipated for the FYE 2025 Charge! Program projects has not been obligated, and there is no timeline or guarantee for future obligation. To move forward with funding projects on the previously approved rank list, staff propose allocating $8.9 million in TFCA funds from prior fiscal year project fallout. If CFI funds are obligated by the Federal Highway Administration

later, we would fund additional eligible projects from the approved rank list and/or issue a new solicitation to identify new projects and bring those projects to the Board for approval.

TFCA funds from projects that are canceled or completed under budget are returned to the Air District and may be reallocated to other eligible projects. Staff propose using available funds from a combination of prior fiscal year allocations to support the FYE 2025 Charge! Program projects. The proposed action would maintain the previously approved project rank list and approved award amounts. Projects will be funded in rank order, subject to available funding as originally approved by the Board.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The proposed action would allocate $8.9 million in additional TFCA funds from available prior fiscal year allocations. Combined with the $10 million previously authorized by the Board of Directors on December 3, 2025, the total funding for the FYE 2025 Charge! Program projects would be $18.9 million in TFCA funds. Administrative costs will be funded through TFCA program revenue.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Tin Le
Reviewed by: Anthony Fournier

ATTACHMENT(S):

1. Attachment 1 - FYE2025 Charge Rank List Approved 12-3-2025

ATTACHMENT 1

Table 1 – FYE 2025 Charge! Program Rank List

Rank	Score	Project #	Applicant	Project Category	Project Description	Eligible Grant Award	Total Project Cost	Lifetime Emissions Reductions (tons)			County	Priority Areas[1]
								NOx	ROG	PM		
1	85	2506-52085	West Oakland Community Charge LLC	Light Duty (LD) Infrastructure	Install and operate 24 Level 2 (high) and 24 DC Fast chargers at 1 destination facility in Oakland	$ 1,576,800.00	$ 2,143,946.00	1.2094	0.7215	0.5455	Alameda	DAC, CERP: WOAK
2	84	2504-51175	SkyCharger	LD Infrastructure	Install and operate 24 DC Fast chargers at 1 destination facility in San Francisco	$ 1,591,200.00	$ 10,179,534.00	8.9498	5.5168	4.1403	San Francisco	LIC
3	83.8	2506-51976	EVgo Services LLC	LD Infrastructure	Install and operate 58 DC Fast chargers at 6 destination facilities in Antioch, San Jose, and San Francisco	$ 3,210,000.00	$ 7,725,569.00	2.2466	1.3849	1.0393	Regional	LIC
4	82.2	2506-52059	New Leaf Energy, Inc.	LD Infrastructure	Install and operate 14 DC Fast chargers at 1 destination facility in Rohnert Park	$ 840,000.00	$ 2,903,226.00	4.592	2.8306	2.1244	Sonoma	LIC
5	82	2506-52056	EV Charging Solutions, Inc	LD Infrastructure	Install and operate 30 DC Fast chargers at 2 destination facilities in Concord and Hayward	$ 1,689,000.00	$ 2,089,595.00	0.8986	0.5539	0.4157	Regional	DAC, LIC
6	81	2505-51532	New Leaf Energy, Inc.	LD Infrastructure	Install and operate 20 DC Fast chargers at 1 destination facility in San Jose	$ 1,326,000.00	$ 3,883,226.00	5.2481	3.235	2.4279	Santa Clara	LIC
7	80.5	2506-51850	ElectricFish	LD Infrastructure	Install and operate 10 DC Fast chargers at 1 destination facility in Redwood City	$ 600,000.00	$ 1,425,000.00	1.0022	0.6178	0.4637	San Mateo	DAC, LIC
8	80	2502-50463	Shorepower Technologies Inc.	LD Infrastructure	Install and operate 4 DC Fast chargers at 1 destination facility in San Rafael	$ 265,200.00	$ 690,908.00	0.2496	0.1539	0.1155	Marin	LIC
9	79	2506-52076	Mynt Systems	LD Infrastructure	Install and operate 8 DC Fast chargers at 1 destination facility in Millbrae	$ 530,400.00	$ 1,075,216.00	1.7581	1.0837	0.8133	San Mateo	LIC
10	78.5	2506-52082	ChargeLink LLC	LD Infrastructure	Install and operate 76 Level 2 (high) and 4 DC Fast chargers at 5 destination and workplace facilities in Atherton, Montara, Pacifica, San Bruno, and Sunnyvale	$ 693,600.00	$ 1,269,200.00	0.5029	0.2935	0.223	Regional	LIC
11	78	2506-52108	Green Water and Power	LD Infrastructure	Install and operate 8 DC Fast chargers at 1 destination facility in San Francisco	$ 480,000.00	$ 602,676.00	1.2894	0.9595	0.8564	San Francisco	LIC
12	77.2	2505-51676	Voltpost	LD Infrastructure	Install and operate 50 Level 2 (high) curbside chargers at 35 destination facilities in San Francisco	$ 330,000.00	$ 929,047.00	1.1066	0.6322	0.4827	San Francisco	LIC
13	77	2505-51812	City of Pinole	LD Infrastructure	Install and operate 72 Level 2 (high) charging stations at 7 destination facilities in Pinole	$ 245,500.00	$ 1,227,385.00	0.3284	0.1876	0.1433	Contra Costa	LIC
14	76.5	2506-52051	Urban EV LLC	LD Infrastructure	Install and operate 6 Level 2 (high) chargers at 1 multi-family housing (MFH) facility in San Francisco	$ 42,000.00	$ 75,096.00	0.1059	0.0605	0.0462	San Francisco	CERP: BVHP
15	76	2506-52089	Ethos Electric, Inc.	LD Infrastructure	Install and operate 8 DC Fast chargers at 2 destination facilities in San Jose and Walnut Creek	$ 340,000.00	$ 515,294.00	0.7801	0.4808	0.3609	Regional	LIC
16	75	2506-51856	Alta Housing	LD Infrastructure	Install and operate 10 Level 2 (high) chargers at 1 MFH facility in Palo Alto	$ 70,000.00	$ 150,000.00	0.0281	0.016	0.0122	Santa Clara	None
17	74.5	2505-51830	Chinn Family LLC	LD Infrastructure	Install and operate 5 Level 2 (high) chargers at 1 MFH facility in Alameda	$ 17,500.00	$ 64,000.00	0.0056	0.0032	0.0024	Alameda	LIC
18	74	2506-51943	City of Petaluma	LD Infrastructure	Install and operate 4 DC Fast chargers at 1 destination facility in Petaluma	$ 240,000.00	$ 816,911.00	0.0874	0.0539	0.0404	Sonoma	LIC

[1]Legend: DAC - Disadvantaged Communities; LIC: Low-Income Communities; CERP: Community Emissions Reduction Plan Communities.

ATTACHMENT 1

Table 1 – FYE 2025 Charge! Program Rank List

Rank	Score	Project #	Applicant	Project Category	Project Description	Eligible Grant Award	Total Project Cost	Lifetime Emissions Reductions (tons)			County	Priority Areas[1]
								NOx	ROG	PM		
19	73.8	2505-51820	5800 Third Street HOA	LD Infrastructure	Install and operate 28 Level 2 (high) chargers at 1 MFH facility in San Francisco	$ 101,145.00	$ 126,434.00	0.1871	0.3275	0.1429	San Francisco	DAC, LIC, CERP: BVHP
20	73.5	2506-52101	Regent 140 LLC	LD Infrastructure	Install and operate 4 Level 2 (high) chargers at 1 MFH facility in Oakland	$ 24,000.00	$ 30,608.00	0.0223	0.0127	0.0097	Alameda	LIC, CERP: EOAK
21	72.7	2506-51962	OPF Energy, LLC	LD Infrastructure	Install and operate 8 DC Fast and 318 Level 2 (high) chargers at 6 workplace and 4 MFH facilities in Oakland, Palo Alto, Redwood City, and San Francisco	$ 2,466,000.00	$ 3,235,672.00	2.5789	1.498	1.1394	Regional	LIC
22	72.5	2506-52088	Ecology Action	LD Infrastructure	Install and operate 10 Level 2 (high) chargers at 1 workplace facility in Oakland	$ 90,000.00	$ 107,627.00	0.0216	0.0123	0.0094	Alameda	DAC, LIC, CERP: EOAK
23	72	2505-51581	UC Berkeley	LD Infrastructure	Install and operate 18 Level 2 (high) chargers at 1 MFH facility in Albany	$ 162,000.00	$ 554,268.00	0.8637	0.4934	0.3768	Alameda	LIC
24	71.6	2506-51964	2000-2002 Pacific Ave Apartments	LD Infrastructure	Install and operate 4 Level 2 (high) chargers at 1 MFH facility in Alameda	$ 25,000.00	$ 55,000.00	0.0133	0.0098	0.0086	Alameda	LIC
25	71.5	2505-51533	City of Palo Alto	LD Infrastructure	Install and operate 8 Level 2 (high) and 2 DC Fast chargers at 1 MFH facility in Palo Alto	$ 126,000.00	$ 321,444.00	0.1253	0.0757	0.057	Santa Clara	None
26	71.4	2506-51894	K to College dba SupplyBank.org	LD Infrastructure	Install and operate 84 Level 2 (high) and 14 DC Fast chargers at 1 workplace facility in Oakland	$ 974,000.00	$ 1,218,741.00	1.0481	0.645	0.4842	Alameda	DAC, LIC
27	71.3	2506-52031	Green Water and Power	LD Infrastructure	Install and operate 8 DC Fast chargers at 1 destination facility in Sonoma	$ 360,000.00	$ 602,676.00	0.072	0.0444	0.0333	Sonoma	None
28	71	2506-51857	MIRA Master Owners Association	LD Infrastructure	Install and operate 10 Level 2 (high) chargers at 1 MFH facility in San Francisco	$ 90,000.00	$ 245,603.00	0.117	0.0668	0.051	San Francisco	None
29	70.6	2506-52077	275 Vernon R LLC	LD Infrastructure	Install and operate 8 Level 2 (high) chargers at 1 MFH facility in Oakland	$ 49,000.00	$ 61,396.00	0.0446	0.0255	0.0195	Alameda	LIC
30	70.4	2506-51967	Pando Electric	LD Infrastructure	Install and operate 50 Level 2 (high) chargers at 11 MFH facilities in Palo Alto	$ 350,000.00	$ 1,091,176.00	0.0731	0.0418	0.0319	Santa Clara	None
31	70	2505-51580	City of Oakland	LD Infrastructure	Install and operate 30 DC Fast chargers at 1 workplace facility in Oakland	$ 813,000.00	$ 1,328,721.00	0.1263	0.0778	0.0584	Alameda	DAC, LIC, CERP: EOAK
32	69.8	2506-52064	LSVB Brook Hill LLC	LD Infrastructure	Install and operate 8 Level 2 (high) chargers at 1 MFH facility in Alameda	$ 72,000.00	$ 102,247.00	0.0446	0.0255	0.0195	Alameda	LIC
33	69.6	2505-51643	Green Water and Power	LD Infrastructure	Install and operate 4 DC Fast and 180 Level 2 (high) chargers at 2 workplace and 3 MFH facilities in Mill Valley, Oakland, San Francisco, San Jose, and Sunnyvale	$ 1,820,000.00	$ 2,975,000.00	0.3841	0.2219	0.169	Regional	LIC
34	69.2	2504-51283	Town of San Anselmo	LD Infrastructure	Install and operate 10 Level 2 (high) chargers at 2 destination facilities in San Anselmo	$ 62,000.00	$ 101,812.00	0.1239	0.0708	0.054	Marin	LIC
35	69	2506-51880	GS 1401 Mission Project Owner, LLC	LD Infrastructure	Install and operate 16 Level 2 (high) chargers at 1 MFH facility in San Francisco	$ 88,000.00	$ 225,147.00	0.1591	0.0909	0.0694	San Francisco	DAC, LIC
36	68.8	2506-52079	523 Hampshire R LLC	LD Infrastructure	Install and operate 8 Level 2 (high) chargers at 1 MFH facility in Redwood City	$ 66,500.00	$ 83,379.00	0.0446	0.0255	0.0195	San Mateo	LIC

[1]Legend: DAC - Disadvantaged Communities; LIC: Low-Income Communities; CERP: Community Emissions Reduction Plan Communities.

ATTACHMENT 1

Table 1 – FYE 2025 Charge! Program Rank List

Rank	Score	Project #	Applicant	Project Category	Project Description	Eligible Grant Award	Total Project Cost	Lifetime Emissions Reductions (tons)			County	Priority Areas[1]
								NOx	ROG	PM		
37	68.5	2506-51934	Green Water and Power	LD Infrastructure	Install and operate 452 Level 2 (high) chargers at 17 MFH facilities in Belmont, Burlingame, Cupertino, Dublin, Fremont, Milpitas, Palo Alto, Pleasanton, San Francisco, San Jose, Santa Clara, and Sausalito	$ 3,164,000.00	$ 4,920,000.00	0.7629	0.4358	0.3328	Regional	None
38	68	2506-52029	Tidelands Condominiums HOA	LD Infrastructure	Install and operate 5 Level 2 (high) chargers at 1 MFH facility in Larkspur	$ 36,300.00	$ 45,420.00	0.0038	0.0022	0.0017	Marin	LIC
39	67.8	2506-52086	4165 Beverly LLC	LD Infrastructure	Install and operate 8 Level 2 (high) chargers at 1 MFH facility in San Leandro	$ 52,000.00	$ 65,275.00	0.0446	0.0255	0.0195	Alameda	LIC
40	67.5	2506-52081	G-F Parkside Apartments LLC	LD Infrastructure	Install and operate 4 Level 2 (high) chargers at 1 MFH facility in San Leandro	$ 23,500.00	$ 29,951.00	0.0223	0.0127	0.0097	Alameda	LIC
41	67.2	2506-52071	378 Van Buren R LLC	LD Infrastructure	Install and operate 4 Level 2 (high) chargers at 1 MFH facility in Oakland	$ 22,500.00	$ 28,304.00	0.0223	0.0127	0.0097	Alameda	LIC
42	67	2506-52057	270 Perkins R LLC	LD Infrastructure	Install and operate 4 Level 2 (high) chargers at 1 MFH facility in Oakland	$ 26,000.00	$ 32,864.00	0.0223	0.0127	0.0097	Alameda	LIC
43	66.8	2506-52068	FIC Riverwood LLC	LD Infrastructure	Install and operate 16 Level 2 (high) chargers at 1 MFH facility in Napa	$ 112,500.00	$ 141,207.00	0.0892	0.051	0.0389	Napa	LIC
44	66.5	2506-52066	FRG Timbers LLC DBA The Timbers Apartments	LD Infrastructure	Install and operate 4 Level 2 (high) chargers at 1 MFH facility in Hayward	$ 32,000.00	$ 40,533.00	0.0223	0.0127	0.0097	Alameda	LIC
45	66.2	2506-52062	Ecology Action	LD Infrastructure	Install and operate 10 Level 2 (high) chargers at 1 MFH facility in San Leandro	$ 90,000.00	$ 149,027.00	0.0035	0.002	0.0015	Alameda	LIC
46	66	2506-51978	2001-2009 Bridgeway Apartments	LD Infrastructure	Install and operate 10 Level 2 (high) chargers at 1 MFH facility in Sausalito	$ 90,000.00	$ 124,920.00	0.7326	0.4185	0.3196	Marin	LIC
47	65.8	2506-52087	San Leandro Advisors LTD	LD Infrastructure	Install and operate 18 Level 2 (high) chargers at 1 MFH facility in San Leandro	$ 130,000.00	$ 162,888.00	0.1003	0.0573	0.0438	Alameda	LIC
48	65.7	2506-52105	VAMA Associates, LLC	LD Infrastructure	Install and operate 4 Level 2 (high) chargers at 1 MFH facility in San Leandro	$ 23,500.00	$ 29,926.00	0.0223	0.0127	0.0097	Alameda	LIC
49	65	2506-52104	Simon J Guendelman and Sylvia D Guendelman Family Trust	LD Infrastructure	Install and operate 4 Level 2 (high) chargers at 1 MFH facility in Oakland	$ 23,500.00	$ 29,420.00	0.0223	0.0127	0.0097	Alameda	LIC
50	64.8	2505-51772	City of Cotati	LD Infrastructure	Install and operate 12 Level 2 (high) and 2 DC Fast chargers at 3 workplace facilities in Cotati	$ 180,000.00	$ 3,091,278.00	0.0101	0.0061	0.0046	Sonoma	LIC
51	64.2	2506-51950	City of Petaluma	LD Infrastructure	Install and operate 4 Level 2 (high) and 2 DC Fast chargers at 1 workplace facility in Petaluma	$ 128,000.00	$ 675,000.00	0.0741	0.0435	0.033	Sonoma	LIC
52	63.5	2505-51792	Amador Lakes Three, LP	LD Infrastructure	Install and operate 10 Level 2 (high) chargers at 1 MFH facility in Dublin	$ 70,000.00	$ 144,895.00	0.1023	0.0584	0.0446	Alameda	None
53	63.2	2505-51504	Park Wood Dublin Associates LP	LD Infrastructure	Install and operate 10 Level 2 (high) chargers at 1 MFH facility in Dublin	$ 70,000.00	$ 113,049.00	0.1181	0.0675	0.0515	Alameda	None

[1]Legend: DAC - Disadvantaged Communities; LIC: Low-Income Communities; CERP: Community Emissions Reduction Plan Communities.

ATTACHMENT 1

Table 1 – FYE 2025 Charge! Program Rank List

Rank	Score	Project #	Applicant	Project Category	Project Description	Eligible Grant Award	Total Project Cost	Lifetime Emissions Reductions (tons)			County	Priority Areas[1]
								NOx	ROG	PM		
54	62.5	2506-51965	Pando Electric	LD Infrastructure	Install and operate 157 Level 2 high chargers at 1 MFH facility in Oakland	$ 744,000.00	$ 930,906.00	0.0813	0.0464	0.0355	Alameda	DAC, LIC
55	61	2506-51969	Pando Electric	LD Infrastructure	Install and operate 370 Level 2 (high) chargers at 7 MFH facilities in Los Altos, Menlo Park, Redwood City, San Mateo, and Santa Clara	$ 2,300,000.00	$ 3,484,996.00	0.7498	0.4283	0.3271	Regional	LIC
56	57	2506-52063	City of Belvedere	LD Infrastructure	Install and operate 2 Level 2 (high) chargers at 1 destination facility in Belvedere	$ 10,000.00	$ 48,560.00	0.0351	0.02	0.0153	Marin	None
57	56	2506-51963	Pando Electric	LD Infrastructure	Install and operate 117 Level 2 high chargers at 1 MFH facility in San Jose	$ 549,000.00	$ 686,387.00	0.2117	0.1209	0.0924	Santa Clara	None
58	55.3	2506-51937	Pando Electric	LD Infrastructure	Install and operate 628 Level 2 high chargers at 1 MFH facility in San Jose	$ 4,396,000.00	$ 6,177,207.00	0.5293	0.3024	0.2309	Santa Clara	None
59	55	2506-51968	Pando Electric	LD Infrastructure	Install and operate 198 Level 2 (high) chargers at 10 MFH facilities in Mountain View and Palo Alto	$ 1,091,000.00	$ 2,263,148.00	1.6674	0.9526	0.7274	Santa Clara	None
60	53.5	2506-52095	Dimond ITR, LLC	LD Infrastructure	Install and operate 4 Level 2 (high) chargers at 1 MFH facility in Oakland	$ 20,000.00	$ 27,250.00	0.0223	0.0127	0.0097	Alameda	None
61	53	2506-52107	WWG Apts LLC	LD Infrastructure	Install and operate 5 Level 2 (high) chargers at 1 MFH facility in Piedmont	$ 25,000.00	$ 37,764.00	0.0279	0.0159	0.0122	Alameda	None
62	52	2506-52094	1111 Soscol Ferry Self Storage, LLC	LD Infrastructure	Install and operate 30 Level 2 (high) and 6 DC Fast chargers at 1 workplace facility in Napa	$ 360,000.00	$ 1,902,778.00	0.9147	0.5432	0.4111	Napa	None
63	51	2506-52000	GoPowerEV	LD Infrastructure	Install and operate 201 Level 1 chargers at 4 MFH facilities in San Francisco	$ 655,685.00	$ 819,607.00	0.3518	0.201	0.1535	San Francisco	None
64	50.5	2505-51766	Greenbrae Improvement Club, Inc.	LD Infrastructure	Install and operate 2 Level 2 (high) chargers at 1 MFH facility in Greenbrae	$ 14,000.00	$ 21,616.00	0.0117	0.0067	0.0051	Marin	None
65	50	2505-51674	Pando Electric	LD Infrastructure	Install and operate 128 Level 2 high chargers at 4 MFH facilities in Palo Alto	$ 603,000.00	$ 754,346.00	0.0532	0.0304	0.0232	Santa Clara	None
66	46	2506-52098	GoPowerEV	LD Infrastructure	Install and operate 238 Level 1 chargers at 1 MFH facility in San Jose	$ 722,360.00	$ 902,951.00	0.3963	0.2264	0.1729	Santa Clara	LIC
67	42	2506-52100	Obviously Inspects	LD Infrastructure	Install and operate 3 Level 2 chargers at 1 MFH facility in Berkeley	$ 17,000.00	$ 22,000.00	0.0026	0.0015	0.0011	Alameda	None
68	37	2506-51999	GoPowerEV	LD Infrastructure	Install and operate 105 Level 1 chargers at 3 MFH facilities in San Francisco	$ 250,000.00	$ 417,345.00	0.2052	0.1172	0.0895	San Francisco	None
69	36	2506-51988	GoPowerEV	LD Infrastructure	Install and operate 99 Level 1 chargers at 1 MFH facility in San Francisco	$ 272,250.00	$ 448,836.00	0.2355	0.1345	0.1027	San Francisco	None

[1]Legend: DAC - Disadvantaged Communities; LIC: Low-Income Communities; CERP: Community Emissions Reduction Plan Communities.

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Authorization to Execute Contract with Pacific Policy Group for State Legislative Advocacy Assistance

RECOMMENDED ACTION

Authorize the Executive Officer/APCO to execute a contract with Pacific Policy Group, for state legislative advocacy assistance for a term of up to five years, beginning February 1, 2027, in an amount not to exceed $504,000.

BACKGROUND

The Air District conducted a formal Request for Proposal (RFP No. 2026-031) seeking to award a contract for state legislative advocacy for a period of up to five years. The selected firm will assist with the Air District's state legislative advocacy efforts in the areas of air quality, transportation, energy, environmental issues, and the state budget to advance the Air District's clean air programs in the San Francisco Bay Area region. Budget advocacy efforts would include, but are not limited to, funding for clean air programs, clean energy initiatives, and wildfire smoke response.

Successful advocacy will include understanding the Air District's clean air priorities and needs, generating support or opposition and coordinating or assisting in bill advocacy of Air District Board-adopted position bills, monitoring legislative developments, advocating on identified legislative proposals, and at times providing testimony in committee and other hearings.

In addition, the Air District also seeks assistance to engage the California Legislature about other regulatory issues of importance to the San Francisco Bay Area region, as well as educating the California Legislature about the Air District's leadership in advancing public health-based policies and programs.

DISCUSSION

On September 21, 2026, the Air District issued RFP No. 2026-031. Proposals were due on October 21, 2026, and three proposals were received. A four-person review panel – all Air District employees – evaluated and scored the three proposals that were received by the deadline using the points-based criteria outlined in the RFP: Expertise (25 points), Skill (25 points), Approach (20 points), Cost (20 points), References (10 points), for a total score of 100 points. Of the three respondents to the RFP, Pacific Policy Group received the highest evaluation score – earning an overall score of 95.94 out of 100 – and was the most cost-effective.

If approved, the contract is expected to begin on February 1, 2027, and continue for a term of up to five years, ending January 31, 2032. A breakdown of the cost schedule is listed below:

Fixed Monthly Retainer Term	**Monthly Retainer**	**Total**
Year 1 (February 1, 2027 - January 31, 2028)	$8,000	$96,000
Year 2 (February 1, 2028 - January 31, 2029)	$8,000	$96,000
Year 3 (February 1, 2029 - January 31, 2030)	$8,500	$102,000
Year 4 (February 1, 2030 - January 31, 2031)	$8,500	$102,000
Year 5 (February 1, 2031 - January 31, 2032)	$9,000	$108,000
Total		**$504,000**

The Air District has contracted with Pacific Policy Group for state legislative advocacy assistance since 2024 and have been very satisfied with their advocacy results and partnership.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funds for this contract are included in Program 129, Legislative Office budget, for Fiscal Year Ending 2027. Costs for future years will continue to be included in future proposed budgets for Program 129.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Annie Hargrove
Reviewed by: Viet Tran

ATTACHMENT(S):

1. Draft Pacific Policy Group Contract # 2026.259

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

PROFESSIONAL SERVICES CONTRACT

CONTRACT NO. 2026.259

1. PARTIES – The parties to this Contract ("Contract") are the Bay Area Air Quality Management District ("DISTRICT") whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and **Pacific Policy Group** ("CONTRACTOR") whose address is 1121 L Street, Suite 700, Sacramento, CA 95814.

2. RECITALS
   A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Contract under California Health and Safety Code Section 40701. DISTRICT desires to contract with CONTRACTOR for services described in the Scope of Work, attached hereto as Attachment A and made a part hereof by this reference. DISTRICT is entering into this Contract based on CONTRACTOR's stated qualifications to perform the services.
   B. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.

3. PERFORMANCE REQUIREMENTS
   A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.
   B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and to pay all applicable fees.
   C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT's Conflict of Interest Code.
   D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Scope of Work.
   E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.
   F. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraphs A-E above.

4. TERM – The term of this Contract is from February 1, 2027 to January 31, 2032 unless further extended by amendment of this Contract in writing and signed by both parties, or terminated earlier. CONTRACTOR shall not submit any invoice for services performed under this Contract until the Contract is fully executed.

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

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

work under this Contract may meet this insurance requirement by purchasing automobile liability insurance in the required coverage amount from the rental agency.

iv) Professional liability insurance with limits not less than one million dollars ($1,000,000) each claim.

B. All insurance shall be placed with insurers acceptable to DISTRICT.

C. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. Upon request by DISTRICT, CONTRACTOR shall provide a complete copy of any required insurance policy. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.

D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.

7. INDEMNIFICATION

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

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

8. PAYMENT

A. DISTRICT shall pay CONTRACTOR for services in accordance with the terms set forth in the Cost Schedule, which is attached hereto as Attachment B and incorporated herein by this reference.

B. CONTRACTOR shall submit invoice(s) to DISTRICT for services performed. Each invoice shall specify the total cost of the services for which the invoice is submitted, shall reference tasks shown in the Scope of Work, the hours associated with same, or percentage completion thereof, and the amount of charge claimed, and, as appropriate, shall list any charges for equipment, material, supplies, travel, and subcontractors' services.

C. DISTRICT's payment of invoices shall be subject to the following limitations and requirements:

i) Each invoice, including supporting documentation, shall be prepared in duplicate on CONTRACTOR's letterhead; shall list DISTRICT's contract number, the period covered by the invoice, and the CONTRACTOR's Social Security Number or Federal Employer Identification Number; and shall be submitted to: Bay Area Air Quality Management District, 375 Beale Street, Suite 600, San Francisco, CA 94105, Attn: Annie Hargrove.

ii) DISTRICT shall not pay interest, fees, handling charges, or the cost of money on the Contract.
iii) DISTRICT shall pay CONTRACTOR within thirty (30) calendar days after approval by DISTRICT of an itemized invoice.

D. The total amount for which DISTRICT may be held liable for the performance of services specified in this Contract shall not exceed $504,000.

9. DISPUTE RESOLUTION – A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.
   A. Upon receipt of a notice of breach of contract, the party may submit a demand for mediation to resolve whether or not a breach occurred. The party must state the basis of the dispute and deliver the demand within ten (10) business days of the date of receipt of the notice of breach.
   B. The mediation shall take place at DISTRICT's office at 375 Beale Street, Suite 600, San Francisco, or at such other place as may be mutually agreed upon by the parties and the mediator.
   C. The parties shall make good faith efforts to hold the mediation within thirty (30) days after receipt of the demand for mediation.
   D. Each party shall bear its own mediation costs.
   E. In the event the parties are unable to resolve the dispute, either party may file an action in a court of competent jurisdiction to enforce the Contract.
   F. Maximum recovery under this section shall be limited to $504,000. The mediation costs shall not reduce the maximum amount recoverable under this section.

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

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

CONTRACTOR: Pacific Policy Group
1121 L Street, Suite 700
Sacramento, CA 95814
Attn: Mark Fenstermaker

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

12. EMPLOYEES OF CONTRACTOR
    A. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation leave, vacation replacements, sick leave, severance pay, and pay for legal holidays.
    B. CONTRACTOR, its officers, employees, agents, or representatives shall not be considered employees or agents of DISTRICT, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans given or extended by DISTRICT to its employees.
    C. DISTRICT reserves the right to review the credentials to perform the work of any of CONTRACTOR's employees assigned herein and to disapprove CONTRACTOR's assignments. CONTRACTOR warrants that it will not employ any subcontractor(s) without prior written approval from DISTRICT.

13. CONFIDENTIALITY – In order to carry out the purposes of this Contract, CONTRACTOR may require access to certain of DISTRICT's confidential information (including trade secrets, inventions, confidential know-how, confidential business information, and other information that DISTRICT considers confidential) (collectively, "Confidential Information"). It is expressly understood and agreed that DISTRICT may designate in a conspicuous manner Confidential Information that CONTRACTOR obtains from DISTRICT, and CONTRACTOR agrees to:
    A. Observe complete confidentiality with respect to such information, including, without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
    B. Ensure that CONTRACTOR's officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information, and to assure by agreement or otherwise, that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
    C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever, whether gratuitously or for valuable consideration, except as permitted under this Contract.
    D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information, or any part thereof, by any person or entity other than those authorized by this section. Take, at CONTRACTOR's expense but at DISTRICT's option, and in any event under DISTRICT's control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.
    E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Contract and following expiration or termination of the Contract.
    F. Prevent access to such materials by a person or entity not authorized under this Contract.
    G. Establish specific procedures in order to fulfill the obligations of this section.

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

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

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

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

16. AUDIT / INSPECTION OF RECORDS – If this Contract exceeds $10,000, pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided hereunder, shall be subject to the examination and audit of the California State Auditor and other duly authorized agents of the State of California for a period of three (3) years after final payment under this Contract. CONTRACTOR hereby agrees to make such records available during normal business hours for inspection, audit, and reproduction by any duly authorized agents of the State of California or DISTRICT. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by any duly authorized agents of the State of California or DISTRICT. All examinations and audits conducted under this section shall be strictly confined to those matters connected with the performance of this Contract, including, but not limited to, the costs of administering this Contract.

17. NON-DISCRIMINATION – In the performance of this Contract, CONTRACTOR shall not discriminate in its recruitment, hiring, promotion, demotion, and termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual

orientation, medical condition, or physical or mental disability, and shall comply with the provisions of the California Fair Employment & Housing Act (Gov. Code, §§12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts. CONTRACTOR shall also require each subcontractor performing work in connection with this Contract to comply with this section, and shall include in each contract with such subcontractor provisions to accomplish the requirements of this section.

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

19. ASSIGNMENT – No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.

20. WAIVER – No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.

21. ATTORNEYS' FEES – In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys' fees and costs.

22. FORCE MAJEURE – Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to a party's own action or inaction, then such cause shall not excuse that party from performance under this Contract.

23. SEVERABILITY – If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid, in whole or in part, for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

24. HEADINGS – Headings on the sections and paragraphs of this Contract are for convenience and reference only, and the words contained therein, shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.

25. COUNTERPARTS/FACSIMILES/SCANS – This Contract may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party's signature as an original for all purposes.

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

27. ENTIRE CONTRACT AND MODIFICATION – This Contract represents the final, complete, and exclusive statement of the agreement between the parties related to CONTRACTOR providing services to DISTRICT, and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Contract by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Contract may only be amended by mutual agreement of the parties in writing and signed by both parties.

28. SURVIVAL OF TERMS – The provisions of sections 7 (Indemnification), 13 (Confidentiality), 14 (Intellectual Property Rights), and 15 (Publication) shall survive the expiration or termination of this Contract.

DRAFT

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: _____

Dr. Philip M. Fine
Executive Officer/APCO

Date: _____

PACIFIC POLICY GROUP

By: _____

Mark Fenstermaker
Principal, Co-Founder

Date: _____

Approved as to form:

By: _____

Alexander G. Crockett
General Counsel

DRAFT

ATTACHMENT A

SCOPE OF WORK

CONTRACTOR is a lobbying and consulting firm specializing in natural resources and renewable energy and will assist DISTRICT with state legislative advocacy. CONTRACTOR's services shall include, but are not limited to:

1. Assisting DISTRICT Executive Officer and Legislative staff in implementing DISTRICT's legislative agenda in Sacramento. The focus of this work will be on DISTRICT-sponsored bills in the California State Legislature.

2. Monitoring legislative developments and assisting DISTRICT staff where necessary with testifying and negotiating on behalf of DISTRICT-sponsored legislation.

3. Assisting DISTRICT staff, consultants, or other parties as requested by DISTRICT, including generating support, and coordinating or assisting in bill advocacy.

4. Advocating on identified legislative proposals as directed by the DISTRICT.

5. Providing testimony in committee and other hearings in the event that DISTRICT staff cannot attend the committee or hearing.

6. Providing written communications to legislators and other staff regarding such bills.

7. Assisting DISTRICT staff with the drafting of letters, when needed.

8. As necessary, scheduling and participating in meetings on behalf of DISTRICT with legislative representatives and administration members and appointees, particularly if DISTRICT staff are unavailable.

DRAFT

ATTACHMENT B

COST SCHEDULE

DISTRICT shall pay CONTRACTOR a fixed monthly retainer fee per the table below for the work outlined in Attachment A, Scope of Work. Payments will be made in accordance with Section 8, Payment, of this Contract.

Table 1: Fixed Monthly Retainer Fee

Contract Year	**Fixed Monthly Retainer Fee**
Year 1 (February 1, 2027 - January 31, 2028)	$8,000
Year 2 (February 1, 2028 - January 31, 2029)	$8,000
Year 3 (February 1, 2029 - January 31, 2030)	$8,500
Year 4 (February 1, 2030 - January 31, 2031)	$8,500
Year 5 (February 1, 2031 - January 31, 2032)	$9,000

Total cost of Contract not to exceed $504,000.

DRAFT

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Authorization to Execute Contract with Clearsparc or Oshyn, Inc. for Software Development and Maintenance for Open Air Community Data Portal

RECOMMENDED ACTION

Authorize the Executive Officer/APCO (i) to execute a contract with Clearsparc for software development and maintenance services for the Open Air Community Data Portal, in an amount not to exceed $1,298,000, contingent upon the determination that Clearsparc has demonstrated its ability to provide qualified personnel to meet the staffing requirements needed for the contract by December 7, 2026; and (ii) in the alternative, if Clearsparc is unable to meet the staffing requirements, to execute a contract with Oshyn, Inc., subject to the same not-to-exceed amount and substantially the same scope of services.

BACKGROUND

The Air District is developing the Open Air Community Data Portal, intended to improve public access to air quality information, increase transparency, and strengthen community engagement.

The Open Air initiative represents an innovative approach to public-sector technology design in which community members directly participate in the creation and refinement of digital services intended to serve their communities. Rather than relying solely on staff-developed requirements and traditional public feedback processes, the Air District is partnering with members of the Community Advisory Council as co-designers throughout the software development life cycle. This collaborative approach helps ensure that the resulting solution reflects community priorities, accessibility needs, expectations for transparency, and preferred methods for accessing information.

The Open Air Community Data Portal is envisioned as a map-based public information platform that consolidates permitting, compliance, emissions, complaint, and facility information. Proposed functionality includes access to permits, compliance history, permit application information, emissions data, and downloadable neighborhood-based information. The design emphasizes accessibility, multilingual support, mobile-friendly

access, and environmental justice considerations.

The Air District issued Request for Proposal (RFP) No. 2026-011 on July 27, 2026, to purchase software development and maintenance support services for the Open Air Community Data Portal.

Twelve proposals were received by the September 1, 2026 submission deadline, with eleven determined to be responsive and responsible and one deemed non-responsive. An evaluation panel consisting of Air District staff reviewed the qualified proposals using the evaluation criteria established in the RFP. Following the initial scoring, the panel shortlisted six firms for interviews and eliminated the five lowest-ranked respondents. Interview results were incorporated into the final evaluation scores and the panel recommended award of the contract to Clearsparc, which received the highest overall score.

Table 1: Evaluation Summary

Respondents	**Total Scores**	**Rank**
Clearsparc	84.67	1
Oshyn, Inc.	82.67	2
Prodigy Consulting	75.33	3
IdeaBlade	69.67	4
JustAir Solutions Inc.	68.67	5
Spheros Environmental	67.67	6

DISCUSSION

Based on the final evaluation, Clearsparc ranked first and Oshyn, Inc. ranked second. Air District staff have completed contract negotiations with Clearsparc and, with Board authorization, will execute the contract contingent upon the determination that Clearsparc has demonstrated its ability to provide qualified personnel to meet the staffing requirements needed for the contract by December 7, 2026. If Clearsparc is unable to meet the staffing requirements, Air District staff will then proceed with contract negotiations with Oshyn, Inc. consistent with the final evaluation ranking, and subject to the same not-to-exceed amount and substantially the same scope of services.

This approach preserves the integrity of the competitive procurement process while allowing the Air District to complete the procurement efficiently, without requiring the matter to return to the Board solely because the highest-ranked proposer is unable to fulfill the staffing requirements.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The initial software development cost of $998,000 is included in the Fiscal Year 2026-2027, Program 725 Enterprise Technology Services budget. The remaining $300,000 for maintenance and operations ($100,000 per year for 3 years) and these costs will be included in future proposed budgets.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Joy Chen
Reviewed by: Nicki Ruszczcky

ATTACHMENT(S):

1. Clearsparc 2026.237_v2_Legal Draft

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

MASTER SERVICES CONTRACT

CONTRACT NO. 2026.237

1. PARTIES

The parties to this Contract ("Contract") are the Bay Area Air Quality Management District ("DISTRICT") whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and **Clearsparc** ("CONTRACTOR") whose address is 3329 Tulalip Avenue, Everett, WA 98201.

2. RECITALS

A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Contract under California Health and Safety Code Section 40701. DISTRICT desires to contract with CONTRACTOR for services described in the Scope of Work, attached hereto as Attachment A and made a part hereof by this reference. DISTRICT is entering into this Contract based on CONTRACTOR's stated qualifications to perform the services.

B. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.

3. DEFINITIONS

A. "Purchase Order" shall mean the written or electronic document used by DISTRICT to track payments to CONTRACTOR under this Contract.

B. "Services" shall mean the services to be provided by CONTRACTOR hereunder as generally described in the General Description of Services, attached hereto as Attachment A and made a part hereof by this reference, and as specifically described in Task Orders issued pursuant to this Contract.

C. "Task Order" shall mean a written request by DISTRICT for specific services to be performed by CONTRACTOR.

4. PERFORMANCE REQUIREMENTS

A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.

B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and to pay all applicable fees.

C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT's Conflict of Interest Code.

D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Task Orders.

E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.

F. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraphs A-E above.

5. TERM

The term of this Contract is from January 1, 2027 to December 31, 2030, unless further extended by amendment of this Contract in writing and signed by both parties, or terminated earlier. CONTRACTOR shall not submit any invoice for services performed under this Contract until the Contract is fully executed.

6. TERMINATION

A. The DISTRICT may terminate this Contract at any time, at will, and without specifying any reason, by notifying CONTRACTOR in writing. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination, as set forth in section 13, below, and shall be delivered in accordance with the provisions of section 13 below. Immediately upon receipt of the notice of termination, CONTRACTOR shall cease all work under this Contract, except such work as is specified in the notice of termination. CONTRACTOR shall deliver a final invoice for all remaining work performed but not billed, including any work specified in the termination notice, on or before ten (10) business days following the effective date of termination.

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

   i. Failure to perform any agreement or obligation contained in this Contract or failure to perform the services in a satisfactory manner shall constitute a breach of the Contract.

   ii. The non-breaching party may terminate the Contract by delivery of a written notice of breach. The notice of breach shall specify the date of termination, which shall be no earlier than ten (10) business days from delivery of the notice of breach. In the alternative, at its sole discretion, the non-breaching party may require the breaching party to cure the breach. The notice of breach shall specify the nature of the breach and the date by which such breach must be cured.

iii. If CONTRACTOR fails to perform any obligation under this Contract, DISTRICT, at its sole discretion, may perform, or cause the performance of, the obligation itself. In that event, DISTRICT shall deduct the costs to perform such obligation and any other costs to cure the breach from the payment otherwise due to CONTRACTOR for work performed under this Contract. DISTRICT's performance hereunder shall not be deemed a waiver or release of any obligation of, or default by, CONTRACTOR under this Contract.

iv. The notice of breach shall be provided in accordance with the notice requirements set forth in section 13.

v. The non-breaching party reserves all rights under law and equity to enforce this Contract and recover any damages.

7. INSURANCE

A. CONTRACTOR shall maintain the following insurance:

i. Workers' compensation and employers' liability insurance as required by California law or other applicable statutory requirements.

ii. Occurrence-based commercial general liability insurance or equivalent form with a limit of not less than one million dollars ($1,000,000) each occurrence. Such insurance shall include DISTRICT and its officers, agents, and employees as additional insureds and shall be primary with respect to any insurance maintained by DISTRICT.

iii. Business automobile liability insurance or equivalent form with a limit of not less than one million dollars ($1,000,000) each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles. If CONTRACTOR is a sole proprietor, CONTRACTOR may meet this insurance requirement with personal automobile liability insurance carrying a business use endorsement or by demonstrating to the satisfaction of DISTRICT that business use is covered under the CONTRACTOR's personal automobile liability insurance. A CONTRACTOR using only rental vehicles in performing work under this Contract may meet this insurance requirement by purchasing automobile liability insurance in the required coverage amount from the rental agency.

iv. Professional liability insurance with limits not less than one million dollars ($1,000,000) each claim.

B. All insurance shall be placed with insurers acceptable to DISTRICT.

C. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. Upon request by DISTRICT, CONTRACTOR shall provide a complete copy of any required insurance policy. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.

DRAFT

D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.

8. INDEMNIFICATION

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

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

9. AGREEMENT TO PROVIDE SERVICES

A. CONTRACTOR hereby agrees to provide to DISTRICT, as DISTRICT may from time to time designate, such services as DISTRICT may order by Task Order, all in accordance with and subject to the terms, covenants and conditions of this Contract. DISTRICT agrees to pay for these services ordered by DISTRICT in accordance with and subject to the terms, covenants and conditions of this Contract.

B. All Task Orders issued by DISTRICT to CONTRACTOR for services during the term of this Contract are subject to the provisions of this Contract as though fully set forth in such Task Order. In the event that the provisions of this Contract conflict with any Task Order issued by DISTRICT to CONTRACTOR, the provisions of this Contract shall govern. No other terms and conditions, including, but not limited to, those contained in CONTRACTOR's standard printed terms and conditions, on CONTRACTOR's order acknowledgment, invoices or otherwise, shall have any application to or effect upon or be deemed to constitute an amendment to or to be incorporated into this Contract, any Task Order, or any transactions occurring pursuant hereto or thereto, unless this Contract shall be specifically amended to adopt such other terms and conditions in writing by the parties.

C. Notwithstanding any other provision of this Contract to the contrary, DISTRICT shall have no obligation to order or purchase any services hereunder and the placement of any Task Order shall be in the sole discretion of DISTRICT. Without limiting the generality of the foregoing, the actual quantity of services to be purchased hereunder shall be determined by DISTRICT in its sole

discretion and shall not exceed $1,298,000. This Contract is not exclusive. CONTRACTOR expressly acknowledges and agrees that DISTRICT may purchase at its sole discretion, services that are identical or similar to the services described in this Contract from any third party.

10. TASK ORDERS

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

11. PRICING, INVOICES, AND PAYMENT

A. DISTRICT shall pay CONTRACTOR for all services ordered and provided in compliance with the terms and conditions of this Contract and with Task Orders issued under this Contract.

B. CONTRACTOR shall submit invoice(s) to DISTRICT for services performed. Each invoice shall specify the total cost of the services for which the invoice is submitted; shall reference tasks shown in the Task Order, the hours associated with same, or percentage completion thereof, and the amount of charge claimed; as appropriate, shall list any charges for equipment, material, supplies, travel, and subcontractors' services. Each invoice, including supporting documentation, shall be prepared on CONTRACTOR's letterhead; shall list DISTRICT's contract number, Purchase Order number, Task Order number, the period covered by the invoice; and shall be submitted to: Bay Area Air Quality Management District, 375 Beale Street, Suite 600, San Francisco, CA 94105, Attn: Joy Chen.

C. Except as specifically set forth in Attachment A or in Task Orders under this Contract, DISTRICT shall not be responsible for any additional costs or expenses of any nature incurred by CONTRACTOR in connection with the provision of the services, including without limitation travel expenses, clerical or administrative personnel, long distance telephone charges, etc.

D. CONTRACTOR represents, warrants and covenants that the prices, charges and fees for services set forth in this Contract (on the whole) are at least as favorable as the prices, charges and fees CONTRACTOR charges (on the whole) to other of its customers or clients for the same or substantially similar services provided under the same or substantially similar circumstances, terms, and conditions. If CONTRACTOR agrees or contracts with other clients or customers similarly situated during the Term of this Contract, and offers or agrees to financial terms more favorable than those set forth herein (on the whole), CONTRACTOR hereby agrees that it will

reduce the prices, charges and/or fees charged to DISTRICT in respect of the services hereunder to the most favorable rates received by those other clients or customers.

12. DISPUTE RESOLUTION

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

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

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

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

D. Each party shall bear its own mediation costs.

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

F. Maximum recovery under this section shall be limited to the total value of all Task Orders issued under the Contract. The mediation costs shall not reduce the maximum amount recoverable under this section.

13. NOTICES

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

DISTRICT:

Bay Area Air Quality Management District

375 Beale Street, Suite 600, San Francisco, CA 94105

Attn: Joy Chen

E-mail: joychen@baaqmd.gov

CONTRACTOR:

Clearsparc

3329 Tulalip Avenue, Everett, WA 98201

Attn: Phillip Johnson

E-mail: phil@clearsparc.com

14. ADDITIONAL PROVISIONS

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

15. EMPLOYEES OF CONTRACTOR

A. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation leave, vacation replacements, sick leave, severance pay, and pay for legal holidays.

B. CONTRACTOR, its officers, employees, agents, or representatives shall not be considered employees or agents of DISTRICT, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans given or extended by DISTRICT to its employees.

C. CONTRACTOR shall assign those employees listed in the Cost Schedule to perform work under this Contract. CONTRACTOR shall not assign different employees to perform this work without the express written permission of DISTRICT, which DISTRICT will not unreasonably withhold.

D. DISTRICT reserves the right to review the credentials to perform the work of any of CONTRACTOR's employees assigned herein and to disapprove CONTRACTOR's assignments. CONTRACTOR warrants that it will not employ any subcontractor(s) without prior written approval from DISTRICT.

16. CONFIDENTIALITY

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

A. Observe complete confidentiality with respect to such information, including, without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to

employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.

B. Ensure that CONTRACTOR's officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information, and to assure by agreement or otherwise, that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.

C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever, whether gratuitously or for valuable consideration, except as permitted under this Contract.

D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information, or any part thereof, by any person or entity other than those authorized by this section. Take, at CONTRACTOR's expense but at DISTRICT's option, and in any event under DISTRICT's control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.

E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Contract and following expiration or termination of the Contract.

F. Prevent access to such materials by a person or entity not authorized under this Contract.

G. Establish specific procedures in order to fulfill the obligations of this section.

17. INTELLECTUAL PROPERTY RIGHTS

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

18. PUBLICATION

A. DISTRICT shall approve in writing any report or other document prepared by CONTRACTOR in connection with performance under this Contract prior to dissemination or publication of such report or document to a third party. DISTRICT may waive in writing its requirement for prior approval.

B. Until approved by DISTRICT, any report or other document prepared by CONTRACTOR shall include on each page a conspicuous header, footer, or watermark stating "DRAFT – Not Reviewed or Approved by the Bay Area Air District," unless DISTRICT has waived its requirement for prior approval pursuant to paragraph A of this section.

C. Information, data, documents, or reports developed by CONTRACTOR for DISTRICT pursuant to this Contract shall be part of DISTRICT's public record, unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information, provided DISTRICT approves use of such information in advance. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract:

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

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

19. AUDIT/INSPECTION OF RECORDS

If this Contract exceeds $10,000, pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided hereunder, shall be subject to the examination and audit of the California State Auditor and other duly authorized agents of the State of California for a period of three (3) years after final payment under this Contract. CONTRACTOR hereby agrees to make such records available during normal business hours for inspection, audit, and reproduction by any duly authorized agents of the State of California or DISTRICT. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by any duly authorized agents of the State of California or DISTRICT. All examinations and audits conducted under this section shall be strictly confined to those matters connected with the performance of this Contract, including, but not limited to, the costs of administering this Contract.

20. NON-DISCRIMINATION

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

21. PROPERTY AND SECURITY

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

22. ASSIGNMENT

No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.

23. WAIVER

No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.

24. ATTORNEYS' FEES

In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys' fees and costs.

25. FORCE MAJEURE

Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to party's own action or inaction, then such cause shall not excuse that party from performance under this Contract.

26. SEVERABILITY

If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid, in whole or in part, for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

DRAFT

27. HEADINGS

Headings on the sections and paragraphs of this Contract are for convenience and reference only, and the words contained therein, shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.

28. COUNTERPARTS/FACSIMILES/SCANS

This Contract may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party's signature as an original for all purposes.

29. GOVERNING LAW

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

30. ENTIRE CONTRACT AND MODIFICATION

This Contract represents the final, complete, and exclusive statement of the agreement between the parties related to CONTRACTOR providing services to DISTRICT, and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Contract by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Contract may only be amended by mutual agreement of the parties in writing and signed by both parties.

31. SURVIVAL OF TERMS

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

DRAFT

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: _____

Dr. Philip M. Fine
Executive Officer/APCO

Date: _____

CLEARSPARC

By: _____

Phillip Johnson
Co-Owner/Lead Developer

Date: _____

Approved as to form:

By: _____

Alexander G. Crockett
General Counsel

DRAFT

ATTACHMENT A

GENERAL DESCRIPTION OF WORK

Pursuant to Task Orders issued under this Contract, CONTRACTOR shall provide professional services related to the design, development, implementation, deployment, and support for DISTRICT's Open Air Community Data Portal (Open Air Portal), a public-facing platform designed to enable Bay Area residents and other users to search, view, and access air quality and facility-related information through a mobile application and mobile-responsive web application compatible with iOS and Android devices, including data integration and Geographic Information System (GIS) capabilities.

CONTRACTOR shall collaborate with DISTRICT stakeholders to deliver secure, accessible, scalable, and maintainable technology solutions that support the DISTRICT's operational, regulatory, community engagement, public transparency, and other key objectives. Key deliverables and services may include, but are not limited to, project management, business analysis, user experience design, software architecture, application development, system integration, data migration, quality assurance, testing, deployment, training, documentation, and post-implementation support.

DRAFT

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Authorization to Amend Contract with Atkinson, Andelson, Loya, Ruud & Romo for Human Resources and Labor-Relations-Related Outside Counsel Services

RECOMMENDED ACTION

Authorize the General Counsel to amend the Air District's legal services agreement with Atkinson, Andelson, Loya, Ruud & Romo to increase the total not-to-exceed amount of the agreement by $1,000,000, from $1,337,500 to $2,337,500, for Human-Resources-related outside counsel representation for labor negotiation, labor relations, meet-and-confer process, arbitration, and unfair labor practice charges.

BACKGROUND

On December 4, 2024, the Board of Directors authorized the General Counsel to enter into a legal services agreement with Atkinson, Andelson, Loya, Ruud & Romo (AALRR) for an amount of $350,000. On August 11, 2025, the General Counsel, under the procurement policy, executed Amendment 1 to increase the amount of the agreement by another $87,500 for a total of $437,500. On September 10, 2025, the Board of Directors authorized Amendment 2 to increase the amount of the agreement for another $300,000, for a total of $737,500. On February 4, 2026, the Board of Directors authorized Amendment 3 to increase the amount of the agreement for another $400,000, for a total of $1,137,500. On October 28, 2026, the General Counsel, under the procurement policy, executed Amendment 4 to increase the amount of the agreement by another $200,000 for a total of $1,337,500.

The purpose of this legal services agreement is to have AALRR represent the Air District's 2026/2027 labor negotiations and on-going labor relations, meet-and-confer process, arbitration, and unfair labor practice charges. AALRR will work closely with the Human Resources Division and Legal Division, and other departments as needed, to support the Air District in labor relations activities. This includes providing strategic and legal advice on arbitrations and grievances, leading and representing the Air District in negotiations with the Employees' Association regarding both the current and inaugural Memorandums of Understanding, and participating in meet-and-confer sessions. The

firm will provide consultation on mandatory bargaining topics, advise senior management, analyze negotiation materials, document negotiation sessions, and provide regular progress briefings to the Board of Directors and executive staff. Additionally, the firm will represent the Air District in any necessary fact-finding sessions, grievances, arbitration, and address unfair labor practice charges.

DISCUSSION

Human-Resources-related outside counsel representation is essential to continue the Air District's current labor negotiation with the Employee Association, mediation, arbitration, and unfair labor practice charges facing the Air District.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Approval of the proposed amendment will add $1,000,000 to the existing $1,337,500 AALRR contract, increasing the total authorized contract amount to $2,337,500. Sufficient funding for anticipated Fiscal Year Ending 2027 work is available within the approved budget for Labor Relations (Program 111). Funding for subsequent years will be considered by the Board as part of the Air District's annual budget approval process.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Joseph Huynh
Reviewed by: Lisa Baker

ATTACHMENT(S):

1. AALRR 2024.218 Executed
2. AALRR 2024.218 Amendment 1 Executed
3. AALRR 2024.218 Amendment 2 Executed
4. AALRR 2024.218 Amendment 3 Executed
5. AALRR 2024.218 Amendment 4 Executed
6. Draft AALRR_2024.218 Amendment 5

Docusign Envelope ID: 44828B93-1C8F-43F5-9140-F33570794608

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

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

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

CERRITOS
(562) 653-3200

FRESNO
(559) 225-6700

IRVINE
(949) 453-4260

MARIN
(628) 234-6200

PASADENA
(626) 583-8600

PLEASANTON
(925) 227-9200

RIVERSIDE
(951) 683-1122

SAN DIEGO
(858) 485-9526

Laura.lzon@aalrr.com

November 20, 2024

VIA EMAIL: ACROCKETT@BAAQMD.GOV

CONFIDENTIAL ATTORNEY-CLIENT PRIVILEGED COMMUNICATION

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

Re: Legal Services Agreement

Dear Mr. Crockett:

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

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

Scope of the Firm's Representation.

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

Docusign Envelope ID: 44828B93-1C8F-43F5-9140-F33570794608

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

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

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

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

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

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

Docusign Envelope ID: 44828B93-1C8F-43F5-9140-F33570794608

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

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

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

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

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

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

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

Docusign Envelope ID: 44828B93-1C8F-43F5-9140-F33570794608

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

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

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

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

Docusign Envelope ID: 44828B93-1C8F-43F5-9140-F33570794608

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

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

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

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

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

Docusign Envelope ID: 44828B93-1C8F-43F5-9140-F33570794608

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

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

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

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

Docusign Envelope ID: 44828B93-1C8F-43F5-9140-F33570794608

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

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Laura A. Izon

LAI:aih

ACCEPTANCE AND CONSENT BY CLIENT

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: DocuSigned by: Alexander Crockett 12/17/2024
6DC7110552B5451...

Name: Alexander G. Crockett

Title: General Counsel

Docusign Envelope ID: 44828B93-1C8F-43F5-9140-F33570794608

CLIENT INFORMATION AND TECHNOLOGY QUESTIONNAIRE

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

_____

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

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

_____

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

_____

4. Does the client or any of the individuals listed in 3 above own any other business?

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

_____

The Firm **May Use** the following cellular phones, facsimile numbers and email addresses for the purposes of transmitting confidential information[1]:

Cellular telephone number(s): _____ _____

Facsimile number(s) _____ _____

Email Address(es): _____ _____

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

Cellular telephone number(s): _____ _____

Facsimile number(s) _____ _____

Email Address(es): _____ _____

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

_____

Dated: _____ Signature: _____

Name of Signer: _____

Client Name: _____

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

Docusign Envelope ID: C5D51D7E-D318-4A60-851A-D13670B7C043

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

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

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

CERRITOS
(562) 653-3200

FRESNO
(559) 225-6700

IRVINE
(949) 453-4260

MARIN
(628) 234-6200

PASADENA
(626) 583-8600

PLEASANTON
(925) 227-9200

RIVERSIDE
(951) 683-1122

SAN DIEGO
(858) 485-9526

Laura.Izon@aalrr.com

July 28, 2025

VIA EMAIL: ACROCKETT@BAAQMD.GOV

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

Re: Amendment #1 to the Legal Services Agreement for AALRR 2024.218

Dear Mr. Crockett:

The purpose of this letter is to effectuate the First Amendment to Legal Services Agreement 2024.218 between the Bay Area Air Quality Management District ("Air District" or "Client") and Atkinson, Andelson, Loya, Ruud & Romo ("AALRR" or the "Firm")) dated November 20, 2024 and executed December 17, 2024.

The only language addressed in the First Amendment is as follows:

"The Parties agrees to increase the total not to exceed representation amount by $87,500 from $350,000 to $437,500.

Thank you for giving us the opportunity to continue to assist the Air District with your legal matters.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Laura A. Izon

LAI:vab

53994096006509.00810

Docusign Envelope ID: C5D51D7E-D318-4A60-851A-D13670B7C043

ACCEPTANCE AND CONSENT BY CLIENT

The undersigned is the Client or an authorized officer or agent of Client and has reviewed and hereby agrees and consents to the above First Amendment.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: DocuSigned by: Alexander Crockett 6DC7110552B5451...

Name: Alexander G. Crockett

Title: General Counsel

Docusign Envelope ID: 56F60B2B-E485-4481-AA28-5BB11E63DD4D

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

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

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

CERRITOS
(562) 653-3200

FRESNO
(559) 225-6700

IRVINE
(949) 453-4260

MARIN
(628) 234-6200

PASADENA
(626) 583-8600

PLEASANTON
(925) 227-9200

RIVERSIDE
(951) 683-1122

SAN DIEGO
(858) 485-9526

Laura.Izon@aalrr.com

July 28, 2025

VIA EMAIL: ACROCKETT@BAAQMD.GOV

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

Re: Amendment #2 to the Legal Services Agreement for AALRR 2024.218

Dear Mr. Crockett:

The purpose of this letter is to effectuate the Second Amendment to Legal Services Agreement 2024.218 between the Bay Area Air Quality Management District ("Air District" or "Client") and Atkinson, Andelson, Loya, Ruud & Romo ("AALRR" or the "Firm")) dated November 20, 2024 and executed December 17, 2024.

The only language addressed in the Second Amendment is as follows:
"The Parties agrees to increase of the total not to exceed representation amount by $300,000 from $437,500 to $737,500"

Thank you for giving us the opportunity to continue to assist the Air District with your legal matters.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Laura A. Izon
LAI:vab

53994151.1/006509.00810

Docusign Envelope ID: 56F60B2B-E485-4481-AA28-5BB11E63DD4D

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

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

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

CERRITOS
(562) 653-3200

FRESNO
(559) 225-6700

IRVINE
(949) 453-4260

MARIN
(628) 234-6200

PASADENA
(626) 583-8600

PLEASANTON
(925) 227-9200

RIVERSIDE
(951) 683-1122

SAN DIEGO
(858) 485-9526

Laura.Izon@aalrr.com

Acceptance and Consent by Client

The undersigned is the Client or an authorized officer or agent of Client and has reviewed and hereby agrees and consents to the above Second Amendment.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: DocuSigned by: Alexander Crockett 6DC7110552B5451...

Name: Alexander G. Crockett

Title: General Counsel

Docusign Envelope ID: 088BAE99-3B6B-489F-8D9A-127096554636

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

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

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

CERRITOS
(562) 653-3200

FRESNO
(559) 225-6700

IRVINE
(949) 453-4260

MARIN
(628) 234-6200

PASADENA
(626) 583-8600

PLEASANTON
(925) 227-9200

RIVERSIDE
(951) 683-1122

SAN DIEGO
(858) 485-9526

Laura.Izon@aalrr.com

January 7, 2026

VIA EMAIL: ACROCKETT@BAAQMD.GOV

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

Re: Amendment #3 to the Legal Services Agreement for AALRR 2024.218

Dear Mr. Crockett:

The purpose of this letter is to effectuate the Third Amendment to Legal Services Agreement 2024.18 between the Bay Area Air Quality Management District ("Air District" or "Client") and Atkinson, Andelson, Loya, Ruud & Romo ("AALRR" or the "Firm")) dated November 20, 2024 and executed December 17, 2024.

The only language addressed in the Third Amendment is as follows:

"The Parties agrees to increase of the total not to exceed representation amount by $400,000 from $737,500 to $1,137,500."

Thank you for giving us the opportunity to continue to assist the Air District with your legal matters.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Laura A. Izon

LAI:vab

53994096006509.00810

Docusign Envelope ID: 088BAE99-3B6B-489F-8D9A-127096554636

ACCEPTANCE AND CONSENT BY CLIENT

The undersigned is the Client or an authorized officer or agent of Client and has reviewed and hereby agrees and consents to the above Third Amendment.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: Signed by: Alexander Crockett 6DC7110552B5451... 2/11/2026

Name: Alexander Crockett

Title: General Counsel

Docusign Envelope ID: 6295FA1A-FA4B-8E41-8044-F4C9EFF1705D

September 17, 2026
VIA EMAIL: ACROCKETT@BAAQMD.GOV

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

Re: Amendment #4 to the Legal Services Agreement for AALRR 2024.218

Dear Mr. Crockett:

The purpose of this letter is to effectuate the Fourth Amendment to Legal Services Agreement 2024.218 between the Bay Area Air Quality Management District ("Air District" or "Client") and Atkinson, Andelson, Loya, Ruud & Romo ("AALRR" or the "Firm") dated November 20, 2024 and executed December 17, 2024.

The only language addressed in the Fourth Amendment is as follows:

"The Parties agree to increase the total not to exceed representation amount by $200,000 from $1,137,500 to $1,337,500."

Thank you for giving us the opportunity to continue to assist the Air District with your legal matters.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Laura A. Izon

LAI:vab

ACCEPTANCE AND CONSENT BY CLIENT

The undersigned is the Client or an authorized officer or agent of Client and has reviewed and hereby agrees and consents to the above Fourth Amendment.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: Signed by: Alexander Crockett 10/28/2026
6DC7110552B5451...

Name: Alexander Crockett

Title: General Counsel

53994096006509.00810

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

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

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

CERRITOS
(562) 653-3200

FRESNO
(559) 225-6700

IRVINE
(949) 453-4260

MARIN
(628) 234-6200

PASADENA
(626) 583-8600

PLEASANTON
(925) 227-9200

RIVERSIDE
(951) 683-1122

SAN DIEGO
(858) 485-9526

Laura.Izon@aalrr.com

September 24, 2026

VIA EMAIL: ACROCKETT@BAAQMD.GOV

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

Re: Amendment #5 to the Legal Services Agreement for AALRR 2024.18

Dear Mr. Crockett:

The purpose of this letter is to effectuate the Fifth Amendment to Legal Services Agreement 2024.18 between the Bay Area Air Quality Management District ("Air District" or "Client") and Atkinson, Andelson, Loya, Ruud & Romo ("AALRR" or the "Firm")) dated November 20, 2024 and executed December 17, 2024.

The only language addressed in the fifth Amendment is as follows:

"The Parties agree to increase the total not to exceed representation amount by $1,000,000 from $1,337,500 to $2,337,500."

"The Parties agree to extend the term date from November 30, 2026 to November 30, 2027."

Thank you for giving us the opportunity to continue to assist the Air District with your legal matters.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Laura A. Izon

LAI:vab

53994096006509.00810

DRAFT

ACCEPTANCE AND CONSENT BY CLIENT

The undersigned is the Client or an authorized officer or agent of Client and has reviewed and hereby agrees and consents to the above fifth Amendment.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: _____

Name: _____

Title: _____

DRAFT

DRAFT

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Authorization to Amend Contract with Niloufar Nazmi for Board Chair Support

RECOMMENDED ACTION

Authorize the Executive Officer/APCO to amend the contract with Niloufar Nazmi to increase the total not-to-exceed amount of the contract by $328,800, from $150,000 to $478,800, and to extend the end of the contract term from September 1, 2027, to December 31, 2029, for continued support as a consultant to the Chair of the Board.

BACKGROUND

In 2025, the Air District identified a need for dedicated consultant support for the Chair of the Board of Directors in their role as a member of the California Air Resources Board (CARB). The consultant provides technical, policy, and strategic support related to CARB matters and other Air District priorities.

As part of the original selection process, the Air District evaluated three candidates for the Board Chair Consultant role. Following interviews and evaluation of the candidates' qualifications, Niloufar Nazmi was selected based on her specialized technical expertise and experience supporting senior leadership on environmental and air quality matters. The Air District subsequently approved an exemption from the formal competitive procurement process and entered into a contract with Niloufar Nazmi in August 2025.

Under the contract, Niloufar Nazmi supports the Board Chair in connection with CARB meetings and activities and provides policy, strategic, and organizational support to the Board Chair and Executive Officer/APCO. The current contract has a not-to-exceed amount of $150,000 and extends through September 1, 2027.

DISCUSSION

The Air District continues to require specialized technical, policy, and strategic support for the Board Chair in connection with the Air District's representation on the California Air Resources Board (CARB). The proposed amendment would extend the contract to maintain continuity of this support through December 31, 2029.

The amendment would also expand the scope of services to address broader Air District policy and strategic priorities. Under the direction of the Executive Officer/APCO, the consultant would support Air District Board and committee activities; assist with the development of policies and procedures; prepare reports and policy recommendations; and assist with special projects and other policy and strategic initiatives related to Air District priorities. The consultant would also join the Chair in meetings both in the Chair's capacity as Board Chair and as Member of CARB. Finally, the consultant will attend meetings on behalf of the Board Chair and provide expert and technical analysis and recommendations for consideration by the Board Chair, Executive Officer, and staff.

The proposed amendment would increase the contract amount by $328,800, from $150,000 to a total amount not to exceed $478,800, and extend the contract term through December 31, 2029. Services under the amended contract would be provided at an hourly rate of $160.

Staff recommends approval of the proposed amendment to maintain continuity of specialized support and provide the additional capacity needed to carry out the expanded scope of services during the extended contract term.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for this contract is included in the Fiscal Year Ending 2027 Budget, Program 104.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Sonam Shah-Paul and Marjorie Villanueva
Reviewed by: Viet Tran

ATTACHMENT(S):

1. Niloufar Nazmi 2025.201
2. Niloufar Nazmi 2025.201 Amendment 1
3. Niloufar Nazmi 2025.201 Amendment 2 Draft

Docusign Envelope ID: 50404882-E200-4751-8124-BC5C4060BD3B

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

PROFESSIONAL SERVICES CONTRACT

CONTRACT NO. 2025.201

1. PARTIES – The parties to this Contract ("Contract") are the Bay Area Air Quality Management District ("DISTRICT") whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and **Niloufar Nazmi** ("CONTRACTOR") whose address is 3387 Woodview Drive, Lafayette, CA 94549.

2. RECITALS
   A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Contract under California Health and Safety Code Section 40701. DISTRICT desires to contract with CONTRACTOR for services described in the Scope of Work, attached hereto as Attachment A and made a part hereof by this reference. DISTRICT is entering into this Contract based on CONTRACTOR's stated qualifications to perform the services.
   B. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.

3. PERFORMANCE REQUIREMENTS
   A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.
   B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and to pay all applicable fees.
   C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT's Conflict of Interest Code.
   D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Scope of Work.
   E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.
   F. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraphs A-E above.

4. TERM – The term of this Contract is from August 18, 2025 to September 1, 2026, unless further extended by amendment of this Contract in writing and signed by both parties, or terminated earlier. CONTRACTOR shall not submit any invoice for services performed under this Contract until the Contract is fully executed.

Docusign Envelope ID: 50404882-E200-4751-8124-BC5C4060BD3B

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

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

Docusign Envelope ID: 50404882-E200-4751-8124-BC5C4060BD3B

work under this Contract may meet this insurance requirement by purchasing automobile liability insurance in the required coverage amount from the rental agency.

iv) Professional liability insurance with limits not less than one million dollars ($1,000,000) each claim.

B. All insurance shall be placed with insurers acceptable to DISTRICT.

C. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. Upon request by DISTRICT, CONTRACTOR shall provide a complete copy of any required insurance policy. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.

D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.

7. INDEMNIFICATION

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

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

8. PAYMENT

A. DISTRICT shall pay CONTRACTOR for services in accordance with the terms set forth in the Cost Schedule, which is attached hereto as Attachment B and incorporated herein by this reference.

B. CONTRACTOR shall submit invoice(s) to DISTRICT for services performed. Each invoice shall specify the total cost of the services for which the invoice is submitted, shall reference tasks shown in the Scope of Work, the hours associated with same, or percentage completion thereof, and the amount of charge claimed, and, as appropriate, shall list any charges for equipment, material, supplies, travel, and subcontractors' services.

C. DISTRICT's payment of invoices shall be subject to the following limitations and requirements:

i) Each invoice, including supporting documentation, shall be prepared in duplicate on CONTRACTOR's letterhead; shall list DISTRICT's contract number, the period covered by the invoice, and the CONTRACTOR's Social Security Number or Federal Employer Identification Number; and shall be submitted to: Bay Area Air Quality Management District, 375 Beale Street, Suite 600, San Francisco, CA 94105, Attn: Viet Tran.

Docusign Envelope ID: 50404882-E200-4751-8124-BC5C4060BD3B

ii) DISTRICT shall not pay interest, fees, handling charges, or the cost of money on the Contract.
iii) DISTRICT shall pay CONTRACTOR within thirty (30) calendar days after approval by DISTRICT of an itemized invoice.

D. The total amount for which DISTRICT may be held liable for the performance of services specified in this Contract shall not exceed $150,000.

9. DISPUTE RESOLUTION – A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.
   A. Upon receipt of a notice of breach of contract, the party may submit a demand for mediation to resolve whether or not a breach occurred. The party must state the basis of the dispute and deliver the demand within ten (10) business days of the date of receipt of the notice of breach.
   B. The mediation shall take place at DISTRICT's office at 375 Beale Street, Suite 600, San Francisco, or at such other place as may be mutually agreed upon by the parties and the mediator.
   C. The parties shall make good faith efforts to hold the mediation within thirty (30) days after receipt of the demand for mediation.
   D. Each party shall bear its own mediation costs.
   E. In the event the parties are unable to resolve the dispute, either party may file an action in a court of competent jurisdiction to enforce the Contract.
   F. Maximum recovery under this section shall be limited to $150,000. The mediation costs shall not reduce the maximum amount recoverable under this section.

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

DISTRICT:	Bay Area Air Quality Management District 375 Beale Street, Suite 600 San Francisco, CA 94105 Attn: Viet Tran
CONTRACTOR:	Niloufar Nazmi 3387 Woodview Drive Lafayette, CA 94549 Attn: Niloufar Nazmi

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

Docusign Envelope ID: 50404882-E200-4751-8124-BC5C4060BD3B

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

12. EMPLOYEES OF CONTRACTOR
    A. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation leave, vacation replacements, sick leave, severance pay, and pay for legal holidays.
    B. CONTRACTOR, its officers, employees, agents, or representatives shall not be considered employees or agents of DISTRICT, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans given or extended by DISTRICT to its employees.
    C. DISTRICT reserves the right to review the credentials to perform the work of any of CONTRACTOR's employees assigned herein and to disapprove CONTRACTOR's assignments. CONTRACTOR warrants that it will not employ any subcontractor(s) without prior written approval from DISTRICT.

13. CONFIDENTIALITY – In order to carry out the purposes of this Contract, CONTRACTOR may require access to certain of DISTRICT's confidential information (including trade secrets, inventions, confidential know-how, confidential business information, and other information that DISTRICT considers confidential) (collectively, "Confidential Information"). It is expressly understood and agreed that DISTRICT may designate in a conspicuous manner Confidential Information that CONTRACTOR obtains from DISTRICT, and CONTRACTOR agrees to:
    A. Observe complete confidentiality with respect to such information, including, without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
    B. Ensure that CONTRACTOR's officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information, and to assure by agreement or otherwise, that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
    C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever, whether gratuitously or for valuable consideration, except as permitted under this Contract.
    D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information, or any part thereof, by any person or entity other than those authorized by this section. Take, at CONTRACTOR's expense but at DISTRICT's option, and in any event under DISTRICT's control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.
    E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Contract and following expiration or termination of the Contract.
    F. Prevent access to such materials by a person or entity not authorized under this Contract.
    G. Establish specific procedures in order to fulfill the obligations of this section.

14. INTELLECTUAL PROPERTY RIGHTS – Title and full ownership rights to all intellectual property

Docusign Envelope ID: 50404882-E200-4751-8124-BC5C4060BD3B

developed under this Contract shall at all times remain with DISTRICT, unless otherwise agreed to in writing.

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

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

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

16. AUDIT / INSPECTION OF RECORDS – If this Contract exceeds $10,000, pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided hereunder, shall be subject to the examination and audit of the California State Auditor and other duly authorized agents of the State of California for a period of three (3) years after final payment under this Contract. CONTRACTOR hereby agrees to make such records available during normal business hours for inspection, audit, and reproduction by any duly authorized agents of the State of California or DISTRICT. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by any duly authorized agents of the State of California or DISTRICT. All examinations and audits conducted under this section shall be strictly confined to those matters connected with the performance of this Contract, including, but not limited to, the costs of administering this Contract.

17. NON-DISCRIMINATION – In the performance of this Contract, CONTRACTOR shall not discriminate in its recruitment, hiring, promotion, demotion, and termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual orientation, medical condition, or physical or mental disability, and shall comply with the

Docusign Envelope ID: 50404882-E200-4751-8124-BC5C4060BD3B

provisions of the California Fair Employment & Housing Act (Gov. Code, §§12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts. CONTRACTOR shall also require each subcontractor performing work in connection with this Contract to comply with this section, and shall include in each contract with such subcontractor provisions to accomplish the requirements of this section.

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

19. ASSIGNMENT – No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.

20. WAIVER – No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.

21. ATTORNEYS' FEES – In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys' fees and costs.

22. FORCE MAJEURE – Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to a party's own action or inaction, then such cause shall not excuse that party from performance under this Contract.

23. SEVERABILITY – If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid, in whole or in part, for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

24. HEADINGS – Headings on the sections and paragraphs of this Contract are for convenience and

Docusign Envelope ID: 50404882-E200-4751-8124-BC5C4060BD3B

reference only, and the words contained therein, shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.

25. COUNTERPARTS/FACSIMILES/SCANS – This Contract may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party's signature as an original for all purposes.

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

27. ENTIRE CONTRACT AND MODIFICATION – This Contract represents the final, complete, and exclusive statement of the agreement between the parties related to CONTRACTOR providing services to DISTRICT, and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Contract by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Contract may only be amended by mutual agreement of the parties in writing and signed by both parties.

28. SURVIVAL OF TERMS – The provisions of sections 7 (Indemnification), 13 (Confidentiality), 14 (Intellectual Property Rights), and 15 (Publication) shall survive the expiration or termination of this Contract.

Docusign Envelope ID: 50404882-E200-4751-8124-BC5C4060BD3B

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: DocuSigned by: Meredith Bauer A39471FA1FA34F8...

Dr. Philip M. Fine
Executive Officer/APCO

Date: 8/28/2025

NILOUFAR NAZMI

By: _____

Niloufar Nazmi
Independent Contractor

Date: 8/25/2025

Approved as to form:

By: DocuSigned by: Alexander Crockett 6DC7110552B5451...

Alexander G. Crockett
General Counsel

Docusign Envelope ID: 50404882-E200-4751-8124-BC5C4060BD3B

ATTACHMENT A

SCOPE OF WORK

CONTRACTOR shall serve as a consultant for DISTRICT's Board of Directors Chairperson ("Board Chair") and shall carry out its duties in a manner consistent with DISTRICT's operating rules and regulations and all applicable laws. CONTRACTOR shall further the purposes and goals of the DISTRICT, and shall report directly to the Executive Officer/APCO.

Under the direction of DISTRICT, CONTRACTOR shall:

1. Attend meetings of the California Air Resources Board and its committees either in conjunction with the Board Chair or as the Board Chair's designee.
2. Attend meetings of the DISTRICT's Board of Directors and its committees either in conjunction with the Board Chair, Executive Officer or as the Executive Officer's designee.
3. Develop policies and procedures for program implementation of the goals and objectives of DISTRICT, as directed by the Executive Officer.
4. Recommend to the Board Chair and/or Executive Officer such measures and resolutions as may be appropriate to support the duties and obligations of DISTRICT.
5. Assist in the preparation of reports and provide policy recommendations to the Board Chair and/or Executive Officer.
6. Assist in the development of a classification specification for and recruitment of a permanent Chief Operating Officer.

CONTRACTOR shall devote themselves to fulfill its responsibilities under this Contract and shall devote such time as may be reasonably necessary for satisfactory performance of its obligations under this Contract.

Docusign Envelope ID: 50404882-E200-4751-8124-BC5C4060BD3B

ATTACHMENT B

COST SCHEDULE

DISTRICT shall pay CONTRACTOR an hourly rate of One Hundred and Fifty Dollars ($150) per hour for time spent completing work under this Contract. CONTRACTOR shall submit invoices in accordance with Section 8, Payment, of this Contract. Payment will be made within thirty (30) calendar days following DISTRICT's receipt and approval of CONTRACTOR's invoice.

Total Cost of Contract Not to Exceed: $150,000.

Docusign Envelope ID: FA6D238B-8640-8F5E-8365-E1529CB7D12F

AMENDMENT NO. 1 TO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

CONTRACT NO. 2025.201

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, September 23, 2026.

RECITALS:

1. The Bay Area Air Quality Management District ("DISTRICT") and **Niloufar Nazmi** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract for consultation services for DISTRICT's Board of Directors Chairperson (the "Contract"), which Contract was executed on behalf of CONTRACTOR on August 25, 2025, and on behalf of DISTRICT on August 28, 2025.

2. The PARTIES inadvertently failed to extend the termination date of the Contract, however, it was and is the intent of the PARTIES to continue the Contract beyond the September 1, 2026, termination date. CONTRACTOR has since continued to provide services to DISTRICT, and the PARTIES have maintained and continued their relationship, in accordance with all the terms and conditions of the Contract. Based on their shared intent to continue the Contract beyond the expiration date, the PARTIES hereby ratify actions taken by either party during the expired period that were substantially compliant with the Contract, and agree any actions taken during the expired period in furtherance of the contractual relationship will be treated as subject to the Contract as if it were in effect at the time.

3. The PARTIES seek to extend the term, of the Contract because the DISTRICT seeks to continue receiving services from CONTRACTOR prescribed in the Contract and CONTRACTOR desires to continue to provide those services up to the new term end date.

4. In accordance with Section 27 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

TERMS AND CONDITIONS OF CONTRACT AMENDMENT:

1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 4, "Term." The term of the Contract shall be extended so that the termination date of the Contract is now September 1, 2027.

Docusign Envelope ID: FA6D238B-8640-8F5E-8365-E1529CB7D12F

2. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: Signed by: 98506AF9981D4CC...
Dr. Philip M. Fine
Executive Officer/APCO

Date: 9/29/2026

NILOUFAR NAZMI

By:
Niloufar Nazmi
Independent Contractor

Date: 9-24-2026

Approved as to form:

By: Signed by: Alexander Crockett 9/29/2026 6DC7110552B5451...
Alexander G. Crockett
General Counsel

AMENDMENT NO. 2 TO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

CONTRACT NO. 2025.201

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, November 2, 2026.

RECITALS:

1. The Bay Area Air Quality Management District ("DISTRICT") and **Niloufar Nazmi** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract for consultation services for DISTRICT's Board of Directors Chairperson (the "Contract"), which Contract was executed on behalf of CONTRACTOR on August 25, 2025, and on behalf of DISTRICT on August 28, 2025.

2. The PARTIES entered into Amendment No. 1 to the Contract, dated September 23, 2026, for reference purposes only, to amend the term of the Contract.

3. The PARTIES seek to amend the term, total cost, Scope of Work, and Cost Schedule to the Contract because the DISTRICT seeks to continue receiving services from CONTRACTOR prescribed in the Contract and CONTRACTOR desires to provide those services.

4. In accordance with Section 27 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

TERMS AND CONDITIONS OF CONTRACT AMENDMENT:

1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 4, "Term." The term of the Contract shall be extended so that the termination date of the Contract is now December 31, 2029.

2. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph D of Section 8, "Payment," of the Contract to replace "$150,000" with "$478,800."

3. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph F of Section 9, "Dispute Resolution," of the Contract to replace "$150,000" with "$478,800."

4. By this Contract Amendment, DISTRICT and CONTRACTOR replace Attachment A, Scope of Work, with the attached "Attachment A-1, Scope of Work" and agree that all

DRAFT

references in the Contract to Attachment A shall be deemed to refer to Attachment A-1, Scope of Work.

5. By this Contract Amendment, DISTRICT and CONTRACTOR replace Attachment B, Cost Schedule, with the attached "Attachment B-1, Cost Schedule" and agree that all references in the Contract to Attachment B shall be deemed to refer to Attachment B-1, Cost Schedule.

6. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: _____
Dr. Philip M. Fine
Executive Officer/APCO

Date: _____

NILOUFAR NAZMI

By: _____
Niloufar Nazmi
Independent Contractor

Date: _____

Approved as to form:

By: _____
Alexander G. Crockett
General Counsel

Date: _____

DRAFT

ATTACHMENT A-1

SCOPE OF WORK

CONTRACTOR shall serve as a consultant for DISTRICT's Board of Directors Chairperson ("Board Chair") and shall carry out its duties in a manner consistent with DISTRICT's operating rules and regulations and all applicable laws. CONTRACTOR shall further the purposes and goals of the DISTRICT, and shall report directly to the Executive Officer/APCO.

Under the direction of DISTRICT, CONTRACTOR shall:

1. Attend meetings of the California Air Resources Board and its committees either in conjunction with the Board Chair or as the Board Chair's designee.
2. Attend meetings of the DISTRICT's Board of Directors and its committees either in conjunction with the Board Chair, Executive Officer or as the Executive Officer's designee.
3. Develop policies and procedures for program implementation of the goals and objectives of DISTRICT, as directed by the Executive Officer.
4. Recommend to the Board Chair and/or Executive Officer such measures and resolutions as may be appropriate to support the duties and obligations of DISTRICT.
5. Assist in the preparation of reports and provide policy recommendations to the Board Chair and/or Executive Officer.
6. Assist with special projects and other policy and strategic initiatives related to District priorities.

CONTRACTOR shall devote themselves to fulfill its responsibilities under this Contract and shall devote such time as may be reasonably necessary for satisfactory performance of its obligations under this Contract.

DRAFT

ATTACHMENT B-1

COST SCHEDULE

DISTRICT shall pay CONTRACTOR an hourly rate of One Hundred and Sixty Dollars ($160) per hour for time spent completing work under this Contract. CONTRACTOR shall submit invoices in accordance with Section 8, Payment, of this Contract. Payment will be made within thirty (30) calendar days following DISTRICT's receipt and approval of CONTRACTOR's invoice.

Total Cost of Contract Not to Exceed: $478,800.

DRAFT

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Authorization to Execute Contract with Syft Technologies, Inc. for Equipment to Support the Refinery Community Air Monitoring Program

RECOMMENDED ACTION

Authorize the Executive Officer/APCO to execute a contract with Syft Technologies, Inc. to purchase two selected ion flow tube mass spectrometers in an amount not to exceed $950,000; and authorize the transfer of funds from Schedule X Capital Reserves to Program 812 for these expenditures.

BACKGROUND

As part of the Air District's Strategic Plan, the Meteorology and Measurement Division is working to strengthen air monitoring by securing and building out multi-pollutant air monitoring stations in communities near refineries. Goals of the program include collection of localized data to learn about typical ambient air pollutant concentrations near refineries, providing community members with access to near-real-time air pollution data in these locations, and gathering datasets that can be used to assess air quality trends. In addition to some criteria air pollutants, other pollutants such as hydrogen sulfide and toxic volatile organic compounds (VOCs) are of concern as potential emissions from refineries.

Measuring toxic VOCs is challenging and generally targeted at a limited set of compounds. Common measurement methods, such as by gas chromatography, are not responsive to fast changes in concentration, are often not sensitive enough to detect the typically low concentrations of these types of compounds and can be resource-intensive to maintain.

One type of analyzer that can be used to simultaneously measure toxic VOCs, as well as many inorganic criteria and non-criteria gaseous pollutants, is the Selective Ion Flow Tube Mass Spectrometer (SIFT-MS). The Air District recommends purchasing up to two of these instruments from Syft Technologies, Inc.

DISCUSSION

Assessing the different types of instruments that can be used to measure volatile air toxic pollutants against the program goals for stationary air monitoring in communities near refineries, the Air District determined that the soft ionization mass spectrometer is an ideal method for delivering reliable concentration data at these stations. With Board authorization, the Air District purchased three Selected Ion Flow Tube Mass Spectrometers (SIFT-MS), from Syft Technologies, Inc., in 2026. These instruments use reactions with successive reagent ions to accurately determine the identity and concentration of a broad and selectable range of toxic organic pollutants, as well as criteria and sulfides gaseous pollutants, at very low concentration (e.g., parts per trillion) in true real-time (e.g., less than 1 min). Also, due to the broad range of pollutants the SIFT-MS measures, analyzers for criteria pollutants and sulfide gases will not be required, at a cost savings.

One SIFT-MS has been deployed in Richmond/San Pablo, the second has been delivered and is being installed in an air monitoring trailer set to replace the current Benicia station, and the third will be delivered by the end of the year. We are actively working to secure sites in other refinery communities with the intention of stations being set up and delivering data to the public in all five refinery communities by Q2 2027.

Syft Technologies, Inc. provided the attached quote for two new Syft Tracer i8 systems for a total amount of $936,592 with Delivery Duty Paid.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Due to an accelerated rate of building out Refinery Community Air Monitoring stations in FYE 2027, funds for this will (if approved) be transferred from Schedule X Capital Reserves to Program 812, Refinery Community Air Monitoring, in the Meteorology & Measurement Division for procurement.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Jon Bower
Reviewed by: Kate Hoag

ATTACHMENT(S):

1. Quote for Two Syft Tracer i8 Air Monitoring Systems
2. Terms and Conditions

Sales Quotation

Quote #: Q-0BAAD714-i8
Created Date: 23/09/2026
Expiration Date: 23/10/2026

Syft Technologies Inc.
675 N. Euclid Street
Anaheim
Anaheim, 92801
CA

Prepared By
Akeema Onalaja
Business Development Manager
434-323-0219
akeema.onalaja@syft.com

Prepared For
Jon Bower
jbower@baaqmd.gov

Ship and Bill To:
Bay Area Air District
San Pablo,

Part#	Description	Unit Price	Qty	Discount	Extended
T0202	Syft Tracer i8	$425,000	2	10%	$765,000
T0087	Carrier Gas - N2	$0	2	Included	
T0222	Insallation Kit - Tracer i8	$5,134	2	Included	
T0209	Auto Validation Inlet (AVI)	$14,424	2	Included	
T0224	Syft Standard Cylinder i8 – High Pressure	$6,501	2	Included	
T0216	LabSyft 2 – Professional	$12,176	2	Included	
S0002	Installation and Commissioning	$10,350	2	Included	
T0278	SyftEnviro	$7,691	2	10%	$13,844
T0300	Syft Gas Delivery System - BASIS	$8,388	2	10%	$15,098
T0296	Syft Gas Delivery System - +1 Additional BASIS Port	$1,980	4	10%	$7,128
T0290	Internal Flow Past Upgrade	$9,650	2	10%	$17,370
T0035	PC NUC	$3,860	2	Included	
S0005	Year 1: 6 & 12 Month SPM	$18,000	2	10%	$32,400
				Sales tax (9.50%):	77,752.00
				Freight:	$8,000
				Total in USD	$936,592

This Quotation is valid until 23/10/2026

The agreed shipping term for this quote is ExWorks

As per Syft Terms and Conditions

The Payment term proposed in this quote is NET 30D

Formation of a Contract

This Quotation must be read and construed with the attached Syft Technologies
On receipt of a formal company purchase order

Link to Terms & Conditions

Appendix - Long Descriptions of Products

T0202	The Syft Tracer represents the next generation of SIFT-MS technology, purpose-built to solve the most demanding analytical challenges. This advancement in real-time trace gas detection delivers sub-ppb sensitivity, exceptional stability, unmatched selectivity, and highly reproducible quantitative results. Powered by eight ultra-soft dual polarity reagent ions - H_3O^+, O_2^+, NO^+, OH-, O2-, O-, NO2-, NO3- - the Tracer quantifies both volatile organic compounds (VOCs) and inorganic gases from a single sample stream with no time delay. Quantitation is fully automated using a built-in library of over 1,000 compounds across all reagent ions, with no manual hardware changes required. The Tracer i8 combines robust performance, superior sensitivity, and ease of use. Its automated Performance Tune function rapidly verifies system readiness, ensuring consistent, reliable operation. Service, support, and software upgrades are available throughout its full lifetime. Purchase includes installation, comissioning, installation kit, one inlet of choice, one cooling gas of choice, one Syft standard cylinder, one year service parts, and one year warranty.			
T0087	Instrument configured for operation using nitrogen (N_2) as the carrier gas.			
T0222	Complete set of installation parts.			
T0209	A sample inlet optimized for workflows requiring both discrete and continuous monitoring across up to three ports, with automated execution of Performance Tune sequences for verified system readiness. One spare capillary included.			
T0224	Syft Standard, an 11-gas NIST-traceable reference mixture at 300 psi, designed for precise Performance Tune calibration and verification on i8 systems.			
T0216	Intuitive software enabling method creation, real-time and historic data visualization, access to the Compound Library, and advanced data processing visibility. LabSyft delivers high-resolution concentration data across multiple compounds, even when monitoring several product ions per compound, with millisecond time resolution. It offers advanced control for running scans in batches, triggering scans from external signals, and managing both manual and automated data outputs. Live raw and summarized data can be delivered via TCP/IP and MODBUS for seamless integration into broader workflows.			
S0002	Dedicated Syft specialist available on-site to deliver any installation and commissioning tasks on-site.			
T0278	SyftEnviro is dedicated software for environmental analysis, seamlessly integrating instrument control, data acquisition, and data processing. Designed for use with the Syft Tracer, it enables real-time and historical geospatial mapping of mobile analysis results. The system includes an AirMar 150WX weather/GPS station (or AirMar 200WX on request) to provide comprehensive environmental context, capturing wind direction, wind speed, ambient temperature, and humidity alongside chemical data. SyftEnviro also supports GraphQL API access for data integration of external systems and automated reporting, and auto-switching between redundant sample lines for continuous, reliable operation.			
T0300	The Syft Gas Delivery System delivers automated dilution of samples and certified reference standards through a fully integrated hardware and software solution, enabling controlled, repeatable, and auditable multi-point workflows.			
T0296	One additional port to expand the Syft Gas Delivery System to support multiple input streams, enabling flexible connection of samples and certified reference standards within automated workflows.			
T0290	Upgraded AVI, HPI, and MPI inlets enabling pressure and pumping control, enabling reliable continuous flow past monitoring. Contains a flow past pump and Alicat back pressure regulator.			
T0035	High-performance PC NUC for seamless operation of Syft instruments and software, enabling on-site control and data review.			
S0005	Trim entire row if not needed			
	Trim entire row if not needed			
	Trim entire row if not needed			

Docusign Envelope ID: 164F9CB1-2285-49C5-A12F-0868C15D4887

SYFT TECHNOLOGIES LTD STANDARD TERMS AND CONDITIONS OF SALE

1. Interpretation.
   1.1. In these Terms, unless the context otherwise requires:
      1.1.1. Buyer means the purchaser of Equipment and/or Services from the Seller;
      1.1.2. Contract means a contract for the supply of Equipment and/or Services by Seller to Buyer, comprised of the Quotation and these Terms;
      1.1.3. Disbursements means all reasonable out-of-pocket expenses incurred by the Seller in carrying out its obligations under the Contract;
      1.1.4. Equipment means the equipment and any options, configurations, Software and/or supplies to be supplied by the Seller to the Buyer under a Contract;
      1.1.5. Intellectual Property means any rights under a patent, trade mark, service mark, copyright, design, trade secret or similar proprietary right relating to the Equipment, the Software and the Services (whether registered or unregistered) and includes plans, designs, drawings and specifications;
      1.1.6. Quotation means the quotation issued by the Seller in response to the Buyer's request to purchase the Equipment and/or the Services;
      1.1.7. Seller means Syft Technologies Limited, its subsidiary companies and any other entity that forms part of the Syft Technologies Group;
      1.1.8. Services means any services provided by the Seller as specified in the Quotation or as agreed by the parties from time to time, including but not limited to delivery, installation, preventative and remedial maintenance, online remote support and training providing by the Seller;
      1.1.9. Software means any software or firmware products provided with the Equipment;
      1.1.10. Terms means these terms and conditions to be read and construed with the Quotation issued by the Seller; and
      1.1.11. Working Day means a day that is not a Saturday, a Sunday or a statutory holiday in Christchurch, New Zealand.
   1.2. Unless Seller and Buyer otherwise agree in writing:
      1.2.1. no contract will come into existence until the Buyer accepts the quotation by signing and returning the quotation to the seller, or by issuing a Purchase Order for the quoted equipment and/or services;
      1.2.2. these Terms together with the Quotation shall apply to the Seller's supply of all Equipment and/or Services to the Buyer under the Contract;
      1.2.3. no other terms or conditions (whether oral or written) will apply, including but not limited to any different or additional terms submitted by the Buyer to the Seller; and
      1.2.4. in the event of a conflict between a term in the Quotation and these Terms, the term in the Quotation will prevail.

2. Delivery Dates.
   2.1. Equipment delivery is typically six (6) weeks from the date when Purchase Order is received or the date when the contract comes into existence as per clause 1.2.1 above, however, any delivery and/or shipment dates indicated in a Quotation or otherwise are estimates only and are not material representations or conditions of the Contract. The Seller will make reasonable efforts to meet any delivery and shipment date(s) quoted but shall not be liable for any delay in delivery or shipment, however caused. If, for any reason, the Seller's supplies of the Equipment are limited, the Seller shall have the right to prorate the available supply among its customers in such manner as it, in its sole discretion, determines.
   2.2. Should the Buyer request a change in the estimated shipment or delivery date or location, or otherwise cause delay to shipment or delivery, the Buyer must pay any additional costs incurred by the Seller as a result of such change or delay and, without limiting this clause, the Equipment will be stored by the Seller at the Buyer's risk and cost.

3. Packing and Loss or Damage in Transit. Equipment will be packed for shipment in a manner suitable to the method of shipment specified by the Buyer, or to the method selected by the Seller in the absence of instructions. Unless otherwise indicated in the Quotation, all sales hereunder are Ex Works (EXW) shipping point, and all risk of loss or damage to Equipment in transit is upon Buyer.

4. Payment Due For Partial Deliveries. Seller may, in its sole discretion, deliver any portion of the Equipment ordered, regardless of utility to the Buyer in the absence of the undelivered portion, and all such partial deliveries shall be accepted and paid for in accordance with the terms of Paragraph 6 below. Likewise, completion of any Services shall not be a condition to the Buyer's obligation to remit payment. The making of a partial delivery that, to any extent, is not in accordance with the Contract shall not affect the Buyer's obligation hereunder to remit payment.

5. Inspection, Acceptance and Return of Goods. Immediately upon receipt of the Equipment, the Buyer shall inspect the Equipment and shall, within five (5) Working Days, give written notice to the Seller of any claim for shortage or that the Equipment does not conform with the terms of the Contract. If the Buyer fails to give such notice, the Equipment shall be deemed accepted and to conform with the terms of the Contract and the Buyer shall be bound to pay for the Equipment in accordance with the terms of Paragraph 7 below. Return of the Equipment, defective or otherwise, will not be accepted by the Seller unless it is shipped Free on Board (FOB) destination, freight prepaid, and with prior written authorisation by the Seller. When return of nonconforming Equipment has been accepted, conforming shipment may be made in accordance with Paragraph 2 above and Paragraph 10 below without further liability on the Seller's part. Buyer will be liable for restocking charges in the event Equipment is returned to the Seller which is not defective and is in accordance with the terms of the Contract.

6. Price and Service Charges.
   6.1. In addition to the prices indicated in the Quotation, the Buyer must pay for all Disbursements, shipping, handling and insurance charges, and applicable taxes (including goods and services tax), duties, excise, imports and any other levies upon demand, unless otherwise stated in the Quotation. Where the Buyer claims that any Equipment or Services are not subject to tax, or that the Buyer is exempt from paying such tax, or that the Seller is not required to collect such tax, the Buyer agrees to provide the Seller with any documentation necessary to support such a claim and to allow the Seller to document its decision not to collect such tax(es). Prices are subject to change to reflect changes in taxes on processed material or laws governing working hours or compensation of labour.
   6.2. If the Buyer requests changes to the scope or any specifications for the Equipment and/or the Services the Seller will be entitled to increase the price(s) indicated in the Quotation. Any Services performed by the Seller at the Buyer's request that are not included in

Docusign Envelope ID: 164F9CB1-2285-49C5-A12F-0868C15D4887

the Quotation will be charged at the Seller's then-current list prices for the Services, or if not included in such list prices, at the price agreed by the parties prior to the Seller carrying out the relevant Services.

7. Payment and Credit Terms.
   7.1. Unless otherwise indicated in the Quotation, the Buyer agrees to remit a non-refundable down payment of 30% of the total purchase price. The down payment will be applied towards the total purchase price and is due upon receipt of invoice. In cases requiring custom product development, custom integration of 3rd Party equipment, or specialty Acceptance Criteria, the Buyer may be required to make a down payment of up to 50% of the total purchase price.
   7.2. The Buyer agrees to remit payment in full without any deduction, set-off or counterclaim, to the address provided on the face of the Seller's invoice within thirty (30) days of the invoice date,. This obligation shall not be contingent upon the completion of any Services included in the purchase price.
   7.3. Account balances not paid in accordance with the Contract are subject to an interest charge on monies overdue at a rate of 5% per annum above the Seller's bank overdraft rate from time to time, calculated on a daily basis from the due date of the overdue payment until payment is made in full.
   7.4. In the event the Seller refers any overdue amount from the Buyer to a legal representative or an agent for collection, the Buyer shall pay all costs of collection incurred by the Seller in recovering the delinquent amount (including costs and reasonable legal fees on a solicitor/client basis).
   7.5. Without prejudice to any other rights, the Seller may set off any amount owed by the Buyer to the Seller against any monies payable by the Seller to the Buyer. Seller reserves the right to change the payment terms provided herein when, in the Seller's opinion, the Buyer's financial condition or payment record so warrants. Should the Buyer fail to pay any sum when due, without prejudice to any other rights, the Seller may suspend performance of its obligations under the Contract until the Buyer has made all required payments in full.

8. Security Interest in Equipment. To the maximum extent permitted by law, the Buyer grants the Seller a security interest in the Equipment to secure any portion of the price not paid in accordance with the Contract. The Buyer shall, on request, execute any documents and provide any information (which information the Buyer warrants to be complete, accurate and up-to-date) that the Seller reasonably requires to enable the Seller to register, perfect or otherwise secure its security interest in the Equipment. The Buyer must not grant any security interest or otherwise sell, assign, sublet, pledge, charge or part with possession of the Equipment or any part of it unless and until ownership has transferred to the Buyer, which shall not occur until the Buyer has made payment in full for the Equipment.

9. Installation and Site Preparation.
   9.1. Installation Services are included in the purchase price of the Equipment only if expressly so stated in the Quotation. If any Equipment requires installation, removal, repair or maintenance by the Seller's service personnel at the Buyer's site, the Buyer must inform the Seller of when the Equipment will be available to the Seller's service personnel.
   9.2. The Buyer must provide access to its site as required for receipt of the Equipment and/or the Seller's performance of Services, including, at the Buyer's cost (and as applicable):
      9.2.1. providing all necessary services, including power, water, drainage and air bottled gases;
      9.2.2. providing the Seller with all access, information and material that the Seller reasonably requires;
      9.2.3. obtaining all required permits, licenses or approvals;
      9.2.4. providing whatever is required for the Seller's service personnel to uncrate, move, inspect, repair, uplift, crate, and/or remove the Equipment; and
      9.2.5. complying with all applicable laws, statutes and regulations governing workplace health and safety and ensuring that its site is in a safe condition,

   and, Buyer's failure to provide site access in accordance with this Paragraph may result in a service charge by the Seller to cover the lost time of its service personnel.

10. Warranty.
   10.1. Seller warrants to the Buyer that the Equipment will be, at the time of delivery, free from any defects in material and workmanship, manufactured in a good and workmanlike manner and compliant with any specifications provided by the Seller; any Software for use with a processor will conform in all material respects to the Seller's programme manuals (if any) current at the time of delivery when properly installed on that processor (but the Seller does not warrant that the Software or processor will be uninterrupted or error-free; and the Services will be carried out with reasonable skill and care and in accordance with good industry practice (Warranty).
   10.2. Except as otherwise indicated in the Quotation, the Warranty will be valid for one (1) year from the Seller's delivery of the Equipment and/or Software to the Buyer. The Seller may offer a longer period of warranty coverage for some Equipment (Extended Warranty). If an Extended Warranty is available, the duration and cost of the Extended Warranty, and any specific terms applicable to the Extended Warranty, will be indicated on the Quotation.
   10.3. Any Warranty or Extended Warranty claim accepted by the Seller will be remedied at the Seller's cost and option:
      10.3.1. with respect to Equipment, by the Seller repairing or replacing the Equipment or refunding a portion of the purchase price and taking ownership of the Equipment;
      10.3.2. with respect to the Software, by the Seller correcting any non-conformance with the Seller's programme manuals, replacing the Software, or refunding any payments made with respect to the Software on a pro rata basis while the Software was non-conforming; and
      10.3.3. with respect to the Services, by the Seller resupplying the Services or refunding the Buyer for the relevant Services.
   10.4. The Warranty and any applicable Extended Warranty exclude:
      10.4.1. damage, defects or loss caused by: (i) any factors beyond the Seller's reasonable control; (ii) any act or omission by any person other than the Seller; (iii) the Buyer's use of the Equipment or Software in any manner or for any purpose not being the intended manner of use or purpose of the Equipment or Software; (iv) failure by the Buyer to maintain the Equipment in accordance with good practice; and (v) failure by the Buyer to comply with the terms of any written warranty, recommendations or instructions provided to the Buyer;
      10.4.2. normal wear and tear;
      10.4.3. any exclusions identified in the Quotation;

Docusign Envelope ID: 164F9CB1-2285-49C5-A12F-0868C15D4887

10.4.4. items produced by third party manufacturers included in the Equipment (as to which the Seller will use reasonable endeavours to assign to the Buyer any third party warranties with respect to such items);
10.4.5. any used Equipment, which is sold on an as-is, where-is basis; and
10.4.6. consumables, which include capillaries and all fragile materials, such as glass and ceramic components (which the Buyer acknowledges are not expected to last the one (1)-year Warranty period.

10.5. To the maximum extent permitted by law:
10.5.1. the Buyer warrants that it is in trade and acquiring the Equipment and/or the Services for trade, commercial or business purposes or use;
10.5.2. all implied or statutory warranties, guarantees, conditions and representations in respect of the Equipment and any Services, including as to quality, fitness, merchantability, or suitability for any particular purpose or otherwise, are excluded;
10.5.3. the Buyer agrees that it is fair and reasonable that any jurisdictional consumer protection legislation does not apply and that no consumer protection legislation in any jurisdiction shall apply (including without limitation, the Consumer Guarantees Act 1993); and
10.5.4. the Buyer is responsible for determining whether the Equipment, any Services and any specifications are suitable for the Buyer's purposes and will meet the Buyer's performance expectations.

10.6. If the Seller undertakes to perform any Warranty or Extended Warranty repairs at the Buyer's site, the Seller will reasonably endeavour to undertake such repairs as soon as reasonably practicable after notification, provided, however, that the Seller reserves the right to require the Buyer to return the Equipment to the Seller's production facility, at the Seller's cost and expense, for purposes of testing the Equipment to verify the Warranty or Extended Warranty claim or when necessary to provide proper repair service.

11. Exclusions and Limitations of Liability.
11.1. Regardless of the legal basis of any claim made against the Seller (including under any warranty (expressed, implied or statutory), tort (including negligence), equity or any other legal principle or theory, or otherwise), to the maximum extent allowed by law:
11.1.1. Seller's liability to the Buyer shall not exceed the amount paid by the Buyer to the Seller under the Contract;
11.1.2. Seller is not liable for loss of revenue or profits, loss of actual or anticipated profits, loss of production, loss of use, loss of goodwill, loss of contract, loss of business, loss of opportunity, any business interruption, loss of reputation, or for any indirect or consequential loss of any kind;
11.1.3. Seller is not liable for any special, exemplary or punitive damages; and
11.1.4. no claim can be brought against the Seller more than two (2) years after the Buyer becomes aware, or should reasonably have become aware, of the claim against the Seller.

11.2. Seller will not be liable to the Buyer for any loss or damage caused by compliance with any designs, specifications, requirements or instructions provided by the Buyer, or any combination, operation or use of the Seller's Equipment or the Software with other products, software or business processes.
11.3. If the Buyer's negligence causes loss or damage to a third party and as a result the third party brings a claim against the Seller, the Buyer and Seller shall indemnify and hold harmless each other from and against the claim.

12. Intellectual Property. All Intellectual Property owned by the Seller at the date of the Contract, and any Intellectual Property developed pursuant to or in connection with the Contract, will remain and become upon creation the Seller's sole and exclusive property, and the Buyer waives any author's rights in any such Intellectual Property. The Buyer must not do any act which would put at issue the Seller's ownership of its Intellectual Property. The Seller grants the Buyer a non-exclusive, non-transferrable, and non-sublicensable license to use any Software provided by the Seller in conjunction with the Equipment for the Buyer's internal business use only. Unless otherwise agreed by the Seller in writing, the Seller's copyrighted material (Software, firmware and printed documentation) may be not copied except for archive purposes, to replace a defective copy, or for program error verification by the Buyer.

13. Confidentiality.
13.1. The parties agree that the details of the Contract and all information and material supplied by the other party concerning its affairs, transactions or financial, technical or commercial arrangements and any information of a proprietary nature concerning the plans, operations, know-how, trade secrets, expertise and Intellectual Property of the other party (together Confidential Information) is by its nature confidential.
13.2. Each party agrees to keep and treat the other party's Confidential Information confidential and to only use such Confidential Information to the extent necessary to enable that party to perform its obligations under the Contract.
13.3. Neither party will make any public statement concerning the matters contemplated by the Contract without the prior written consent of the other party.
13.4. This Paragraph 13 shall not restrict the disclosure of Confidential Information that a party is legally required to disclose, or that must be disclosed by the rules of any stock exchange, or that is generally known by the public other than through a breach of this Paragraph. The Buyer acknowledges that the Seller is listed on the Unlisted Securities Exchange and agrees that this Paragraph 13 does not apply to any information that the Seller must disclose under any rules of the Unlisted Securities Exchange.

14. Force Majeure. If either party is prevented from performing its obligations under the Contract (other than the payment of money) as a result of fire, flood, storm, explosion, act of war, earthquake, or any other similar cause which is beyond the control of the affected party (Force Majeure), then that party's delay in performance shall not be considered a breach of its obligations under the Contract, provided that the affected party gives prompt written notice to the other party specifying the cause and extent of its inability to perform and the likely duration of the non-performance. The party affected by the Force Majeure shall take all reasonable steps to recommence performance of its obligations as soon as reasonably possible.

15. Termination.
15.1. Either party may terminate the Contract by giving written notice to the other, in the event that:
15.1.1. the other party has not remedied a material breach (including any failure to pay any amount due) of the Contract within 10 Working Days after receipt of notice from the non-breaching party requiring it to remedy the breach;
15.1.2. the other party becomes bankrupt, insolvent or unable to pay its debts as they fall due, or is placed in liquidation, statutory management, receivership, voluntary administration, is dissolved, or enters into any arrangement for the benefit of creditors

Docusign Envelope ID: 164F9CB1-2285-49C5-A12F-0868C15D4887

(other than for the purposes of a solvent reconstruction) or is subject to any form of analogous procedure in the relevant party's jurisdiction; or

15.1.3. a Force Majeure event prevents either party from being able to perform any obligation under the Contract for a continuous period of thirty (30) days.

15.2. Buyer may terminate at any time, at will, and without specifying any reason, by notifying Seller in writing. The notice shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination. Upon termination, the Buyer shall be responsible for all costs reasonably incurred by the Seller up to the effective date of termination that are not covered by the non-refundable deposit under Section 7.1, including but not limited to committed third-party costs, materials, and work performed.

15.3. Where the Seller terminates the Contract under sub-paragraph 15.1, it may cancel the supply of any Equipment or Services which have not been delivered or performed and will be entitled to payment for any Equipment and/or Services delivered or performed prior to the date of termination.

16. Dispute Resolution.

16.1. If a dispute arises in relation to or in conjunction with the Contract, the parties will try to settle the dispute amicably by negotiation. If the dispute has not been settled within twenty (20) Working Days after it has been referred to negotiation (or such longer period agreed by the parties), either party may give written notice to the other requiring the dispute to be mediated. The mediation must take place in San Francisco, California (or such other place as may be nominated by either party). If the parties cannot agree on a mediator within seven (7) Working Days after initiation of the mediation, then the mediator shall be appointed by the President of the Arbitrators' and Mediators' Institute of New Zealand Incorporated (or his or her nominee).

16.2. If the dispute is not resolved at mediation, either party may by written notice within twenty (20) Working Days of the mediation (or such longer period agreed by the parties) require the dispute to be referred to arbitration in accordance with the Arbitration Act 1996 on the following terms:

16.2.1. the arbitration shall be conducted by one arbitrator agreed on by the parties or, if the parties cannot agree on an arbitrator within ten (10) Working Days after the initiation of arbitration, by an arbitrator appointed by the President of the Arbitrators' and Mediators' Institute of New Zealand Incorporated (or his or her nominee);

16.2.2. the place of the arbitration shall be Christchurch, New Zealand (or such other place as nominated by the Seller);

16.2.3. the arbitrator's decision in respect of findings of fact shall be final and binding, and the appeal rights under Clause 5 of the Second Schedule of the Arbitration Act 1996 are expressly excluded; and

16.2.4. each party shall bear its own costs of the arbitration and (in the absence of an arbitrator's award to the contrary) shall pay the costs of the arbitrator in equal shares.

16.3. Nothing in this Paragraph will prevent a party from seeking interlocutory or injunctive relief.

16.4. Pending the settlement or determination of any dispute, the parties shall continue to perform their obligations under the Contract.

17. Governing Law. The Contract is to be governed by and construed in accordance with the law of the United States of America and both Buyer and Seller agree to submit to the non-exclusive jurisdiction of the Courts of San Francisco, California , and waive any objections which they may have now or in the future to the venue of any proceedings brought in the San Francisco, California courts but not, for the avoidance of doubt, any stay in favour of an arbitration under the Contract.

18. Miscellaneous.

a. The Contract constitutes the entire agreement between the parties and supersedes all previous agreements or understandings, whether oral or written, pertaining to the same subject matter. The Buyer confirms that it is not relying on any representation made by Seller except as expressly set out in the Contract.

b. No amendments to the Contract will be effective unless in writing and signed by both parties.

c. If any of the provisions in the Contract are or become invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions will not in any way be affected or impaired.

d. No failure, delay or indulgence by the Seller in exercising any power or right shall operate as a waiver of that power or right. A single exercise of any of those powers or rights does not preclude further exercises of those powers or rights or the exercise of any other powers or rights.

e. Nothing in the Contract will create or evidence any partnership, joint venture, agency, trust or employer/employee relationship between the Buyer and the Seller, and the Buyer will not make any representation that any such relationship exists.

f. The Buyer shall not assign the Contract without the prior written consent of the Seller. Any obligation or Services required to be carried out by the Seller under the Contract will be interpreted as allowing the Seller to engage any third party to carry out those obligations or Services on the Seller's behalf.

g. Any notices to be given under the Contract may be transmitted by post, email or personal delivery to the recipient party to the address(es) specified in the Quotation or as otherwise notified in writing from time to time. Notices will be deemed to have been served:

(i) when delivered by post within New Zealand, three (3) Working Days following the date of sending;

(ii) when delivered by international post, seven (7) Working Days following the date of sending;

(iii) when transmitted by email, on the date and at the time of sending irrespective of whether downloaded from the addressee's internet service provider, if the system used to transmit the email has not generated a record that the notice has failed to be transmitted; and

(iv) when delivered personally, at the time of physical delivery,

provided, however, that any notice served on a non-Working Day, or after 4.30pm on a Working Day, will be deemed to have been served on the next Working Day.

Docusign Envelope ID: 164F9CB1-2285-49C5-A12F-0868C15D4887

h. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to the Contract.

i. Termination of the Contract does not affect the continuation of any provision that is intended to survive termination of the Contract.

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: Signed by: 98506AF9981D4CC...
Executive Officer/APCO

Date: 2/9/2026

SYFT TECHNOLOGIES LTD

By:
Brian Travers
Chief Executive Officer

Date: 3 February 2026

Approved as to form:

By: Signed by: Alexander Crockett 6DC7110552B5451... 2/7/2026
General Counsel

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Authorization to Execute Contract with Carahsoft Technology Corporation to Purchase One-Year Salesforce Licenses to Support the Grants Management System

RECOMMENDED ACTION

Authorize the Executive Officer/APCO to execute a contract with Carahsoft Technology Corporation to purchase one-year Salesforce licenses in an amount not to exceed $240,000, to support the Grants Management System.

BACKGROUND

The Air District administers a variety of incentives and grant programs that complement its regulatory initiatives to improve air quality and protect public health. It oversees an annual portfolio of active projects and programs totaling over $380 million from federal, state, and local revenue sources. To better manage this growing portfolio, the Air District is developing a new Salesforce-based grants management system (GMS) to consolidate and streamline its application intake and data tracking systems.

On December 3, 2025, the Board of Directors authorized the purchase of the first year of Salesforce licenses from Carahsoft Technology Corporation (Carahsoft) to support the development of the new GMS. The Board also authorized a contract with a separate vendor to create, develop, and maintain the GMS to replace the Air District's outdated legacy grants systems. Development work began in early 2026 and the first program launched using the new Salesforce GMS platform in August 2026. Development and implementation of other programs are ongoing.

DISCUSSION

In January 2026, the Air District purchased one-year of Salesforce licenses with a term expiring on January 29, 2027. To support the continued development and use of the GMS on the Salesforce platform, the Air District must renew its Salesforce product and user licenses annually. To do so, the Air District will leverage the State of Utah National Association of State Procurement Officials (NASPO) ValuePoint Master Agreement via

the State of California Participating Addendum for this procurement. Pricing under the State of Utah NASPO ValuePoint Master Agreement has been competitively solicited to reflect fair market value and best value. The purpose of the cooperative is to ensure that the Air District receives competitive pricing without having to run its own Request for Proposals (RFP) process.

Leveraging the pricing under the State of Utah NASPO ValuePoint Master Agreement with Carahsoft, the Air District is seeking the following licenses:

- Full Sandbox copy
- Salesforce Knowledge
- Customer Community Plus for Public Sector
- 1 Terabyte (TB) of File Storage
- Government Cloud Plus
- Lightning Platform – Enterprise Edition
- Premier Success Salesforce Support Plan
- Public Sector Foundation
- Salesforce Maps
- Salesforce Shield for data security

The cost of licenses is not to exceed $240,000 in 2027 and will be reassessed annually. If the Air District continues to work with the same vendor, the Air District anticipates the following years to include additional costs associated with a maximum of 5% increase in quoted price per year, as well as the addition of licenses as needed for grantees, potentially increasing the cost up to $300,000 annually.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The associated Salesforce Licenses cost is not to exceed $240,000. Funding for costs related to administration of grant programs, including vendor services to build and maintain related systems, is provided by Special Revenue funded by federal, state, and local sources, including but not limited to California Air Resources Board, Environmental Protection Agency, Department of Motor Vehicles fees and the Air District General Fund.

The costs are included in the Fiscal Year 2026-2027 budget in Programs 307 (state grant programs), 308 (Transportation Fund for Clean Air), 310 (Mobile Source Incentive Fund), 311 (Woodsmoke Reduction Program), 313 (General Funds), 323 (Goods Movement), and 324 (VW).

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Adam Shapiro
Reviewed by: Alona Davis

ATTACHMENT(S):

1. Carahsoft Quote for Salesforce Licenses

GOVERNMENT PRICE QUOTATION

SALESFORCE.COM GOVERNMENT at CARAHSOFT

CARAHSOFT TECHNOLOGY CORP.
11493 SUNSET HILLS ROAD | SUITE 100 | RESTON, VIRGINIA 20190
PHONE (703) 871-8500 | FAX (703) 871-8505 | TOLL FREE (888) 662-2724
www.carahsoft.com | sales@carahsoft.com

TO:
Anja Page
BAAQMD
Bay Area Air Quality Management District
375 Beale Street
Suite 600
San Francisco, CA 94109 USA

EMAIL: kpage@baaqmd.gov

PHONE: (415) 238-5962

FROM:
Tara Whaley
Carahsoft Technology Corp.
11493 Sunset Hills Road
Suite 100
Reston, Virginia 20190

EMAIL: Tara.Whaley@carahsoft.com

PHONE: (571) 590-7769

TERMS:
FTIN: 52-2189693
Shipping Point: FOB Destination
Remit To: Same as Above
Payment Terms: Net 30 (On Approved Credit)
Cage Code: 1P3C5
DUNS No: 088365767
UEI: DT8KJHZXVJH5
Credit Cards: VISA/MasterCard/AMEX
Sales Tax May Apply

QUOTE NO:	68942694
QUOTE DATE:	11/09/2026
QUOTE EXPIRES:	01/25/2027
RFQ NO:	
SHIPPING:	ESD
TOTAL PRICE:	$216,860.58
CA Tax	$18,704.23
TOTAL QUOTE:	$235,564.81

LINE NO.	PART NO.	DESCRIPTION	QUOTE PRICE		QTY	EXTENDED PRICE
1	200000512	Sandbox (Full Copy) 30% of Net Price Salesforce.com, Inc. - 200000512 Start Date: 01/29/2027 End Date: 01/28/2028	$35,316.9600	OM	1	$35,316.96
5	200000008	Knowledge Salesforce.com, Inc. - 200000008 Start Date: 01/29/2027 End Date: 01/28/2028	$0.00	OM	50	$0.00
		SALESFORCE LICENSES				
2	200013335	Customer Community Plus for Public Sector - EE - Logins (Per Month) Salesforce.com, Inc. - 200013335 Start Date: 01/29/2027 End Date: 01/28/2028	$32.2560	OM	1,000	$32,256.00
3	200002625	File Storage (1TB) Salesforce.com, Inc. - 200002625 Start Date: 01/29/2027 End Date: 01/28/2028	$3,225.60	OM	1	$3,225.60
4	200000942	Government Cloud Plus - LP1 15% of Net Salesforce.com, Inc. - 200000942 Start Date: 01/29/2027 End Date: 01/28/2028	$12,773.7173	OM	1	$12,773.72
6	200012668	Lightning Platform - Enterprise Edition (Administrator) Salesforce.com, Inc. - 200012668 Start Date: 01/29/2027 End Date: 01/28/2028	$554.4000	OM	10	$5,544.00
7	200001427	Premier Success Plan 30% of Net Price Salesforce.com, Inc. - 200001427 Start Date: 01/29/2027 End Date: 01/28/2028	$24,159.4773	OM	1	$24,159.48
8	200013349	Public Sector Foundation - Advanced - Enterprise Edition-LP1 Salesforce.com, Inc. - 200013349 Start Date: 01/29/2027 End Date: 01/28/2028	$1,598.4640	OM	50	$79,923.20

GOVERNMENT PRICE QUOTATION

SALESFORCE.COM GOVERNMENT at CARAHSOFT

CARAHSOFT TECHNOLOGY CORP.
11493 SUNSET HILLS ROAD | SUITE 100 | RESTON, VIRGINIA 20190
PHONE (703) 871-8500 | FAX (703) 871-8505 | TOLL FREE (888) 662-2724
www.carahsoft.com | sales@carahsoft.com

LINE NO.	PART NO.	DESCRIPTION	-	QUOTE PRICE		QTY	EXTENDED PRICE
9	200001013	Salesforce Maps - Enterprise Edition Salesforce.com, Inc. - 200001013 Start Date: 01/29/2027 End Date: 01/28/2028		$705.6000	OM	1	$705.60
10	200005696	Salesforce Shield - LP1 30% of Net Price Salesforce.com, Inc. - 200005696 Start Date: 01/29/2027 End Date: 01/28/2028		$22,956.0213	OM	1	$22,956.02
		SALESFORCE LICENSES SUBTOTAL:					$181,543.62
		SUBTOTAL:					$216,860.58
			TOTAL PRICE:				**$216,860.58**
			CA Tax				**$18,704.23**
			TOTAL QUOTE:				**$235,564.81**

CARAHSOFT TECHNOLOGY CORP.
11493 SUNSET HILLS ROAD | SUITE 100 | RESTON, VIRGINIA 20190
PHONE (703) 871-8500 | FAX (703) 871-8505 | TOLL FREE (888) 662-2724
www.carahsoft.com | sales@carahsoft.com

ATTENTION: PO MUST INCLUDE ALL ITEMS LISTED BELOW FOR PROCESSING
- ESD
- Quote # 68942694
- Contract Vehicle : NASPO Cloud Solutions CA : 7-17-70-40-5
- Contract #'s

Pending executed Participating Addendum for NASPO: CA: 7-17-70-40-05

Quote Special Terms

Only Services on this Order Form that are identified by SKU in the Government Cloud Plus Products list available at https://www.salesforce.com/company/legal/agreements/, as updated from time to time, are Government Cloud Plus Products. All other Services are non-Government Cloud Plus products. The Government Cloud Available Products and Features Knowledge Article available at https://help.salesforce.com/articleView?id=000321821&type=1&mode=1 ("Knowledge Article") identifies "Interoperable (but not authorized)" products and features which are compatible with Government Cloud Plus Products, in the manner as described in the Documentation. Customer has sole responsibility, prior to using new products or features with Government Cloud Plus Products, to determine if such products or features are within the Government Cloud Plus authorization boundary, as described in the Knowledge Article, and for maintaining the settings in its Salesforce Government Cloud Plus Org for the Org to remain compliant with the Government Cloud Plus authorizations. Salesforce provides customers with a Configuration User Guide available at https://publicsector-compliance-us.my.salesforce.com/ to assist with the setup and configuration process. "Org" means a unique instance of the Services, i.e., a separate set of Customer Data and Customer-specific Service customizations held by SFDC in a logically separated database (i.e., a database segregated through password-controlled access). Customer acknowledges that the "Interoperable (but not authorized)" products and features, as well as any Non-SFDC Applications that interoperate with the Customer's Salesforce Government Cloud Plus Org, fall outside of the Government Cloud Plus authorization boundary. In light of the foregoing, Customer understands and agrees that its Customer Data will be shared with "Interoperable (but not yet authorized)" products and features and Non-SFDC Applications that interoperate with its Salesforce Government Cloud Plus Org.

Notwithstanding anything to the contrary, subscriptions purchased pursuant to this Order Form shall not automatically renew, and therefore shall terminate on the applicable Order End Date above unless Customer enters into a new Order Form with Salesforce, on or before that Order End Date, for the relevant product(s).

Unless otherwise provided in the applicable Agreement, any increase in subscription pricing for the first renewal term will not exceed 9% over the then-current subscription pricing, provided that (a) Customer renews its entire then-current subscription volume under this Order Form combined with any associated add-on Order Forms, and (b) the first renewal term is the same duration as the Order Term of this Order Form or one year (whichever is longer). Thereafter, any increase in subscription and support pricing will be in accordance with SFDC's pricing and policies in effect at the time of the renewal or as otherwise agreed to by the parties. Notwithstanding the foregoing, any consumption-based Services which are subject to a rate card as set forth in the product terms for the applicable Services and any support or resource-based Services are not subject to any price increase limitations

---

Product Special Terms

Public Sector Foundation - Advanced

In order to access Omnistudio features and functionality, Customer's system administrator must first install the latest OmniStudio managed package available at:
https://help.salesforce.com/s/articleView?id=sf.os_omnistudio_release_summary_for_installation_and_upgrade.htm&type=5.

Emergency Program Management

In order to access Emergency Program Management Services, Customer's system administrator must first install the managed package via the following link: http://industries.force.com/publicsector

Salesforce Shield

In order to use the Data Detect features, Customer's system administrator must first install the managed package available at: https://sfdc.co/install-datadetect.

Government Cloud Plus

The Government Cloud Plus subscription: provides an isolated infrastructure for hosting authorized Salesforce Services, with additional controls specifically for US government customers and US government contractors, as further described in the Trust and Compliance Documentation (available at https://www.salesforce.com/company/legal/trust-and-compliance-documentation/).

CARAHSOFT TECHNOLOGY CORP.
11493 SUNSET HILLS ROAD | SUITE 100 | RESTON, VIRGINIA 20190
PHONE (703) 871-8500 | FAX (703) 871-8505 | TOLL FREE (888) 662-2724
www.carahsoft.com | sales@carahsoft.com

Customer must reference Quote number and Contract # on Purchase Order.

Should Customer purchase via Reseller all terms of Carahsoft Quote must be incorporated in Reseller quote and Customer Purchase Order to Reseller.

Any increase in subscription pricing (excluding support and resource-based Services) for the first renewal term will be in accordance with SFDC's pricing and policies in effect at the time of the renewal or as otherwise agreed to by the parties or noted in these quote terms or contract

The products and services listed herein are offered as a bundled solution. Customer must order all items as quoted; partial acceptance or selective ordering is not authorized.

For renewals: Any requested changes to this quote must be communicated 30 days before renewal start date to ensure timely processing and avoid delays in your renewal. Requests after this deadline may not be accommodated

Licensee agrees that any order for Salesforce Services will be governed by the terms and conditions of the Carahsoft Salesforce Service Terms, copies of which are found at http://www.carah.io/SalesforceTOU and all Schedules and Documentation referenced by the Terms are made a part hereof. The parties agree that any term or condition stated in a Customer purchase order or in any other Customer order documentation (excluding Quotes) is void. In the event of any conflict or inconsistency among the following documents, the order of precedence shall be: (1) the applicable Quotes (and their Contract Vehicle), (2) the SFDC Terms of Use, and (3) the Documentation. Licensee acknowledges it has had the opportunity to review the Terms, prior to executing an order.

Product Terms Directory: http://carah.io/Product-Terms-Directory
Help & Training: http://carah.io/Help
Government Cloud Plus: http://www.carahsoft.com/government-cloud-terms

A list of currently available FedRAMP/IL4 Authorized Salesforce products can be found here: https://help.salesforce.com/articleView?id=000270080&language=en_US&type=1

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Correction of Transportation Fund for Clean Air Grant Funding Allocation for Fiscal Year 2026–2027

RECOMMENDED ACTION

Adopt the corrected Transportation Fund for Clean Air grant funding allocation for Alameda County for additional bikeway and bicycle parking projects in Assembly Bill (AB) 617 communities for Fiscal Year 2026-2027 as shown in the attached corrected Table 1.

BACKGROUND

On May 6, 2026, the Board of Directors adopted Transportation Fund for Clean Air (TFCA) grant funding allocation and expenditure plans for the nine Bay Area counties for Fiscal Year 2026-2027. Following the meeting, Air District staff identified a typographical error in the Board materials regarding the funding allocation for additional AB 617 bikeway and bicycle parking projects in Alameda County, administered by the Alameda County Transportation Commission (Alameda CTC).

DISCUSSION

The total Board-adopted allocation for Alameda County totals approximately $8.8 million, and the error did not affect the total amount of TFCA funding allocated to the county. The total allocation includes estimated new TFCA revenue, reconciliation and reprogrammed TFCA funds, a bikeway funding allocation, and an additional allocation for bikeway and bicycle parking projects in AB 617 communities.

The Board materials incorrectly listed Alameda County's additional AB 617 bikeway funding allocation as **$1,215,000**. The correct allocation is **$1,251,000**, as shown in the attached corrected Table 1. No other allocations are affected by this correction.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The recommended correction has no impact on the Air District's budget or on the total TFCA funding allocated to Alameda County.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Jason Newman
Reviewed by: Linda Hui and Minda Berbeco

ATTACHMENT(S):

1. Memorandum from the May 6, 2026, Board of Directors Meeting Agenda Packet
2. Corrected Table 1. Proposed Allocation and Planned Expenditures for FY2026-2027

AGENDA: 19.

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 6, 2026

Re: Transportation Fund for Clean Air 40% Fund Allocation and Expenditure Plans for Fiscal Year Ending 2027

RECOMMENDED ACTION

1. Approve the proposed allocation and expenditure plans for the estimated new Transportation Fund for Clean Air revenue to each of the nine Administering Agencies for Fiscal Year Ending 2027 that will be funded by the 40% portion of the Transportation Fund for Clean Air;

2. Approve the proposed allocation of additional funding for bikeway and bike parking projects to each of the nine Administering Agencies for Fiscal Year Ending 2027 that will be funded by prior years' revenue under the 60% portion of Transportation Fund for Clean Air fund; and

3. Authorize the Executive Officer/APCO to enter into funding agreements with the Administering Agencies for Transportation Fund for Clean Air revenues to be programmed in Fiscal Year End 2027.

The Policy, Grants, and Technology Committee recommended this item at its meeting on April 15, 2026.

BACKGROUND

In 1991, the California State Legislature authorized the California Department of Motor Vehicles (DMV) to impose a $4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions within the Bay Area Air District's jurisdiction. The legislative requirements that enable the use of the funds are codified in California Health and Safety Code (HSC) Sections 44241 through 44242.

Forty percent of new Transportation Fund for Clean Air (TFCA) revenue is passed through to the designated Administering Agency in each of the nine counties within the Air District's jurisdiction based on each county's proportionate share of vehicle

registration fees collected. As these are pass-through funds, the county Administering Agencies have discretion over these funds within the bounds set by the TFCA authorizing legislation. The authorizing legislation requires that the Administering Agencies hold one or more public meetings to adopt criteria for the expenditure of funds and a separate meeting to review expenditures. The Air District's role is to facilitate the process to ensure that the funds are used for eligible cost-effective reductions of on-road emissions, to pass-through the funds, and later to coordinate an audit of funds expended.

The Air District awards the remaining sixty percent to eligible projects and programs it implements directly via the TFCA 60% Fund. Monies from projects funded by the 60% Fund that fall out or come in under budget are returned to the Air District for reallocation. These funds are held in an interest-bearing account.

In 2023, Air District staff engaged the Mobile Source and Climate Impacts Committee (predecessor to the Policy, Grants, and Technology Committee) in an open discussion as to how to best utilize TFCA funds. There were several key pieces of feedback that came out of that discussion and subsequent Committee meetings directing Air District staff to propose opportunities that utilize the TFCA funds for cost-effective programs like the Vehicle Buy Back Program, zero-emission technologies such as electric trucks and buses, and long-lasting infrastructure with public health impacts such as bikeways.

In response to this feedback, Air District staff initiated changes to the Vehicle Buy Back Program to create greater interest and opened several zero-emission heavy-duty truck and bus solicitations. Air District staff also considered several options for utilizing TFCA funding for bike projects and ultimately determined that the Counties were the best administrators for this type of program. Counties already have plans for bikeways and bike infrastructure, are familiar with the landscape and need, and are in ongoing community conversations about where to prioritize their bikeway funds. This aligns with the Air District's Strategic Plan goal of building trusting partnerships in which the community is directing the use of funds to reduce emissions impacts locally.

The Air District can allocate additional pass-through funding from its TFCA 60% Fund that accumulated from previous years' projects that had come in under budget or fell-out during the pandemic. In addition, high interest rates have increased this pool of funds, making them a viable source to allocate towards the Counties' implementation of bike projects.

The Air District determined that adding these funds to a County's annual allocation via their expenditure plans was the most straightforward way to passthrough, track, and account for these funds. Like other TFCA projects, projects funded with this additional bike funding allocation will follow the TFCA policies and cost-effectiveness limits adopted by the Air District Board of Directors.

Pursuant to HSC Section 44241, Administering Agencies must award TFCA funds to eligible projects within six months of the Air District Board of Directors' approval of their

expenditure plans. This is inclusive of the additional bikeway and bike parking funding. Annually, Administering Agencies submit expenditure plans to the Air District specifying the status of their prior-year funding that is available for reprogramming and interest accrued. The Board of Directors adopted the policies and cost-effectiveness criteria for expenditure of the TFCA 40% Fund commencing Fiscal Year Ending (FYE) 2027 on December 3, 2025.

DISCUSSION

The recommended allocation for the nine Bay Area counties totals approximately $32.6 million. This includes $9.5 million in passthrough DMV fee revenues based on each County's share of registered vehicles, plus $3.8 million in reprogrammed funds from prior-year project fall-out and reconciliation.

It is also recommended that the Counties receive a total of $16.5 million for bikeway and bike parking projects. This includes a $1 million base allocation for each County, plus additional funds based on each County's share of fee-paid vehicle registrations. Counties with Assembly Bill (AB) 617 communities are recommended to receive an additional $2.8 million total, consisting of a $500,000 base amount plus a proportional share tied to vehicle registration fees.

The Air District received the proposed expenditure plans from all nine Administering Agencies. Table 1 shows the TFCA monies that are estimated to be available to the Administering Agencies in FYE 2027, based on their submitted expenditure plans.

Table 1. Proposed Allocation and Planned Expenditures for FYE 2027

	TFCA 40% Fund Allocation		**TFCA 60% Additional Allocation**		
Administering Agency	Estimated New TFCA Revenue	Reconciliation & Reprogrammed TFCA Funds	Bikeway Funding Allocation	Additional AB 617 Bikeway Funding Allocation	Estimated Total FYE 2027 TFCA Funds
Alameda County Transportation Commission	$1,990,945	$2,452,097	$3,127,500	$1,215,000	$8,821,542
Contra Costa Transportation Authority	$1,593,438	$584,000	$2,539,500	$1,015,800	$5,732,738
Transportation Authority of Marin	$363,508	$44,816	$1,000,000	-	$1,408,324

Napa Valley Transportation Authority	$205,390	$76,587	$1,000,000	-	$1,281,977
San Francisco County Transportation Authority	$711,289	$169,628	$1,116,000	$500,000	$2,496,917
San Mateo City/County Association of Governments	$1,080,294	$195,300	$1,755,000	-	$3,030,594
Santa Clara Valley Transportation Authority	$2,521,887	$186,133	$3,970,500	-	$6,678,520
Solano Transportation Authority	$346,168	$11,564	$1,000,000	-	$1,357,732
Sonoma County Transportation Authority	$656,114	$89,524	$1,041,000	-	$1,786,638
Total Allocation	$9,469,033	$3,809,649	$16,549,500	$2,766,800	$32,594,982

*Numbers may differ by one dollar from expenditure plans submitted by the Counties due to rounding.

BUDGET CONSIDERATION/FINANCIAL IMPACT

TFCA revenue is generated from DMV registration fees collected and 40% of the TFCA funds are passed through to the Administering Agencies. The Air District awards the remaining 60% to eligible projects and programs it implements directly (e.g., Spare the Air) and to the TFCA Regional Fund program. Funds from projects that fall-out or come in under budget from that 60% are collected in an interest-bearing account and available for reallocation to other projects, including as passthrough funds to Administering Agencies. Administrative costs for the Administering Agencies and the Air District are reimbursed by TFCA program revenue.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Jason Newman
Reviewed by: Kenneth Mak, Minda Berbeco, and Alona Davis

ATTACHMENT(S):

None

Attachment 2

Table 1. Proposed Allocation and Planned Expenditures for FY 2026-2027

(Corrected as of December 2, 2026)

Administering Agency	TFCA 40% Fund Allocation		TFCA 60% Additional Allocation		Estimated Total FYE 2027 TFCA Funds
	Estimated New TFCA Revenue	Reconciliation & Reprogrammed TFCA Funds	Bikeway Funding Allocation	Additional AB617 Bikeway Funding Allocation	
Alameda County Transportation Commission	$1,990,945	$2,452,097	$3,127,500	$1,251,000	$8,821,542
Contra Costa Transportation Authority	$1,593,438	$584,000	$2,539,500	$1,015,800	$5,732,738
Transportation Authority of Marin	$363,508	$44,816	$1,000,000	-	$1,408,324
Napa Valley Transportation Authority	$205,390	$76,587	$1,000,000	-	$1,281,977
San Francisco County Transportation Authority	$711,289	$169,628	$1,116,000	$500,000	$2,496,917
San Mateo City/County Association of Governments	$1,080,294	$195,300	$1,755,000	-	$3,030,594
Santa Clara Valley Transportation Authority	$2,521,887	$186,133	$3,970,500	-	$6,678,520
Solano Transportation Authority	$346,168	$11,564	$1,000,000	-	$1,357,732
Sonoma County Transportation Authority	$656,114	$89,524	$1,041,000	-	$1,786,638
Total Allocation	**$9,469,033**	**$3,809,649**	**$16,549,500**	**$2,766,800**	**$32,594,982**

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Amendments to the Air District's Administrative Code and Meeting Compensation and Expense Reimbursement Policy

RECOMMENDED ACTION

Amend Sections 5.2, 5.3 and 5.5 of the Administrative Code and Section 1.2 of the Meeting Compensation and Expense Reimbursement Policy as shown in the attached proposed redline amendments. These proposed amendments will allow Community Advisory Council (CAC) Members to be compensated for a greater number of hours of participation in CAC Standing and Ad Hoc Committees, Board Meetings, Working Groups, Technical Advisory Council collaboration, and other agency activities. The proposed amendments also change one of the two at-large CAC members to be a member specifically from Napa, Marin, or Sonoma counties and revise the provisions governing CAC members' terms to conform the Administrative Code to the recent amendments to the CAC's Charter adopted by the Board at its November 4, 2026, meeting.

BACKGROUND

Air District staff uses the current Administrative Code and Meeting Compensation and Expense Reimbursement Policy to monitor and track meeting hours and Community Advisory Council Member participation of the following meetings: Agency Interviews, Board Meetings, Technical Advisory Council collaboration, Ad Hoc meetings, Working Groups, and other meetings as needed. Air District Staff request amendments to the current policies based on recent recommendations and to allow for greater Co-Chair and Council member participation. This request takes the following into consideration.

1. On October 7, 2026, the Board of Directors directed staff to implement recommendations to strengthen collaboration between the Community Advisory Council and the Board. These recommendations include a rotation of Co-Chairs as non-voting guests in Board Meetings beginning in quarter one of January 2027.
2. The Executive Officer's request for CAC Co-Chair and Council member participation in Committee Meetings.

3. Collaboration and alignment between the Community Advisory Council and Air District subject matter experts.

DISCUSSION

The three areas discussed above, together with the Council's regular meeting schedule, warrant an increase in the number of compensable hours allotted to Co-Chairs, Ad Hoc Committee members, and other Community Advisory Council (CAC) members to carry out their responsibilities. The proposed amendments to the Administrative Code and Meeting Compensation and Expense Reimbursement Policy would increase only the number of compensable hours and would not change the hourly compensation rate or the stipends provided for participation in Community Advisory Council and Board retreats.

The following proposed monthly hour limits are intended to reflect the time required for CAC members to fulfill their responsibilities and address questions raised by the Board during its October 7, 2026, meeting:

1. **Co-Chair Meetings**: Up to 15 hours per month, including participation in Board and Committee meetings.
2. **Ad Hoc Committee Meetings:** Up to 8 hours per month
3. **Other CAC/Air District Business**: Up to 8 hours per month for participation in staff working groups, grant and scholarship reviews, hiring panels, and other requested CAC or Air District activities.
4. **Additional Meetings and Special Projects:** Compensable hours for other meetings and special projects, subject to approval by the Deputy Executive Officer of Equity and Community Programs or the CAC Officer.

The proposed amendments also set a total, combined limit of $15,000 in compensation per year per member for all CAC-related activities.

Finally, the Board of Directors approved amendments to the CAC's Charter at its November 4, 2026, meeting. These amendments allocated one of the CAC's two at-large seats specifically to Napa, Marin and Sonoma counties, and changed the provisions for CAC member terms. The proposed amendments to Sections 5.2 and 5.3 of the Administrative Code will align the Administrative Code with these recent CAC Charter amendments.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Approval of the proposed increase in allotted hours for CAC participation in meetings will result in an additional annual cost of approximately $37,860. Adequate funding for the projected cost is included in the Fiscal Year Ending 2027 Budget, and no additional budget appropriation is required.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Anyania Muse
Reviewed by: Marcia Raymond

ATTACHMENT(S):

1. Proposed Amendments to Administrative Code - Redline
2. Proposed Amendments to Meeting Compensation and Expense Reimbursement Policy - Redline
3. Proposed Amendments to Administrative Code - Clean
4. Proposed Amendments to Meeting Compensation and Expense Reimbursement Policy - Clean

Bay Area Air District

Administrative Code

Effective January 1, 2024
Last revised February 4, 2026

TABLE OF CONTENTS

Page

Section One. Title and Purpose 1
1.1 Title 1
1.2 Purpose and Overview 1
1.3 Adoption and Amendment of the Air District Administrative Code 1
1.4 Air District Seal 1
1.5 Non-Discrimination 1
Section Two. Board of Directors 2
2.1 Appointment 2
2.2 Terms 2
2.3 Quorum 2
2.4 Action 2
2.5 Rules of Procedure 2
2.6 Board of Directors Meetings 2
(a) Location 2
(b) Regular Meeting Time 2
(c) Special Meetings 3
(d) Use of Remote Teleconferencing 3
2.7 Officers 3
(a) Officers; Election, Removal 3
(b) Terms of Officers 4
(c) Officer Rotation 4
(d) Chairperson 4
(e) Vice-Chairperson 4
2.8 Non-Interference in Administration Affairs 4
2.9 Compensation for Attendance at Meetings 5
(a) Meetings Eligible for Compensation 5
(b) Attendance Requirements 5
(c) Amount of Compensation 5
(d) Active Transportation Calculation 5

2.10 Expense Reimbursement 6
2.11 Report of County Populations 6
Section Three. Committees of the Board of Directors. 6
3.1 Purpose 6
3.2 Standing Committees 7
(a) Community Equity, Health, and Justice Committee 7
(b) Finance and Administration Committee 7
(c) Nominating Committee 8
(d) Policy, Grants, and Technology Committee 9
(e) Stationary Source Committee 9
3.3 Standing Committee Procedures 9
(a) Meetings 9
(b) Quorum and Action 10
(c) Minority Report 10
3.4 Appointments to Committees 10
3.5 Ad Hoc Committees 10
3.6 Removal of Committee Members 10
Section Four. Advisory Council. 11
4.1 Advisory Council 11
4.2 Membership 11
4.3 Terms of Office 11
(a) Term of Office 11
(b) Limitations of Term of Office 11
4.4 Meetings 11
4.5 Compensation; Expenses 11
(a) Compensation for Attendance at Meetings. 11
(b) Expense Reimbursement 12
Section Five. Community Advisory Council 12
5.1 Community Advisory Council 12
5.2 Membership 12
5.3 Terms of Office 13
(a) Term of Office 13

(b) Term Limits 13
(c) Vacancy 13
5.4 Meetings 13
5.5 Compensation; Expenses 13
(a) Compensation for Attendance at Meetings and for Other Activities 13
(b) Expense Reimbursement 14
Section Six. Hearing Board 14
6.1 Hearing Board 14
6.2 Terms of Office ..... 15~~14~~
6.3 Rules of Procedure ..... 15~~14~~
6.4 Compensation, Expenses ..... 15~~14~~
(a) Hearing Board Meetings ..... 15~~14~~
(b) Expense Reimbursement 15
Section Seven. Adoption of Regulations 15
7.1 Regulation Authority 15
7.2 Rule Adoption Files 15
7.3 Public Hearing Notice Requirements 15
(a) Time of Publication ..... 16~~15~~
(b) Content of Notice 16
7.4 Public Hearing Requirements 16
(a) Public Hearing Required 16
(b) Hearing Procedure ..... 17~~16~~
(c) Findings 17
Section Eight. Personnel 17
8.1 Executive Officer / Air Pollution Control Officer (EO/APCO) 17
(a) Appointment 17
(b) Duties 17
8.2 Air District General Counsel ..... 19~~18~~
(a) Appointment ..... 19~~18~~
(b) Duties 18
8.3 Clerk of the Boards 19
8.4 Continuity Policy ..... 20~~19~~

Section Nine. Fiscal Policies and Procedures 19
9.1 Treasurer 19
9.2 Annual Audit 20
9.3 Adoption of Budget 20
(a) Budget Preparation 20
(b) Presentation to Finance and Administration Committee 20
(c) Adoption by the Board of Directors ..... 21~~20~~
(1) Notice ..... 21~~20~~
(2) Public Hearing to Review the Budget ..... 21~~20~~
(3) Adoption of the Budget 21
9.4 Procurement and Contracting 21
9.5 Acceptance of Grants and Gifts Made to the Air District 23
9.6 Grants of Air District Funds 23
9.7 Sponsorships 23
9.8 Agreements for Employee Compensation, Benefits 24
9.9 Claims Against the Air District 24
9.10 Electronic Signatures 24
(a) Definitions: The following definitions apply to this Section 9.10: 24
(b) Electronic and Digital Signatures Accepted 24
(c) Accepted Technologies 25
Section Ten. Employment 25
10.1 Personnel Policies 25
10.2 EO/APCO Authority 25
(a) Discipline 25
(b) Early Release with Compensation 25
(c) Underfilling of Positions 25
10.3 Salaries and Benefits 26
10.4 Determination of Salaries for New Hires 26
10.5 Y-Rating 26
10.6 Reservation of Rights 26
10.7 At-Will Employment 27
(a) At-Will Employees 27

(b) Appointments and Termination of At-Will Employees 27
(c) Return Rights for Specified At-Will Employees 27
9(d) Salary Step Advancement 28
10.8 Limited-Term Contract Employees 29
(a) Limited-Term Contract Employee Defined 29
(b) LTCE Employment 29
(c) Conversion to Permanent Status 29
10.9 Classification Plan 29
10.10 Units 29
(a) Technical/General Unit 29
(b) Professional Unit 30
(c) Confidential Unit 30
(d) Management Unit 30
(e) Attorney Management Unit 30
Section Eleven. Conflicts of Interest Code 30
11.1 Conflict of Interest Code 30
Section Twelve. California Environmental Quality Act ("CEQA") 30
12.1 CEQA Regulations 30
Section Thirteen. Transition Provisions, Interpretation of the Code. 31
13.1 Previous Administrative Code Repealed 31
13.2 Obligations of Contract Not Impaired 31
13.3 Effect of Headings 31
13.4 Severability 31
Revision History 32

Bay Area Air Quality Management District Administrative Code

Section One. Title and Purpose

1.1 Title

This Code shall be known as the "Bay Area Air Quality Management District Administrative Code," "Air District Administrative Code," or "Administrative Code."

1.2 Purpose and Overview

This Administrative Code sets forth the governance, administrative, and financial provisions for the Bay Area Air Quality Management District (hereafter "Air District"), the method of appointment of Air District employees, and procedures for the operation and management of the Air District.

The Air District is an independent special district created, pursuant to Chapter 4 of Part 3 of Division 26 of the California Health and Safety Code, to regulate stationary sources of air pollution in the nine counties that surround San Francisco Bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, southwestern Solano, and southern Sonoma counties.

1.3 Adoption and Amendment of the Air District Administrative Code

This Administrative Code is adopted and may be amended by ordinance of the Board of Directors, after review and recommendation by the Finance and Administration Committee. The Board of Directors shall ensure that the Air District Administrative Code is reviewed at least every five (5) years, and the Board of Directors shall approve amendments, as necessary.

1.4 Air District Seal

The Air District may provide for and adopt an official seal. The seal of the Air District shall be used only for purposes directly connected with the official business of the Air District.

1.5 Non-Discrimination

The Air District is committed to non-discrimination and equity throughout the organization and in carrying out the agency's mission. The Board of Directors shall adopt by resolution a Non-Discrimination Policy to articulate this commitment and to ensure compliance with all legal obligations, including without limitation the Equal Protection Clause of the Fourteenth Amendment to the U.S. Constitution, Title VI of the Civil Rights Act of 1964, and California Government Code Section 11135. The Executive Officer / Air Pollution Control Officer ("EO/APCO") shall implement this Non-Discrimination Policy and shall ensure that the Policy is communicated in a transparent fashion to Air District staff and to the public and is posted on the Air District's website.

Section Two. Board of Directors

2.1 Appointment

The Board of Directors is the governing body of the Air District and consists of members appointed pursuant to Article 3 of Chapter 4 of Part 3 of Division 26 of the Health and Safety Code. (Health and Safety Code section 40220 *et seq.*)

2.2 Terms

Each member of the Board of Directors appointed by a board of supervisors shall hold office for a term of four years and until the appointment and qualification of their successor, and each member appointed by a city selection committee shall hold office for a term of two years and until the appointment and qualification of their successor. (Health and Safety Code section 40222.)

2.3 Quorum

A majority of the members of the Board of Directors constitute a quorum for the transaction of business. The Board may meet only when a quorum is present. (Health and Safety Code section 40226.)

2.4 Action

Unless otherwise specified in state law or this Administrative Code, an action of the Board of Directors shall require the presence of a quorum and the affirmative vote of a majority of the total membership of the Board. The Board may act by ordinance, resolution, or motion. (Government Code section 54952.6; Health and Safety section 40226.)

2.5 Rules of Procedure

The Board of Directors shall adopt Rules of Procedure to govern the conduct of its meetings. The Board of Directors may amend those Rules to conform to changes in law or as otherwise needed.

2.6 Board of Directors Meetings

(a) Location

All regular meetings of the Board of Directors and all regular meetings of Board Committees shall be held at the offices of the Air District located at 375 Beale Street, San Francisco, California.

(b) Regular Meeting Time

The Board of Directors shall adopt annually by resolution a schedule of regular meetings for each calendar year. Regular meetings of the Board of Directors shall be held on the first Wednesday of each month, beginning at the hour of 10:00

a.m., and at additional dates and times as specified in the annual meeting schedule adopted by the Board.

(c) Special Meetings

A special meeting may be called whenever the business of the Air District may require it. A special meeting may be called at the request of the Chairperson of the Board of Directors in consultation with the EO/APCO, or at the request of a majority of the members of the Board of Directors. Whenever a special meeting is called, notice shall be given to each member of the Board of Directors at least twenty-four (24) hours in advance, and to others as required by law, stating the date and hour of the meeting, the location of the meeting, and the purpose for which the meeting is called. No business shall be transacted at the meeting except as stated in the notice. (Government Code section 54956.)

(d) Use of Remote Teleconferencing

The Board of Directors shall hold regular meetings at the location specified in subsection 2.6(a) above. The Board of Directors may hold any meeting using remote teleconferencing technology in accordance with Government Code sections 54953(b) and (f), with the exception that remote teleconference attendance shall not be allowed (except for "just cause" or "emergency circumstances" remote teleconferencing where authorized by Government Code section 54953(f)) for a meeting at which the Board of Directors is to adopt the budget or is to hold a public hearing for adoption of a rule or regulation, or upon special circumstances at the call of the chair.

As a courtesy to and for the convenience of members of the public, the Board of Directors may provide a webcast or streaming service for any meeting to allow members of the public to watch or participate in the meeting virtually. By choosing to participate in a meeting virtually, members of the public accept the risk that in the event of a disruption to the webcast or streaming service, the Board will continue with its meeting. (Government Code sections 54950 *et seq*.)

2.7 Officers

(a) Officers; Election, Removal

The Board of Directors shall elect a Chairperson and Vice-Chairperson. The Board of Directors shall elect these Officers in November prior to the commencement of the Officers' terms, or as otherwise necessary to fill a vacancy. The Officers shall serve at the pleasure of the Board of Directors and may be removed by a two-thirds (⅔) vote of the membership of the Board of Directors held at a regular meeting.

(b) Terms of Officers

The Chairperson and Vice-Chairperson shall serve two-year terms, which shall begin on January 1 of each even-numbered year. Members of the Board of Directors elected to serve as Chairperson and Vice-Chairperson for the one-year 2024 term under the predecessor to this Administrative Code shall serve in those positions for the two-year 2024-2025 term under this Administrative Code. No member of the Board of Directors may serve more than four years in any one office.

(c) Officer Rotation

The Officer positions shall be rotated among the members of the Board of Directors in a manner to assure participation in the affairs of the Air District from a wide representation of the membership. In selecting members to serve as Officers, the Board of Directors shall consider and balance representation by members appointed by Boards of Supervisors, members appointed by City selection committees, members from large counties, and members from small counties, as well as geographic representation from all parts of the Bay Area, although the Board need not follow any strict rule of rotation.

(d) Chairperson

The Chairperson's duties include without limitation:

(1) Presiding over the meetings of the Board of Directors.

(2) Signing all ordinances and resolutions adopted by the Board of Directors while the Chairperson presides.

(3) Appointing members of committees of the Board of Directors.

(e) Vice-Chairperson

The Vice-Chairperson shall have the following duties:

(1) In the event the Chairperson is unable to attend a meeting, the Vice-Chairperson shall preside over the meeting and shall sign ordinances and resolutions adopted at the meeting.

(2) In the event that the Chairperson is unable, for whatever reason, to fulfill their term of office, the Vice-Chairperson shall succeed the Chairperson.

2.8 Non-Interference in Administration Affairs

The Board of Directors and its members shall deal with the administration of the Air District only through the EO/APCO, except for the purpose of inquiry, and neither the Board of Directors nor any member thereof shall give orders or direction to any subordinates of the EO/APCO, without the express consent of the EO/APCO. The EO/APCO shall take their orders and instructions from the Board of Directors only when

sitting in a duly held meeting of the Board, and no individual member of the Board of Directors shall give any orders or instructions to the EO/APCO.

Except as expressly provided in this Administrative Code, the Board of Directors, and its members, shall have no power or authority over, nor shall they dictate, suggest, or interfere with respect to, any appointment, promotion, compensation decision, disciplinary action, contract or requisition for purchase, or other administrative action or recommendation of the EO/APCO.

Violation of this section of the Administrative Code constitutes official misconduct.

2.9 Compensation for Attendance at Meetings

Each member of the Board of Directors shall be entitled to compensation for attendance at meetings as follows:

(a) Meetings Eligible for Compensation

(1) Meetings of the Board of Directors and of Board Committees; and

(2) Other meetings while on official business of the Air District as authorized under the Meeting Compensation and Expense Reimbursement Policy adopted pursuant to Section 2.10.

(b) Attendance Requirements

A member of the Board of Directors shall be entitled to compensation for attending a meeting of the Board or a Board Committee only if:

(1) The member arrives for the meeting no later than thirty (30) minutes after the scheduled beginning of the meeting; and

(2) The member is present at the meeting for at least three quarters (¾) of the total meeting time, including closed session time.

(c) Amount of Compensation

Members of the Board of Directors shall be entitled to compensation of one hundred dollars ($100) per meeting for attendance at meetings under this Section 2.9, up to a maximum of two hundred dollars ($200) per day; plus, compensation for active transportation travel calculated as specified in Paragraph (d) below. No Board member may receive compensation of more than six thousand dollars ($6,000) in any calendar year for meeting attendance pursuant to this Section 2.9.

(d) Active Transportation Calculation

Compensation for active transportation travel pursuant to Paragraph (c) above shall be calculated as follows:

(1) $1.56 per mile for travel by personal/private non-motorized bicycle or similar nonmotorized pedal-operated vehicle; and

(2) $1.50 per mile for travel on foot or by wheelchair.

For multi-modal travel, compensation shall be provided only for miles traveled using the alternative transportation travel modes specified in this Paragraph (d). Members shall provide to the Clerk of the Boards the date of travel, starting and ending points, and purpose of travel when claiming compensation, and must document the distance traveled with a printout from a map website such as Google Maps.

2.10 Expense Reimbursement

Members of the Board of Directors are entitled to receive reimbursement for actual and necessary expenditures incurred in connection with the performance of their official duties. Pursuant to Government Code section 53232.2, the Board of Directors shall adopt a written Meeting Compensation and Expense Reimbursement Policy, at a public meeting, specifying the types of occurrences that qualify a member to receive reimbursement for expenses relating to travel, meals, lodging, and other actual and necessary expenses. The Expense Reimbursement Policy shall also apply to other boards and councils of the Air District as specified in this Administrative Code. Members of the Board of Directors and other covered boards and councils may receive reimbursement only as provided in the Policy and subject to the Policy's requirements. Members shall comply with the limits and reporting requirements of federal, state, and local law.

2.11 Report of County Populations

Appointments to the Board of Directors are determined by the population of the counties within the geographical jurisdiction of the Air District at the time of appointment according to the provisions of Health and Safety Code sections 40221 and 40221.5. The Clerk of the Boards shall report to the Board of Directors each year the population of each county included, in whole or in part, within the Air District's jurisdiction according to the latest estimate prepared by the Demographic Research Unit of the Department of Finance. For counties for which only a portion of the county is included within the Air District's jurisdiction, the Clerk of the Boards shall report the population of that portion within the Air District's jurisdiction. (Health and Safety Code section 40220.5.) The Clerk of the Boards shall report the populations promptly after the Demographic Research Unit publishes its estimates.

Section Three. Committees of the Board of Directors

3.1 Purpose

The Board of Directors establishes standing committees to advise and make recommendations to the Board on matters within the scope of the committee's

jurisdiction. In addition to the functions specified herein, any committee may also consider additional matters as referred by the Board of Directors. Except where explicitly authorized in this Administrative Code, the standing committees shall not have authority to approve any action or policy on behalf of the Board of Directors, to alter, change, or reverse any action or policy established by the Board of Directors, or to authorize the expenditure of any funds.

In the normal course of business, matters will be considered by the relevant committee(s) before being considered by the Board of Directors. However, the Board of Directors may take up any matter directly, without previous consideration by a committee, when necessary and appropriate.

3.2 Standing Committees

The standing committees of the Board of Directors are the following:

(a) Community Equity, Health, and Justice Committee

The Community Equity, Health, and Justice Committee advises and makes recommendations to the Board of Directors regarding equitable and inclusive actions the Air District takes to create a healthy breathing environment and clean air for the people of the Bay Area, regardless of race, ethnicity, age, gender identity, economic status, national origin, immigration status, ability, sexual orientation, or other distinguishing characteristics. The Committee oversees the development of policies for both internal and external operations impacting the Bay Area. Internal operations include applying an equity lens to programs, policies, and procedures related to staffing, recruitment, promotions, inclusive workplace practices, contracting for capital projects and services, and ongoing racial equity training. The committee prioritizes traditionally marginalized and underserved communities for investment opportunities to ensure communities overburdened by air pollution receive the programmatic, policy, and investment resources most needed.

The Community Equity, Health, and Justice Committee also advises and makes recommendations to the Board of Directors regarding the overall direction of the Air District's community engagement activities, civil rights compliance, and the implementation of Assembly Bill 617 (Stats. 2017, Ch. 136), including community selection and approval of Community Emission Reduction Plans. It is also the lead committee interacting and partnering with the Community Advisory Council. The Committee also advises and makes recommendations to the Board of Directors regarding grants related to matters within its jurisdiction.

(b) Finance and Administration Committee

The Finance and Administration Committee advises and makes recommendations to the Board of Directors relating to the administration of the Air District's programs and activities, including but not limited to policies regarding finance,

procurement, employment, salaries, working conditions, insurance, and the retaining of consultants.

The Finance and Administration Committee advises and makes recommendations to the Board of Directors with respect to strategic planning regarding the goals and objectives of the Air District. The Committee considers and recommends to the Board of Directors each year proposed updates and/or changes to the Air District's strategic plan, considering the goals and objectives and short- and long-range plans of the California Air Resources Board, as appropriate. The Committee uses the strategic plan approved by the Board of Directors to review and develop the proposed budget each year.

The Finance and Administration Committee oversees the preparation of the Air District's annual budget and presents the annual proposed budget with recommendations to the Board of Directors. At budget review time each year, the Committee evaluates the Air District's goals and objectives, financial plan, and fee schedules and recommends appropriate changes to the Board of Directors. The proposed budget prepared by the EO/APCO is automatically deemed referred to the Finance and Administration Committee for consideration, without need for further action by the Board of Directors.

The Finance and Administration Committee receives and reviews the Air District's annual audited financial statement reports from the independent financial auditors and reports any findings or recommendations to the Board of Directors. The Committee also receives and reviews reports from independent management performance auditors and reports any findings or recommendations to the Board of Directors.

The Finance and Administration Committee keeps itself informed as to the work of the Advisory Council and Hearing Board, and it recommends to the Board of Directors the appointment of members of the Advisory Council and Hearing Board whenever vacancies occur on those bodies.

The Finance and Administration Committee considers and recommends updates or revisions to this Administrative Code as may from time to time become necessary.

(c) Nominating Committee

The Nominating Committee considers and makes recommendations to the Board of Directors regarding candidates for Board Officer positions. In making its recommendations, the Nominating Committee shall consider the principles governing officer rotation as set forth in Section 2.7(c), although it need not follow any strict rule of rotation.

The Nominating Committee consists of the Chairperson of the Board, the past Chairperson of the Board, and three (3) appointees of the Chairperson of the

Board (or in the event the past Chairperson is no longer serving on the Board, four (4) appointees of the Chairperson of the Board). The Chairperson shall appoint the Nominating Committee no later than October 15th of the final year of the Board Officers' terms, and the Committee shall meet in November of that year to recommend candidates to the Board of Directors for Board Officers for the upcoming terms. The Nominating Committee members shall serve until the appointment of a new Committee, and shall recommend candidates to the Board of Directors in the event a Board Officer position becomes vacant in the middle of a term.

(d) Policy, Grants, and Technology Committee

The Policy, Grants, and Technology Committee advises and makes recommendations to the Board of Directors on policies and funding related to sources and activities that affect air pollution and climate impacts that do not fall within the jurisdiction of the Stationary Source Committee. In particular, the Committee advises and makes recommendations to the Board of Directors on policies and funding related to transportation and mobile sources, as well as equity for impacted communities related to these sectors. The Committee also advises and makes recommendations to the Board of Directors on policies and funding to catalyze innovation and incentivize low-carbon-intensity practices. The Committee also advises and makes recommendations to the Board of Directors relating to legislative advocacy. The Committee adopts legislative priorities each year to guide the work of the Committee and Air District staff related to legislative advocacy.

(e) Stationary Source Committee

The Stationary Source Committee advises and makes recommendations to the Board of Directors relating to the air quality and climate impacts of stationary sources, including indirect sources. The Committee advises and makes recommendations to the Board of Directors regarding all aspects of the Air District's stationary source programs, including but not limited to the following: permitting, compliance, small business assistance, rule development, California Environmental Quality Act thresholds of significance, and state and federal regulations that affect stationary sources. The Committee advises and makes recommendations to the Board of Directors regarding air quality planning and the development and implementation of State and Federal Air Quality Management Plans, as well as support for regional and local climate planning.

3.3 Standing Committee Procedures

(a) Meetings

The Board of Directors shall adopt annually by resolution a committee meeting calendar setting the time and place for meetings of each standing committee.

Standing committees may hold any meeting using remote teleconferencing technology in accordance with Government Code sections 54953(b) and (f).

(b) Quorum and Action

A quorum of a standing committee is a majority of the members of the committee. A committee may meet only when a quorum is present. An action of a committee shall require the presence of a quorum and the affirmative vote of a majority of the total membership of the committee.

(c) Minority Report

A standing committee member may submit a Minority Report to accompany a committee recommendation submitted to the Board of Directors, provided that no Air District staff resources are used to prepare such a report.

3.4 Appointments to Committees

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. The Clerk of the Boards shall report the Committee appointments to the Board of Directors at its first meeting in February of each year, or as soon thereafter as the Committee appointments are made.

[Revised December 3, 2025]

3.5 Ad Hoc Committees

The Chairperson may establish ad hoc advisory committees, composed solely of members of the Board of Directors, constituting less than a quorum of the Board of Directors or any of its standing committees, to accomplish a specific task in a short period of time. The Chairperson shall appoint the members of those ad hoc Committees. The Chairperson shall create each ad hoc committee and appoint its members in writing, which shall specify the task of the committee. An ad hoc committee expires upon completion of its designated task. The Board of Directors may overrule the Chairperson's decisions regarding the creation, appointment of members, or designated purpose of the ad hoc committee by majority vote. (Government Code section 54952(b).)

3.6 Removal of Committee Members

The Chairperson may remove a member from serving on a standing or ad hoc committee at any time. The Board of Directors may overrule the removal by a majority vote.

Section Four. Advisory Council.

4.1 Advisory Council

Pursuant to Health and Safety Code section 40261, the Board of Directors shall appoint a Bay Area Air Quality Management Council (also known as the Advisory Council) to advise and consult with the Board and the EO/APCO on matters referred to it by the Board of Directors or the EO/APCO. Members serve at the pleasure of the Board of Directors and may be removed at any time by a majority vote of the Board of Directors.

4.2 Membership

The Advisory Council shall consist of seven members who are skilled and experienced in the fields of air pollution, climate change, or the health impacts of air pollution, plus one liaison member from the Board of Directors. Advisory Council members shall be selected to include a diversity of perspectives, expertise, and backgrounds. The EO/APCO shall develop position qualifications for serving on the Advisory Council, which shall be approved by the Board of Directors.

4.3 Terms of Office

(a) Term of Office

Each Advisory Council member shall hold office for a term of two (2) years and until the appointment and qualification of the member's successor.

(b) Limitations of Term of Office

The Board of Directors shall not re-appoint a member of the Advisory Council who has served on the Council for twelve (12) consecutive years. A person who has served on the Advisory Council for twelve (12) consecutive years is eligible for re-appointment after an absence of two (2) years from the Council.

4.4 Meetings

The Advisory Council shall meet four (4) times each year, or more frequently if the Board of Directors or Advisory Council deems necessary.

4.5 Compensation; Expenses

(a) Compensation for Attendance at Meetings.

Members of the Advisory Council shall be entitled to compensation of two hundred dollars ($200) per meeting for attending meetings of the Advisory Council and other authorized meetings as specified in the Meeting Compensation and Expense Reimbursement Policy adopted pursuant to Section 2.10.

(Health and Safety Code section 40266.)

(b) Expense Reimbursement

Members of the Advisory Council shall be entitled to reimbursement for actual and necessary expenses incurred by them in attending meetings of the Advisory Council and Advisory Council committees of which they are a member in accordance with the Expense Reimbursement Policy adopted pursuant to Section 2.10.

(Health and Safety Code sections 40260-40268.)

Section Five. Community Advisory Council

5.1 Community Advisory Council

The Board of Directors shall appoint a Community Advisory Council to provide guidance to the Board of Directors on programs and policies that impact all communities, including overburdened communities, within the Air District's jurisdiction; to make recommendations to the Board of Directors on equity and environmental justice matters to improve air quality in all communities, prioritizing the most impacted communities; to meaningfully engage impacted communities to represent and address stakeholders' interests; to advise Air District leadership on community-related matters to advance an equity-forward policy agenda; and to carry out any additional duties as the Board of Directors may prescribe. The Community Advisory Council shall be governed in its work by a Governing Structure adopted by the Board of Directors ("Governing Structure").

5.2 Membership

In accordance with the Governing Structure, the Board of Directors shall appoint seventeen (17) members to the Community Advisory Council, who shall serve at the pleasure of the Board, as follows: Four (4) members shall live or work in Alameda County; four (4) members shall live or work in Contra Costa County; one (1) member shall live or work in Marin, Napa, or Sonoma County; one (1) member shall live or work in the City and County of San Francisco; one (1) member shall live or work in San Mateo County; two (2) members shall live or work in Santa Clara County; one (1) member shall live or work in Solano County; two (2) members shall be youths who are between the ages of fourteen (14) and twenty-four (24) at the start of their term; and ~~two~~ one (1~~2~~) member~~s~~ shall serve in an at-large seat~~s~~. The Board of Directors shall grant priority to individuals ~~living or working in Marin, Napa, or Sonoma counties or individuals~~ with special expertise, such as wildfire management, when filling the at-large seat~~s~~. A minimum of seventy percent (70%) of members shall be residents living in the County represented, and no more than six (6) members may represent a County where they work for the benefit of overburdened communities. If selected to fill a seat, a representative of a business holding an Air District permit, or of an industrial company subject to regulation, shall be a non-voting member.

5.3 Terms of Office

(a) Term of Office

The Board of Directors shall appoint each new member to an initial ~~two-year or~~ four-year term, and shall reappoint each member who has previously served to a subsequent two-year term ~~in accordance with the Governing Structure~~. A member's ~~term~~ service shall end upon expiration of their two- or four-year term (unless reappointed for another term), removal by the Board of Directors, resignation, or ~~upon~~ other disqualifying event ~~as provided for in the Governing Structure~~.

(b) Term Limits

No member shall serve on the Community Advisory Council for more than ~~eight~~ six (6~~8~~) years, except for inaugural Council members who were appointed to successive four-year terms before November 4, 2026, who may serve for no more than eight (8) years.

(c) Vacancy

In the event of a vacancy, the Board of Directors may appoint a new member to fill the vacant seat for the remainder of the term.

5.4 Meetings

The Community Advisory Council shall set, by resolution, a regular time and place for meetings.

5.5 Compensation; Expenses

(a) Compensation for Attendance at Meetings and for Other Activities

Members of the Community Advisory Council shall be entitled to compensation for their time spent working on Council-related matters as follows, up to a maximum of fifteen thousand dollars ($15,000) per calendar year in total combined compensation. The Board of Directors shall include provisions in the Meeting Compensation and Expense Reimbursement Policy adopted pursuant to Section 2.10 to establish procedures for administering these compensation provisions.

(1) Members shall be entitled to compensation of five hundred dollars ($500) per meeting for attending meetings of the Community Advisory Council.

(2) Co-Chairs shall be entitled to compensation of seventy-five dollars ($75) per hour for attending Co-Chair and Board meetings, up to a maximum of ~~four (4)~~ fifteen (15) hours per month.

(3) Members of ad hoc or standing committees shall be entitled to compensation of seventy-five dollars ($75) per hour for attending committee meetings, up to a maximum of ~~six (6)~~ eight (8) hours per month.

(4) Members shall be entitled to compensation of seventy-five dollars ($75) per hour for participating in other Air District business related to the Community Advisory Council, including staff working groups, grant and scholarship application review, and hiring panels, upon written approval by the Deputy Executive Officer of Equity and Community Programs or the Community Advisory Council Officer, up to a maximum of eight (8) hours per month.

(5~~4~~) Members shall be entitled to compensation of seventy-five dollars ($75) per hour for pre-approved participation in events, activities, or services related to the mission and purpose of the Community Advisory Council authorized in accordance with the Meeting Compensation and Expense Reimbursement Policy adopted pursuant to Section 2.10, up to a maximum of one thousand dollars ($1,000) per year.

(b) Expense Reimbursement

Members of the Community Advisory Council shall be entitled to reimbursement for actual and necessary expenses incurred by them in connection with attending or participating in any of the meetings or events for which they are entitled to compensation under Section 5.5(a) above. Members shall be entitled to reimbursement for such expenses in accordance with the Meeting Compensation and Expense Reimbursement Policy adopted pursuant to Section 2.10.

Section Six. Hearing Board

6.1 Hearing Board

Pursuant to Health and Safety Code section 40800, the Board of Directors shall appoint a Hearing Board consisting of five members, as provided in Health and Safety Code section 40801. In filling the two seats designated for public members under Health and Safety Code section 40801(d), the Board of Directors shall give priority to applicants who do not qualify for the seats designated for members of professions under Health and Safety Code sections 40801(a)-(c). The Hearing Board shall have the power and authority to issue variances under Health and Safety Code sections 42350 *et seq.*, to issue orders for abatement under Health and Safety Code sections 42451 *et seq.*, to hear appeals from decisions by the EO/APCO to issue, deny, or suspend a permit under Health & Safety Code sections 42302 *et seq*.; to revoke a permit under Health and Safety Code section 42307, and to take all other actions authorized under other provisions of the Health and Safety Code and related law.

6.2 Terms of Office

The term of office for a member of the Hearing Board shall be three (3) years.

6.3 Rules of Procedure

The Hearing Board shall, as it may deem necessary, adopt, re-adopt, or amend rules of procedure for the conduct of its hearings and other matters before it.

6.4 Compensation, Expenses

(a) Hearing Board Meetings

Members of the Hearing Board shall be entitled to compensation of four hundred dollars ($400), or four hundred fifty dollars ($450) for the Chairperson, for each day attending meetings of the Hearing Board, and shall be entitled to compensation of one hundred dollars ($100) per day for attending other meetings as a representative of the Hearing Board upon authorization by the Board of Directors pursuant to the Meeting Compensation and Expense Reimbursement Policy adopted pursuant to Section 2.10.

(b) Expense Reimbursement

Members of the Hearing Board shall be entitled to reimbursement for actual and necessary expenses incurred by them in attending meetings of the Hearing Board and other meetings for which compensation is authorized under subsection 6.4(a) in accordance with the Meeting Expense Reimbursement Policy adopted pursuant to Section 2.10.

(Health and Safety Code section 40800 *et seq*.)

Section Seven. Adoption of Regulations

7.1 Regulation Authority

Pursuant to Health and Safety Code sections 40000, 40001, and 40702, among other provisions of law, the Board of Directors shall adopt rules and regulations to execute the powers and duties granted to, and imposed upon, the Air District, including but not limited to rules and regulations to achieve and maintain the state and federal ambient air quality standards in all areas affected by emission sources under the Air District's jurisdiction.

7.2 Rule Adoption Files

The EO/APCO shall maintain a file for each rule and regulation adopted by the Board of Directors containing (1) petitions received by the Air District proposing the adoption, amendment, or repeal of the rule or regulation; (2) notice of proposed adoption, amendment, or repeal of the rule or regulation; (3) written comments, data, studies,

reports, and any other factual information submitted by any member of the public in connection with the adoption, amendment, or repeal of the rule or regulation; (4) a transcript, recording, or minutes of public hearings held in connection with the adoption, amendment, or repeal of the rule or regulation; and (5) the text of the rule or regulation as originally proposed, and any modified text, that was made available to the public prior to adoption.

(Health and Safety Code section 40728.)

7.3 Public Hearing Notice Requirements

(a) Time of Publication

The Clerk of the Boards shall provide notice of the time and place of a public hearing to adopt, amend, or repeal any rule or regulation not less than 30 days prior thereto in accordance with Health and Safety Code section 40725 for such notice, and by publication in each county of the Air District pursuant to Section 6061 of the Government Code.

(b) Content of Notice

The published notice shall include the following information:

(1) The time and place of the public hearing.

(2) A brief description of the proposed action.

(3) Information on how members of the public may obtain the full text of the regulatory language that is proposed to be adopted, amended, or repealed, including a statement that it is available for public inspection at the Air District's headquarters during regular business hours.

(4) An invitation for the submission of written public comments on the proposed action prior to the hearing. The notice shall include information on how the comments should be submitted, including the name, address and telephone number of the person to whom they should be directed (with addresses for mailing, physical delivery, and electronic submission), and it shall specify the date by which the comments must be received.

7.4 Public Hearing Requirements

(a) Public Hearing Required

The Board of Directors shall not adopt, amend, or repeal any rule or regulation without first holding a public hearing thereon. The public hearing may be agendized and held in the same manner as any other agenda item in accordance with the Board's Rules of Procedure; no formal action of the Board is required to set the public hearing.

(b) Hearing Procedure

At the public hearing held to adopt, amend, or repeal a rule or regulation, the Board of Directors shall provide for the submission of statements, arguments, or contentions, either oral, written, or both. In addition, any submitted written comments shall be made available to each Board member. Following consideration of all relevant matters presented, the Board of Directors may adopt, amend, or repeal a rule or regulation unless the Board determines to make changes in the text originally made available to the public that are so substantial as to significantly affect the meaning of the proposed rule or regulation. The Board of Directors shall not take action on a rule or regulation containing changed text where the change is so substantial as to significantly affect the meaning of the proposed rule or regulation before its next regular meeting and shall allow further statements, arguments, and contentions either written, oral or both, to be made and considered prior to taking final action.

(c) Findings

Before adopting, amending, or repealing a rule or regulation, the Board of Directors shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference, as defined in Health and Safety Code Section 40727, based upon relevant information presented at the hearing.

Section Eight. Personnel

8.1 Executive Officer / Air Pollution Control Officer (EO/APCO).

(a) Appointment

The Board of Directors shall appoint the Executive Officer /Air Pollution Control Officer (EO/APCO), who shall serve at the pleasure of the Board.

(b) Duties

The EO/APCO shall serve as the Executive Officer of the Air District and possess the power and duty to administer the business of the Air District. Those duties include, without limitation:

(1) Supervising and directing the preparation and submission of all required air quality plans.

(2) Enforcing all laws, rules, regulations, and orders to achieve and maintain the state and federal ambient air quality standards in all areas affected by emission sources under their jurisdiction and enforcing all applicable provisions of state and federal law.

(3) Supervising and directing the preparation of the annual budget for the Air District.

(4) Submitting to the Board of Directors each year a complete report of the finances and administrative activities of the Air District from the preceding year.

(5) Except as otherwise specified in this Administrative Code, executing and administering contracts entered into by the Air District and executing and administering grants and sponsorships funded by the Air District.

(6) Except as otherwise specified in this Administrative Code, serving as the appointing authority for all positions of employment in the Air District, with plenary and sole authority to hire, fire, discipline, layoff, supervise, and assign employees in the Air District.

(7) Developing a comprehensive Personnel Policy Manual setting forth personnel policies and procedures for the Air District for approval by the Board of Directors; making the Personnel Manual available to Air District employees and to the public; and administering the personnel policies and procedures set forth in the Personnel Manual.

(8) Recommending compensation and benefits for Air District employees for approval by the Board of Directors.

(9) Overseeing the Air District's labor relations program, including its compliance with relevant labor laws, its implementation of any labor agreements approved by the Board of Directors, and negotiations with any Air District labor organization.

(10) Overseeing a comprehensive classification and position control plan, subject to approval by the Board of Directors.

(11) In consultation with the Air District General Counsel, ensuring compliance with all relevant Equal Employment Opportunity and Non-discrimination laws.

(12) Providing the day-to-day administration of the Air District and carrying out all duties required under the Health and Safety Code.

(13) Retaining and maintaining records according to state law and the Air District's Records Management and Access Policy, which shall be approved by a resolution of the Board of Directors.

(14) Designating the Air District employee with principal responsibility for the financial affairs of the Air District to hold the title of Chief Financial Officer.

(15) Performing such other and additional duties as the Board of Directors may prescribe.

8.2 Air District General Counsel

(a) Appointment

The Board of Directors shall appoint a General Counsel to the Air District, who shall serve at the pleasure of the Board.

(b) Duties

The General Counsel shall serve as the chief legal officer of the Air District and possess the power and duty to administer the legal affairs of the Air District and to represent the Air District in all legal matters. The General Counsel's duties include, without limitation:

(1) Providing advice and legal opinions, either orally or in writing as appropriate to the circumstances, to the Board of Directors, the EO/APCO, Board Committee, Hearing Board, Advisory Councils, or other committee or employee as directed by the Board of Directors.

(2) Making recommendations to the EO/APCO and Board of Directors on the settlement of all claims and litigation involving the Air District.

(3) Approving as to form, prior to enactment, all surety bonds, contracts, ordinances, resolutions, and other legal documents and instruments; and examining and approving title to all real property to be acquired by the Air District.

(4) Serving as the appointing authority for all positions of employment in the Air District's Legal Division, with plenary and sole authority to hire, fire, discipline, layoff, supervise, and assign employees in that Office.

(5) Hiring outside legal counsel and related professional services when in the interests of the Air District. The General Counsel may execute contracts for legal services as provided for in Section 9.4(g).

(6) Carrying out other and additional duties as the Board of Directors may prescribe.

[Revised December 3, 2025]

8.3 Clerk of the Boards

The EO/APCO shall appoint a Clerk of the Boards. The Clerk of the Boards shall take the minutes, prepare the correspondence, assemble and distribute the agendas, post and deliver the meeting and hearing notices, keep the records, and generally provide administrative support for the Board of Directors and its committees, the Advisory Councils, and the Hearing Board, as required by law and as requested by the Chairperson

and EO/APCO. The Clerk of the Boards shall be the sole entity authorized to accept service of process on behalf of the Air District and its Board of Directors and Hearing Board.

8.4 Continuity Policy

In the event that either the EO/APCO or the General Counsel is temporarily unable to perform their duties, or if either position becomes vacant, the duties of that position shall be performed as specified in the Executive Leadership Continuity Policy adopted by the Board of Directors.

Section Nine. Fiscal Policies and Procedures

9.1 Treasurer

The Treasurer of the County of San Mateo shall be ex-officio Treasurer of the Air District and shall have the duties imposed by law.

9.2 Annual Audit

The Board of Directors shall contract with either a certified public accountant or the county auditor of one of the counties of the Air District to conduct an annual audit of the accounts and records of the Air District. The audit shall be conducted in accordance with generally accepted auditing standards for financial audits as specified in the Government Auditing Standards issued by the Comptroller General of the United States. A report of the audit shall be reviewed by the Board of Directors and shall be filed with the County Auditor of each of the counties within the Air District's jurisdiction, the State Controller's Office, and the U.S. Environmental Protection Agency, within twelve months of the end of the fiscal year under examination. (Government Code section 30200; Health and Safety Code section 40276.)

9.3 Adoption of Budget

(a) Budget Preparation

No later than the 15th day of January of each year, the EO/APCO shall start the preparation of the budget for submission to the Board of Directors via the Finance and Administration Committee.

(b) Presentation to Finance and Administration Committee

The EO/APCO, or their designee, shall present a proposed budget to the Finance and Administration Committee no later than March 31st for consideration by that Committee. The Committee may refer the proposed budget directly to the full Board of Directors, or it may request revisions to the proposed budget for consideration at a subsequent Committee meeting. The Finance and Administration Committee shall refer a proposed budget to the Board of Directors no later than April 30th.

(c) Adoption by the Board of Directors

(1) Notice

No less than thirty (30) days before any Board of Directors public hearing on the budget, the EO/APCO, or their designee, shall prepare and make available to the public a summary of the Air District budget and any supporting documents, including, but not limited to, a schedule of fees to be imposed by the Air District to fund its programs.

(2) Public Hearing to Review the Budget

Not less than two (2) weeks before the public hearing at which the budget is adopted, the Board of Directors shall hold a public hearing for the exclusive purpose of reviewing the proposed budget and providing the public with the opportunity to comment upon the proposed budget.

(3) Adoption of the Budget

The Board of Directors shall adopt the budget at a public hearing held not less than two weeks after the public hearing to review the proposed budget required under subsection 9.3(c)(2), but under no circumstances any later than the last day of June. (Health and Safety Code section 40130-40131.)

[Revised December 3, 2025]

9.4 Procurement and Contracting

(a) The EO/APCO shall maintain a Procurement Policy establishing procedures for conducting procurements consistent with public agency best practices, including competitive bidding, awarding, administering, and executing contracts for goods and services, leases, and other similar contractual agreements (collectively referred to herein as "contracts"). The EO/APCO may amend the policy as needed to implement an efficient and effective procurement program.

(b) The EO/APCO may execute contracts in an amount that does not exceed two hundred thousand dollars ($200,000). The EO/APCO shall report such contracts to the Board of Directors if they exceed one hundred thousand dollars ($100,000). Contracts in excess of two hundred thousand dollars ($200,000) must be approved by the Board of Directors.

(c) The EO/APCO may execute amendments to contracts (1) if the amount of the contract as amended does not exceed two hundred thousand dollars ($200,000), or (2) if the contract has previously been approved by the Board of Directors, the cumulative amount of all amendments since the last Board approval does not exceed the last Board-approved contract amount by more than two hundred thousand dollars ($200,000) or 25%, whichever is the lesser amount. All other amendments must be approved by the Board of Directors. The EO/APCO shall

report to the Board of Directors any amendments that (1) cause the amount of a contract as amended to exceed one hundred thousand dollars ($100,000), or (2) cause the amount of a contract already exceeding one hundred thousand dollars ($100,000) to increase by more than 25%.

(d) Notwithstanding any limitations in this Section 9.4, the EO/APCO may execute contracts for goods and services without prior approval by the Board of Directors in the event of a declared state of emergency that causes a need to immediately procure such goods or services to make repairs, to safeguard the lives or property of residents within the Air District jurisdiction or Air District employees or property, or to otherwise protect public health or welfare as a result of extraordinary conditions created by war, epidemic, weather, fire, flood, earthquake or other catastrophe, or the breakdown of any plant, equipment, structure, or public work. The EO/APCO may execute such a contract in an expeditious manner to the extent necessary to respond to the emergency; however, if the emergency permits, the EO/APCO shall obtain the approval of the Chairperson of the Board of Directors. The EO/APCO shall report to the Board of Directors on the execution of the contract as soon as practicably possible.

(e) Notwithstanding any limitations in this Section 9.4, the EO/APCO may execute renewal contracts for the following categories of goods and services without approval by the Board of Directors, including those exceeding two hundred thousand dollars ($200,000), provided the initial procurement was authorized under then-applicable provisions of the Administrative Code, including the use of appropriate required competitive processes: utilities; insurance; employee benefits (e.g., CalPERS, life insurance, etc.); fueling and charging of Air District vehicles; Bay Area Headquarters Authority common area and shared services expenses; real property leases and license agreements; software services (e.g. licenses, warranties, maintenance, and support); cloud based information infrastructure and services; OEM equipment warranties; and equipment leases.

For any contracts renewed in this manner, the EO/APCO shall report payments made under such contracts exceeding thirty thousand dollars ($30,000) in total in any fiscal year to the Board of Directors in connection with the quarterly financial reports. The provisions of this Section 9.4(e) apply to qualifying renewals of existing contracts only. Approval by the Board of Directors is required for all new contracts if the goods or services that will be purchased under the contract are anticipated to be greater than two hundred thousand dollars ($200,000).

(f) In circumstances where a contract is required to be executed independently from the EO/APCO, and no other Air District employee can appropriately execute the contract due to legal, confidentiality, or personnel reasons, or because other extenuating circumstances exist, the Chairperson of the Board of Directors may execute the contract on behalf of the Air District, with notification to the Board of Directors, if the amount of the contract does not exceed two hundred thousand

dollars ($200,000). Such contracts in excess of two hundred thousand dollars ($200,000) must be approved by the Board of Directors. In approving such contracts, the Board of Directors shall authorize and direct the Chairperson, the Vice-Chairperson, or another member of the Board of Directors to execute the contract on behalf of the Air District. In entering into contracts under this subsection 9.4(f), the Chairperson and the Board of Directors shall endeavor to follow public agency procurement best practices to the extent practicable.

(g) The General Counsel may execute contracts for outside legal counsel and related professional services as provided for in Section 8.2(b). The General Counsel may execute contracts for outside legal counsel and related professional services in the same manner in which the EO/APCO may execute contracts for general procurement under paragraphs 9.4(b) and 9.4(c) above, with the same limits on the dollar amounts of contracts and contract amendments that can be executed without further approval by the Board of Directors. In procuring outside counsel and related professional services, the General Counsel shall endeavor to follow public agency best practices to the extent practicable.

[Revised March 5, 2025 & December 3, 2025]

9.5 Acceptance of Grants and Gifts Made to the Air District

The Board of Directors must approve the acceptance of all grants and gifts made to the Air District of more than five hundred dollars ($500) in value. The Board of Directors may, in its discretion, approve the acceptance of multiple grants or gifts from a single source or entity in one blanket approval.

9.6 Grants of Air District Funds

(a) The EO/APCO shall develop for approval by the Board of Directors a Grants Policy for the awarding of grants of Air District funds. The EO/APCO shall ensure that all Air District grants comply with the Grants Policy as approved by the Board of Directors. The EO/APCO shall ensure that opportunities, qualifications, and criteria for applying for Air District grants are widely publicized, posted on the Air District's website, and provided to any person or entity who requests notice of such information, as provided for in the Grants Policy.

(b) The EO/APCO may approve the award of grants of Air District funding in an amount of up to two hundred thousand dollars ($200,000) per fiscal year per grantee, or up to five hundred thousand dollars ($500,000) for voluntary emissions reduction projects that are funded by state revenues and local vehicle registration fees. The EO/APCO shall report these grants to the Board of Directors. Awards of grants in excess of two hundred thousand dollars ($200,000) to a single grantee in a fiscal year, or five hundred thousand dollars ($500,000) for

voluntary emissions reduction projects that are funded by state revenues and local vehicle registration fees, must be approved by the Board of Directors. The Board of Directors may, in its discretion, approve such grants for an entire grant program in a blanket approval for that program.

9.7 Sponsorships

The EO/APCO shall develop for approval by the Board of Directors a Sponsorship Policy for the award of Air District funds to sponsor activities and events consistent with the Air District's mission, values and goals. The EO/APCO shall ensure that funds expended for sponsorships of such activities and events comply with the Sponsorship Policy as approved by the Board of Directors.

9.8 Agreements for Employee Compensation, Benefits

(a) The Board of Directors shall approve all employment and labor agreements regarding Air District employees. All such agreements shall be made available to the public and published on the Air District's website.

(b) The Board of Directors shall approve all contracts for health, retirement, or other employee benefits. All such contracts shall be made available to the public and published on the Air District's website.

(c) The Board of Directors shall approve the terms of all pay and benefits provided to Air District employees. The terms of such pay and benefits shall be made available to the public and published on the Air District's website.

9.9 Claims Against the Air District

(a) All claims against the Air District shall be filed with the Clerk of the Boards and the General Counsel. The Air District shall make available a claims form, which shall be published on the Air District's website and available upon request from the Clerk of the Boards, for purposes of advancing a claim.

(b) With the approval of the General Counsel, the EO/APCO may allow, compromise, or settle a claim or lawsuit against the Air District for an amount not to exceed fifty thousand dollars ($50,000). The EO/APCO shall report all such resolutions of claims to the Board of Directors. Any allowance, compromise or settlement of a claim or lawsuit in excess of fifty thousand dollars ($50,000) must be approved by the Board of Directors.

(Government Code section 935.4)

9.10 Electronic Signatures

(a) Definitions: The following definitions apply to this Section 9.10:

(1) "Electronic signature" has the same meaning as in Section 1633.2 of the California Civil Code.

(2) “Digital signature” has the same meaning as in Section 16.5 of the California Government Code.

(3) “Transaction” has the same meaning as in Section 1633.2 of the California Civil Code.

(4) “UETA” means the Uniform Electronic Transactions Act, commencing at Section 1633.1 of the California Civil Code.

(b) Electronic and Digital Signatures Accepted

(1) In any transaction with the Air District, in which the parties have agreed to conduct the transaction by electronic means, the Air District may use and accept an electronic signature, if the electronic signature complies with the UETA.

(2) In any written communication with the Air District, in which a signature is used or required, the Air District may use or accept a digital signature, if the digital signature complies with Section 16.5 of the California Government Code.

(3) The EO/APCO or their designee shall determine the documents for which the Air District may use and accept electronic signatures or digital signatures.

(c) Accepted Technologies

The EO/APCO or their designee shall determine acceptable technologies and vendors under this section to ensure the security and integrity of any data and signatures. In determining which technologies and vendors are acceptable for digital signatures, the EO/APCO or their designee shall comply with all applicable regulations, including, but not limited to, ensuring that the level of security used to identify the signer of a document and the level of security used to transmit the signature are sufficient for the transaction being conducted. In addition, to the extent necessary, the EO/APCO or their designee shall ensure that any certificate involved in obtaining a digital signature by the signer is sufficient for the Air District's security and interoperability needs.

Section Ten. Employment

10.1 Personnel Policies

The EO/APCO shall develop, maintain and administer personnel policies, which the EO/APCO may adopt and amend from time to time as the EO/APCO determines is most appropriate without the need for further approval by the Board of Directors. The EO/APCO shall compile such policies in a Personnel Policy Manual, which shall be made available to all employees.

10.2 EO/APCO Authority

The EO/APCO is authorized to make administrative decisions necessary to implement this Section 10. The EO/APCO’s authority includes, but is not limited to, the following:

(a) Discipline

The EO/APCO or designee has the authority to take any and all necessary disciplinary actions, including termination, to ensure the continuity and integrity of the Air District's functions and workplace.

(b) Early Release with Compensation

The EO/APCO has the authority to permit employees to leave work early with compensation.

(c) Underfilling of Positions

Instead of filling a vacant Board-approved position, the EO/APCO has the authority to temporarily substitute an alternate position with a lower classification in the same classification series in place of that vacant Board-approved position to allow for recruitment flexibility. This practice is referred to as underfilling. The EO/APCO may underfill the vacant Board-approved position by hiring, transferring or promoting an employee into the substituted lower-classification position instead of filling the vacant higher-classification position.

10.3 Salaries and Benefits

The Board of Directors shall annually (or as otherwise necessary) adopt and publish a salary schedule specifying the salary ranges for Air District employees and a benefits resolution specifying employment-related benefits.

The Board of Directors shall adjust salary ranges and employment-related benefits consistent with any Memoranda of Understanding entered into with represented employees or other agreements with Board-appointed employees or other parties.

10.4 Determination of Salaries for New Hires

Unless special conditions warrant otherwise, employees will be hired at the entrance salary of their position classification (Step A). An employee may be hired at Step B or C with written justification by the hiring supervisor and the approval of the EO/APCO. An employee may be hired at Step D or E with approval of the Finance and Administration Committee.

10.5 Y-Rating

When (i) an employee is transferred to a position with a lower salary than their current position or (ii) the salary of an employee's position is reduced for any reason, the EO/APCO may, with approval by the Board of Directors, maintain the employee at the salary they received before the transfer or reduction. This process is referred to as "Y-rating." A Y-rated employee will maintain the salary they received before the transfer or reduction, with no increase, until such time as the salary of their position exceeds the salary they received before the transfer or reduction. The salary of the Y-rated employee

will be increased only if the Board of Directors increases the salary for their position above the salary they received before the transfer or reduction, or if they become eligible for a higher salary because of a step increase, promotion or reclassification.

10.6 Reservation of Rights

The Board of Directors specifically reserves the right, subject to any meet and confer requirements, to, at any time, adjust, alter, change, delete, suspend or discontinue this Section 10, or any policies, procedures, benefits or programs, in whole or in part, to effectively meets the needs of the Air District and its employees.

10.7 At-Will Employment

(a) At-Will Employees

Employees in positions in the following classifications shall be at-will employees:

(1) Any individual appointed by the Board of Directors and employed under an employment contract, including the EO/APCO and General Counsel, who shall serve at the pleasure of the Board of Directors;

(2) Any individual appointed by the EO/APCO to the classification of Principal Deputy Executive Officer (PDEO), Deputy Executive Officer (DEO) or Assistant Deputy Executive Officer (ADEO), who shall serve at the pleasure of the EO/APCO;

(3) Any individual appointed by the General Counsel to the classification of Senior Assistant Counsel, who shall serve at the pleasure of the General Counsel.

(4) Any individual hired by the Air District as a Limited-Term Contract Employee (LTCE).

(b) Appointment and Termination of At-Will Employees

Appointments of the at-will employees identified in subsections (a)(1)-(a)(3) above need not include a competitive recruitment process and may be appointed directly by the appointing authority identified in subsections (a)(1)-(3), subject to budgetary approval.

Appointments of the at-will employees identified in subsections (a)(2) and (a)(3) above may be made at any salary step, notwithstanding any limitations in this Administrative Code, including Section 10.4 above; and after appointment, the EO/APCO may adjust the employee's salary step at any time based on performance, without regard to the length of time since the employee's last step increase.

At-will employees serve at the pleasure of the appointing authority and may be terminated for any reason or for no reason, with or without prior notice, and with no right to appeal or grieve any disciplinary action or termination regardless of whether they held

a prior position in the Air District. In addition, at-will employees may be appointed for a fixed term of employment, and in such cases the employee will be separated at the expiration of that term (unless the employee has return rights to a prior position pursuant to subsection 10.7(c) below or said term is extended by the identified appointing authority). Except as expressly provided in subsection 10.7(c) below, at-will employees separated from an at-will position shall have no right to return to any other Air District position, regardless of seniority or tenure. At-will employees are not subject to any Layoff and Recall provisions in any provision of any Air District code or policy.

(c) Return Rights for Specified At-Will Employees

Notwithstanding Section 10.7(b) above, employees who were appointed to the DEO or Senior Assistant Counsel classification prior to June 1, 2023, shall be entitled to return to a vacant position in the last classification they held prior to their appointment to the DEO or Senior Assistant Counsel classification, and at the same salary step they held prior to their appointment to the DEO or Senior Assistant Counsel classification. Reinstatement to the vacant position shall occur upon the termination of their appointment to the DEO or Senior Assistant Counsel classification, whether that occurs (1) at the end of a specified term, (2) due to their voluntary request to vacate the classification, or (3) at the discretion of the General Counsel or EO/APCO.

(1) For a DEO, if no vacant position exists in the employee's previously-held classification or if they did not serve in a previous classification, the employee shall be offered alternate employment at the discretion of the EO/APCO. Employees under this provision will be placed at the salary step closest to the current pay for the position they held immediately prior to their appointment to the DEO classification, or at the discretion of the EO/APCO.

(2) For a Senior Assistant Counsel, the employee will be placed in an Assistant Counsel position. In the event a Senior Assistant Counsel returns to an Assistant Counsel position under this paragraph, the returning Senior Assistant Counsel will be placed at the highest Assistant Counsel salary step for which they would have been eligible based on length of service if they had remained in their original Assistant Counsel position.

(3) Employees with return rights pursuant to this Subsection 10.7(c) are subject to discipline up to and including suspension while in the classification of DEO or Senior Assistant Counsel without appeal. However, if the Air District seeks to terminate such an employee, the employee will first be removed from the DEO or Senior Assistant Counsel classification and returned to an Air District classification with appeal rights pursuant to subsection 10.7(c)(1) or 10.7(c)(2) above. Discipline imposed on an employee in a Deputy Executive Officer or Senior

Assistant Counsel classification may be used for purposes of progressive discipline after such return.

10.8 Limited-Term Contract Employees

(a) Limited-Term Contract Employee Defined

Limited-Term Contract Employee (LTCE) means any person employed at-will by the Air District to work on one or more specific projects of limited duration, or for a specified period of time, and whose limited-term employment with the Air District is expected to terminate at the conclusion thereof.

(b) LTCE Employment

LTCE may be subject to a fixed term of employment and will be separated at the expiration of that term, unless the term is extended. LTCE are not subject to a probationary period and are not subject to any Layoff and Recall provisions in any provision of any Air District code or policy. They do not have the right to appeal or grieve any disciplinary action.

(c) Conversion to Permanent Status

Non-Competitive Appointment Eligibility: Unrepresented employees in LTCE positions may be appointed to an unrepresented permanent position without a competitive recruitment.

Return Rights: Unrepresented employees in LTCE positions may be granted the right to return to the permanent position they held prior to the LTCE assignment upon completion of said assignment.

10.9 Classification Plan

The Board of Directors shall adopt and maintain a Classification Plan that organizes Air District positions into classifications based on each position's assigned duties and responsibilities and the qualifications necessary to successfully perform the work. The Classification Plan shall specify the classifications that are included in each Representation Unit established pursuant to the Air District's Employer-Employee Relations Resolution.

The EO/APCO or designee shall periodically review the Classification Plan to ensure that each position in the Air District is properly classified, and shall recommend to the Board of Directors any updates necessary. The EO/APCO may make minor, non-substantive changes to the Classification Plan, such as correcting typographical or grammatical errors, updating job titles, and clarifying terminology, without further approval by the Board of Directors.

10.10 Units

Air District staff belong to one of the following five Units, as established in accordance with the Air District's Employer-Employee Relations Resolution:

(a) Technical/General Unit

The Technical/General Unit consists of employees in clerical classifications, which are employees engaged in administrative support activities including internal and external communication, recording and retrieval of data and/or information and other paperwork required in an office, such as Office Assistant, Accounting Assistant and employees in the technical classifications, which are employees engaged in work requiring scientific or technical knowledge and manual skills attained through college training or through on the job training, such as inspectors, laboratory technicians, and instrument specialists, except for employees included in the Confidential Unit.

(b) Professional Unit

The Professional Unit consists of employees in professional classifications, which include employees engaged in work requiring specialized knowledge and skills attained through completion of a recognized course of instruction, including, but not limited to, accountants, engineers, planners, meteorologists, statisticians, and the various types of physical, chemical and biological scientists.

(c) Confidential Unit

The Confidential Unit consists of employees in legal services classifications and personnel classifications, Executive Assistants, and employees who are privy to the decision-making process of Air District management or the Board of Directors affecting employee and labor relations matters.

(d) Management Unit

The Management Unit consists of employees in management classifications, including the EO/APCO, Deputy Executive Officers, Assistant and Principal Deputy Executive Officers, Division Directors, Officers, Managers, General Counsel, Senior Assistant Counsel and Staff Attorneys.

(e) Attorney Management Unit

The Attorney Management Unit consists of Assistant Counsels in the Attorney Manager classifications.

Section Eleven. Conflicts of Interest Code

11.1 Conflict of Interest Code

Pursuant to Government Code section 87300, the Board of Directors shall, by resolution, adopt and maintain a Conflict-of-Interest code.

Section Twelve. California Environmental Quality Act ("CEQA")

12.1 CEQA Regulations

Pursuant to Public Resources Code section 21082, the Board shall adopt procedures for the evaluation of projects and the preparation of environmental impact reports and negative declarations required under the California Environmental Quality Act.

Section Thirteen. Transition Provisions, Interpretation of the Code.

13.1 Previous Administrative Code Repealed

This Administrative Code replaces the Air District's previous Administrative Code, Divisions I and II of which were repealed effective January 1, 2024, and Division III of which was repealed effective *[insert date of adoption]*.

Employees represented by a labor organization recognized by the Air District's Board of Directors as their exclusive bargaining representative, shall be governed by applicable Memoranda of Understanding (MOU) between the Air District and the recognized labor organization. In the event of a conflict between this Administrative Code and a Memorandum of Understanding applicable to a represented employee, the MOU shall prevail with respect to that employee.

13.2 Obligations of Contract Not Impaired

All rights, claims, actions, orders, obligations, proceedings, bond authorizations, and contracts existing on the operative date of this Administrative Code shall not be affected by the adoption of this Administrative Code.

13.3 Effect of Headings

Section headings contained in this Administrative Code do not constitute any part of the law. Citations to state law are provided for reference only.

13.4 Severability

If any section, subsection, sentence, clause, word, or phrase of this Administrative Code is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Code. The Board of Directors hereby declares that it would have adopted this Administrative Code and each section, subsection, sentence, clause,

word, and phrase it contains, irrespective of the fact that one or more sections, subsections, sentences, clauses, words, or phrases may be held invalid.

Revision History

This Administrative Code was adopted by the Board of Directors on November 15, 2023 (Resolution No. 2023-24) and took effect on January 1, 2024. Since initial adoption, the Administrative Code has been amended as follows:

Date	**Provisions Affected**
March 5, 2025	Section 9.4 – Procurement and Contracting
December 3, 2025	Section 3.4 – Appointments to Committees Section 8.2 – Air District General Counsel Section 9.3 – Adoption of Budget Section 9.4 – Procurement and Contracting
February 4, 2026	Table of Contents Section 3.2(b) – Standing Committees, Finance and Administration Committee Section 10.1-10 – Employment (new) Section 11 – Conflicts of Interest Code (renumbered) Section 12 – California Environmental Quality Act ("CEQA") (renumbered) Section 13.1 – Previous Administrative Code Repealed

BAY AREA AIR QUALITY MANAGEMENT

MEETING COMPENSATION AND EXPENSE REIMBURSEMENT POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS, COMMUNITY ADVISORY COUNCIL, ADVISORY COUNCIL, AND HEARING BOARD

This Meeting Compensation and Expense Reimbursement Policy ("Policy") is established by the Board of Directors of the Bay Area Air Quality Management District ("Air District") to provide a single, common policy to govern compensation and expense reimbursement for members of the Air District's legislative bodies. This Policy will promote consistency and ease of use by the members of these bodies and by Air District staff who administer compensation and expense reimbursement for these bodies.

This Policy governs compensation and expense reimbursement for members of the Air District's Board of Directors, Community Advisory Council ("CAC"), Advisory Council, and Hearing Board. As used herein, "Member" refers generically to all members of any of these legislative bodies. Where it is necessary to refer to the members of a body specifically, they are referred to as "Board of Directors member," "CAC member," "Advisory Council member," and "Hearing Board member", respectively.

The first section of this Policy addresses the types of meetings for which Members are entitled to claim compensation and expenses. It also provides the procedures by which Members must obtain prior authorization to attend such meetings, for meetings where such authorization is required. Given the difference among the legislative bodies governed by this Policy, the policies and procedures regarding approved meeting attendance vary somewhat among the four bodies.

The second section of this Policy addresses the types of actual and necessary expenses for which Members are entitled to reimbursement in connection with approved meeting attendance. These policies and procedures are the same for all Members of all four legislative bodies.

Section One: Authorized Meetings for Which Members Can Claim Compensation and Expenses

Pursuant to the Air District's Administrative Code and relevant provisions of California law, it is the policy of the Bay Area Air Quality Management that Members of the Air District's Board of Directors, Community Advisory Council, Advisory Council, and Hearing Board are entitled to receive compensation for meeting attendance at the rates set forth in the Administrative Code. Compensation for meeting attendance is intended to compensate Members for the time they spend preparing for, traveling to, and attending meetings on behalf of the Air District. Providing compensation for Members' time spent on this work recognizes the value of the important work that Members perform on behalf of the public in furthering the Air District's mission.

The Air District's policies for the types of meetings for which Members are eligible for compensation are set forth below for each of the four legislative bodies governed by this Policy.

1.1 Board of Directors

1.1.1 Board and Committee Meetings

Members of the Board of Directors are entitled to compensation and expense reimbursement for attendance at all meetings of the Board of Directors and of the Board's standing and ad hoc committees, without any need for prior approval. As provided in Section 2.9(c) of the Administrative Code, in order for members to be eligible for compensation for meetings of the Board and Board committees, they must arrive for the meeting no later than 30 minutes after the scheduled beginning of the meeting and must be present for at least three quarters (¾) of the total meeting time, including closed session time.

1.1.2 CARB Representative Attendance at CARB Meetings

As provided for under Health & Safety Code section 39512.5, a member of the Board of Directors who is appointed to serve on the California Air Resources Board pursuant to Health & Safety Code section 39510(d)(2) is entitled to expense reimbursement for attending official meetings of the California Air Resources Board (including meetings of its committees, advisory groups, and other bodies that constitute "state bodies" under California Government Code section 11121 of which they are a member); and if the member is an elected public official, they are also authorized by the Board of Directors to receive one hundred dollars ($100) for each day, or portion thereof, spent attending such meetings, not to exceed one thousand dollars ($1,000) in any month.

1.1.3 Other Meetings

For meetings other than Board, Board committee and California Air Resources Board meetings authorized under Sections 1.1.1 and 1.1.2 above, in order to be entitled to compensation and expense reimbursement, a Board member's attendance at the meeting must be (i) recommended by the APCO and (ii) authorized by the Board of Directors. For all in-state meetings, the Chairperson is delegated the power to authorize Board member attendance on behalf of the Board of Directors. For all out-of-state meetings, including international travel to meetings in other countries, the full Board of Directors must vote to authorize Board member travel. Board members must obtain authorization prior to travel, except in the case of an unexpected or urgent need to travel, in which case a Board Member may obtain the approval of the Chair, in writing, before any travel expenditures are incurred. Such approval must be reported to and ratified by the Board of Directors at the Board's next meeting.

The Board of Directors (or Chairperson on the Board's behalf) may authorize attendance by Board members only for meetings that are related to the Air District's mission and where attendance by the Board member will further that mission. The types of meeting attendance that may be authorized under this Policy include (but are not limited to):

- Attending meetings with local representatives in Sacramento or Washington DC with Air District Staff for legislative advocacy purposes.
- Attending the AWMA Conference as an Air District representative.
- Attending other air quality-related conferences as an Air District representative.
- Attending the annual COP Climate Conference as an Air District representative.

(NOTE: Justified travel is not limited to the list provided above. This list is provided for reference purposes only and includes the most common examples of justified travel. All trips must be preapproved, regardless of whether they are included on this list.)

For out-of-state and international travel to attend conferences, conventions, legislative advocacy trips and other compensable and reimbursable meetings covered by this Policy, the Chairperson shall nominate Board members to attend such events for approval by the Board of Directors. In making such nominations, the Chairperson shall solicit the interest of Board Members and consult with the Executive Officer/Air Pollution Control Officer ("APCO") and any other relevant Air District staff to ensure compliance with this Policy.

The Chairperson and Vice-Chairperson shall have priority to represent the Air District at any event where attendance is limited or capped due to cost or capacity. In considering which other Board Members may be selected for travel, or who shall represent Air District in the stead of the Chairperson and Vice-Chairperson, the Chairperson shall consider, at a minimum, all the following:

- The history of attendance and participation by Board members at regular Air District Board and Committee meetings.
- The length of service on the Board by a Board member.
- The prior opportunities to travel and represent Air District by Board members.
- The relevance or appropriateness of Board members' committee assignments to the nature and purpose for the travel.
- Opportunities for the professional growth or development of new Board members.
- The relevance and purpose of a meeting or agenda to the home jurisdiction of Board members.
- Equitable considerations that would elevate or include the voices of marginalized members of the Bay Area.

Additionally, the Chairperson shall have the authority to recommend non-Board-members for inclusion in Air-District-related travel. In making such a recommendation, the Chairperson shall demonstrate how and why the recommendation fulfills the mission of Air District and is consistent with the goals of the Board of Directors and the agency.

Any Board member authorized to travel on behalf of Air District pursuant to this section shall provide a brief written report on their travel on the Travel Report Back Form. The

Chairperson of the Board may also request that Board members who represent the Air District at meetings, conferences, or other events provide an oral report on their participation and experience to the Board of Directors.

1.1.4 Active Transportation Travel

As provided for in Section 2.9(d) of the Administrative Code, Board of Directors members are entitled to compensation for active transportation travel to and from authorized meetings. Payments under this provision for active transportation travel is compensation, not a reimbursement for travel expenses.

1.1.5 Annual Limit on Compensation

Under California law and Section 2.9(c) of the Administrative Code, Board members are subject to a limit of $6,000 per year in total combined compensation for meeting attendance of all types under this Section 1.1 (excluding any payments to the Air District's representative to the California Air Resources Board under Section 1.1.2).

1.2 Community Advisory Council

1.2.1 CAC Meetings

CAC members are eligible to receive stipends for participation in meetings of the full CAC, currently occurring every other month (bi-monthly). The Air District will provide a stipend of five hundred dollars ($500)[1] to travel to and from the meeting, prepare for and~~,~~ participate in the meeting, and everything else related to the bi-monthly CAC meetings. The five-hundred-dollar ($500) stipend for each CAC meeting is intended to cover time spent during the meeting and to fully prepare for and participate in CAC meetings. This shall include any Air District trainings and educational events hosted by the Air District in advance of a full CAC meeting. Trainings and educational activities made available to CAC members in preparation for CAC meetings are not compensated separately from the CAC stipend. The time preparing for and participating in the meeting is not to exceed ten (10) hours.

1.2.2 Co-Chair Meetings, Ad-Hoc and Standing Committee Meetings, Staff Working Groups, and Other ~~Required~~ Authorized Meetings and Activities

In compliance with the Brown Act, Co-Chair~~s~~ meetings and Ad Hoc Committee meetings are held virtually, standing Committee meetings must have quorum in-person, other required meetings (consisting of less than a quorum) may be held in-person or virtually. Co-Chairs are compensated at seventy-five dollars ($75) per hour[2] to attend Co-Chair~~s~~ and Board meetings~~.~~, up

[1] Stipend is in alignment with the stipend the California Air Resources Board (CARB) provides to the Environmental Justice Advisory Committee.

[2] The Air District uses as a guide the living wage in San Francisco, California for a household of three ($75/hour at the time of this publication) to determine an equitable community stipend amount.

to a ~~The~~ maximum ~~number~~ of fifteen (15) hours per month ~~to attend Co-Chair meetings is four (4) hours. The Co-Chairs may attend meetings related to the work of the CAC, beyond the designated 4 hours for Co-Chair meetings, as requested by the Board or Air District Staff.~~ CAC members of an Ad Hoc Committee or standing Committee ~~will be~~are compensated at seventy-five dollars ($75) per hour to attend committee meetings~~, and other required meetings related to the work of the CAC. The maximum number of hours per month for participation in each Ad Hoc Committee and Other Required Meetings shall not exceed~~ up to a maximum of ~~six~~ eight (~~8~~6) hours per ~~member each~~ month.

CAC members may participate in other Air District business related to the CAC, including staff working groups, grant and scholarship application review, and hiring panels, upon written approval by the Deputy Executive Officer of Equity and Community Programs or the CAC Officer, up to a maximum of eight (8) hours per month.

CAC members ~~will only receive a stipend~~are eligible for compensation only for time spent in meetings or working on compensable activities. Members will not ~~receive a stipend~~be compensated for travel time or meeting preparation time. To ~~receive a stipend~~be eligible for compensation for participation in a meeting, a member~~s~~ must be present in the meeting as set forth above. ~~Stipends~~ Compensation will be pro-rated based on time spent in the meeting. For example, if a member attends only 30 minutes of a one-hour meeting, they will receive only 50% of the hourly rate, or $37.50.

1.2.3 Other CAC Member Activities

Every fiscal year, each CAC member can apply for up to one thousand dollars ($1,000) in funding to support their participation in events, activities, or services the CAC Co-Chairs and Air District Project Lead agree fulfils the mission of the Air District and purpose of the CAC. For example, the CAC may provide funding to send a CAC Member to a regional conference and the stipend would cover their time to attend conference sessions. Another example may be to pay a member of the CAC for research or work related to the Committees, above and beyond meeting attendance. The stipend is intended to cover pre-approved costs related to the work of the CAC up to $1,000 and shall be calculated at $75 per hour for time spent on the proposed activity. It is the responsibility of the CAC member to make a request for funding at an appropriate level of funding. Requests should be submitted to the Air District Project Lead thirty (30) days in advance of the proposed activity. When a Co-Chair makes a request, they shall recuse themselves from the approval process and the decision to approve the funding request will be made by the other Co-Chairs. When the CAC only has one Chair, and they make a request for funding, it must be approved by the full body of the CAC. Neither the CAC nor the Air District will be responsible for covering costs beyond the member's estimated expenses and up to a maximum of $1,000. CAC Members must file a reimbursement for the approved $1,000 stipend within the applicable fiscal year and are not eligible for additional funding from the "other activities" category until the next fiscal year. Unused funding will not roll over to the next fiscal year. This funding is only available to the CAC during the first nine (9) months of the fiscal year or until the amount budgeted in the CAC's Board-approved budget is exhausted, whichever

comes first. The CAC Co-Chairs reserve the right to reallocate unused funding from this budget item after 9 months for any purpose related to the operations of the CAC.

~~1.2.4 Other Meetings on Behalf of the Air District~~

For CAC members who wish to use all or part of the $1,000 funding available for CAC-related activities ~~are eligible for compensation and expense reimbursement for~~to attend~~ing~~ ~~other~~ conferences, conventions, ~~and~~ or similar meetings, such meetings are eligible if (i) the meeting is directly related to the mission of the Air District and consistent with the purpose of the CAC; (ii) the CAC Member is attending as a representative of the Air District; and (iii) the CAC member has received preapproval pursuant to this Section 1.2.34. For in-state meetings, the designated CAC Co-Chair, in agreement with the APCO, may authorize CAC member attendance on behalf of the Air District. For all out-of-state meetings, including international travel to meetings in other countries, the Community, Equity, Health and Justice Committee must authorize CAC member travel. CAC members must obtain authorization prior to travel, except in the case of an unexpected or urgent need to travel, in which case a CAC member may obtain the approval of the designated CAC Co-Chair and the APCO, in writing, before any travel-related expenditures are incurred. Such approval must be reported to and ratified by the Community, Equity, Health and Justice Committee at that Committee's next meeting.

Meeting attendance may be authorized under this Section 1.2.34 only for meetings that are related to the Air District's mission and consistent with the purpose of the CAC and where attendance of the CAC member will further that mission.

For out-of-state and international travel to attend conferences, conventions, and other compensable and reimbursable meetings covered by this this Section 1.2.34, the CAC Chair/Co-Chairs shall nominate CAC members to attend such events for approval by the Community Equity, Health, and Justice Committee. In making such nominations, the CAC Chair/Co-Chairs shall solicit the interest of CAC Members and consult with the Executive Officer and any other relevant Air District staff to ensure compliance with this Policy.

The CAC Chair or Co-Chairs shall have priority to represent the Air District at any event where attendance is limited or capped due to cost or capacity. In considering which other CAC members may be selected for attendance, or who shall represent the Air District, the CAC Chair/Co-Chairs shall consider, at a minimum, all the following:

- The history of attendance and participation by the CAC member at regular CAC, Co-Chair meetings, and Ad Hoc Committee Meetings (if the CAC member is a member of an Ad Hoc Committee).
- The length of service on the CAC by a CAC member.
- The prior opportunities to travel and represent the Air District by the CAC member.
- The relevance or appropriateness of the CAC member's committee assignments to the nature and purpose for the travel.

- Opportunities for the professional growth or development of new CAC members.
- The relevance and purpose of a meeting or agenda to the home jurisdiction of the CAC member.
- Equitable considerations that would elevate or include the voices of marginalized members of the Bay Area.

Additionally, the CAC Chair/Co-Chairs shall have the authority to recommend non-CAC-members for inclusion in Air-District-related travel. Non-CAC-members must live in an overburdened community within the 9-County Bay Area. The recommended non-CAC-member cannot be a family member of any CAC member. In making such a recommendation, the Chair/Co-Chairs shall demonstrate how and why the recommendation fulfills the mission of the Air District and is consistent with the purpose of the CAC and agency.

Any CAC Member authorized to attend a meeting(s) on behalf of the Air District pursuant to this section shall provide the CAC with a brief, written report on their travel on the Travel Report Back Form. Any Co-Chair may also request that a CAC member who represents the Air District at a meeting, conference, or other event provide an oral report on their participation and experience to the full CAC at the bi-monthly meeting following the CAC member's return.

1.2.4 Annual Limit on Compensation for CAC-Related Activities

An annual cap of $15,000 per calendar year applies to compensation for all CAC-related activities under sections 1.2.1 through 1.2.3 and cannot be exceeded.

1.3 Advisory Council

1.3.1 Advisory Council Meetings

Members of the Advisory Council are entitled to compensation and expense reimbursement for attendance at all Advisory Council meetings.

1.3.2 Other Meetings

Members of the Advisory Council are entitled to compensation and expense reimbursement for attendance as a representative of the Council at technical conferences and similar meetings directly related to the work of the Council if and only if authorized in advance by the Board of Directors. Any Advisory Council member authorized to attend such a meeting as a representative of the Council pursuant to this section shall provide a brief, written report of the meeting to the Board of Directors and Advisory Council on the Travel Report Back Form. The Chairpersons of the Board of Directors and Advisory Council may also request that a Council member who attends such a meeting as a representative of the Advisory Council provide an oral report on their participation and experience to the Board of Directors or Advisory Council, respectively.

1.4 Hearing Board

1.4.1 Hearing Board Hearings and Meetings

Hearing Board members are entitled to compensation and expense reimbursement for attendance at hearings and other meetings of the Hearing Board.

1.4.2 Other Meetings

Hearing Board members are entitled to compensation and expense reimbursement for attendance at meetings of the Board of Directors or Advisory Council as a representative of the Hearing Board when their attendance is requested by the Board of Directors or Advisory Council.

Section Two: Procedures for Claiming Reimbursement for Actual and Necessary Expenses Incurred in Connection with Meeting Attendance

It is the policy of the Bay Area Air Quality Management that Members of the Air District's Board of Directors, Community Advisory Council, Advisory Council, and Hearing Board are entitled to receive reimbursement for actual and necessary expenditures incurred in connection with the performance of their official duties for the Air District, as provided for in the Air District Administrative Code and by state law. The guiding principle of this policy is that travel and other expenditures incurred by Members while working on behalf of the Air District and its boards and councils must be in the public interest. Pursuant to California Government Code section 53232.2, this Expense Reimbursement Policy establishes guidelines for expenditures authorized as business travel expenditures and other business expenditures and incurred by Members in the course of their duties.**General Procedures and Responsibilities**

Members are entitled to reimbursement for actual and necessary travel and other expenses under this Policy only for justified business travel in connection with attending meetings authorized under Section I above.

Members will be entitled to reimbursement for all actual and necessary expenditures while traveling on authorized agency business. Expenditures should be paid with a personal credit card or cash. Advances are not allowed. A list of non-reimbursable expenditures is included in Section 2.9 below. Actual receipts are almost always required except where otherwise stated in this Policy.

When a Member combines business and personal travel on a business trip, the Member will be responsible for the additional charges related to the personal travel. Only the Member's direct travel expenditures are eligible for reimbursement. The Air District will not provide reimbursement for travel expenditures incurred by a spouse or any another individual traveling with the Member.

Requests for reimbursement of expenditures must be submitted on the authorized Air District Expense Reimbursement Form within 30 calendar days after the conclusion of the trip. Receipts must be provided for all expenditures (other than incidentals that typically do not result in a receipt such as tips). Any reimbursement or payment issued by the Air District that is subsequently refunded to the Member by a third party must be repaid to the Air District within 30 calendar days of receipt of the refund.

Only the APCO can override and approve specific cost items that would otherwise be ineligible for reimbursement under this Policy, and only when it is in the best interests of the Air District to do so. Any reimbursement of an expenditure that requires the waiver of any provision of this Policy by the APCO must be reported for informational purposes to the authority responsible for approving the Member's meeting attendance pursuant to Section I of this Policy.

Expense reimbursement documents will be audited from time to time and are public records subject to disclosure under the California Public Records Act.

2.2 Air Travel

Members flying on Air District business for which they will seek reimbursement should make reservations as early as possible to minimize costs.

For domestic air travel with a flight duration of four hours or less, airfare should be purchased for coach/economy seats only, at the lowest possible cost that provides a practical flight itinerary and meets the requirements of the trip. First and business class airfare is not a reimbursable expenditure, nor are upgrades from the lowest coach/economy fare to "economy plus" seats (or equivalent), or to first or business class. If a Member purchases a first- or business-class ticket, they will be eligible for reimbursement for the amount of the lowest available coach/economy fare only.

For domestic air travel with a flight duration of more than four hours, as well as for international travel, airfare may be purchased at the "economy plus" fare/seats. First- and business-class airfare is not reimbursable, nor are upgrades to first or business class. If a Member purchases a first- or business-class ticket, they will be eligible for reimbursement for the lowest available "economy plus" fare only.

Members are entitled to reimbursement for regular baggage fees charged pursuant to applicable airline policy. Excess baggage charges will be reimbursed only when the Member is traveling with heavy or bulky materials or equipment necessary for the Air District business for which the travel is being undertaken.

2.3 Hotel Accommodations

When making hotel reservations, Members must use the approved Per Diem Rates for lodging published on the General Services Administration (GSA) website (www.gsa.gov) for the

location of the stay plus 25%, to determine the maximum hotel accommodation expenditure that Air District will reimburse per night, plus any applicable taxes.

Members should use hotels where government rates are available. Hotels that subscribe to a "green" standard must be utilized where available.

If the hotel stay is in connection with a conference or training activity, the cost should not exceed the maximum group rate published by the conference or activity sponsor. Inquiries should always be made about any special rates or discounts available to Air District by the hotel, such as governmental rates, to get the best rate possible.

If accommodations are shared with individuals who are not traveling on Air District business, the Member is responsible for the payment of any rate difference between the single occupancy room rate and actual rate incurred.

Resort or facility use fees imposed by the hotel, such as fitness center fees and internet connection fees and business center charges incurred for performing Air District work, are allowable as reimbursable business-related expenditures.

Hotel self-parking fees are also allowable as reimbursable business-related expenditures, however, the cost of parking at the hotel should be considered when deciding whether to rent a vehicle or use public transportation (see Transportation discussion below). Valet parking fees will not be reimbursed.

2.4 Rental Vehicles

Reimbursement for rental of cars or other vehicles while traveling on Air District business is limited to those circumstances where the need for a vehicle for business purposes is expected to be extensive, or the use of taxi services or public transportation would not be economical or practical. Members who operate vehicles on Air District business must have a valid driver's license and proof of insurance in their possession and must also have a good driving record.

In the event a rental vehicle is required, Air District will reimburse for a "Standard Class" size vehicle or alternative fuel vehicle, except when there are justifiable circumstances, such as group requirements, that make a larger vehicle necessary. Alternative fuel vehicles should be used when available, even if the cost triggers a surcharge or exceeds the cost of a non-alternative-fuel vehicle.

The Air District holds liability insurance to cover third parties in case a Member injures someone or causes property damage to another vehicle while renting a car or driving his/her own personal vehicle while engaging in Air District business. Accordingly, rental car insurance is not an allowable reimbursable expenditure.

Rental cars should be returned with a full tank of gas to avoid refueling fees. The cost of gas for rental cars is an allowable expenditure under this policy.

2.5 Event Registration Fees

If a Member obtains authorization as provided in Section One to attend a conference, convention, seminar, or similar event for which a registration fee is required, the Member is eligible for reimbursement of such registration fee(s).

2.6 Meals While Traveling

One-Day Travel: Meals are NOT an allowable reimbursable expenditure for one-day travel unless such travel is more than 25 miles one way from either the Bay Area Metro Center or the Member's personal residence.

Multiple-Day Travel: For multiple-day travel, meals will be reimbursed at the lesser of:

i) Actual reasonable cost (including applicable taxes and reasonable tip), or

ii) The Per Diem Rates for meals located on the GSA website (www.gsa.gov) for the location of the stay plus 25%. Note that separate rates are provided for Breakfast, Lunch and Dinner. For travel days where a Member has traveled more than 12 hours but less than 24 hours, the Per Diem Rate shall be 75% of the GSA rate for the destination.

If the actual cost method is used, an original itemized receipt must be submitted with the expense report form. If meals are provided by an event or conference the cost for which is paid by Air District, then no separate reimbursement is allowed for that meal. A Member who pays the bill for a meal attended by more than one Member or Air District employee may submit the expenditure with receipt for the combined meal cost, but all attendees' names must be included on the expense report form. Only costs related to Members and Air District employees' meals are eligible for reimbursement. Costs incurred for any other person at such a meal (including applicable taxes and appropriate allocation of any tip) must be deducted from the amount of the requested reimbursement.

Members who claim the allowable Per Diem Rate from the GSA website should print the page for the location of the meeting or conference from the website to attach to their expense report form. In addition, they should retain their actual receipts to substantiate out-of-pocket expenses in the event of an audit by the State or IRS.

Alcoholic beverages are not a reimbursable expenditure. Alcoholic beverages may appear on the itemized receipt for a meal, but the charge (including applicable taxes and appropriate allocation of any tip) must be deducted from the amount of the requested reimbursement.

Entertainment expenditures, including but not limited to meals unrelated to the Member's Air District business, movies, shows, etc., are not reimbursable expenditures.

2.7 Other Meals

Expenditures for business meals other than meals during travel, such as meals with other elected officials where Air District business is discussed, must be preapproved by the APCO. To obtain reimbursement for such expenditures, the following documentation is required and must be recorded on the expense report form or backup documentation:

i. Names of individuals present along with their titles and affiliation,

ii. Name and location of where the meal took place,

iii. Exact amount and date of the expenditure, and

iv. Specific Air District-related topics discussed.

2.8 Miscellaneous Travel Expenses

Ordinary, reasonable, and necessary miscellaneous expenditures are reimbursable at actual cost when accompanied by itemized receipts and justification for the expenditures including Wi-Fi, phone, fax, and similar expenses.

In-Flight Communications: In-flight phones and Wi-Fi services should be used only in emergency situations.

Tipping: Reasonable and customary tipping rates are reimbursable. In the US 15-20% gratuity on meals, up to a $3 baggage handling gratuity, and up to $5 per day housekeeping gratuity are considered reasonable and are allowable. (Receipts for baggage and housekeeping gratuities are not required for reimbursement.)

Transportation: Fares and expenditures for taxis, shuttles, buses, BART, or other public transportation (including Uber, Lyft or similar services) are reimbursable when incurred for Air District business. Receipts should be obtained whenever possible, but expenditures are still eligible for reimbursement when a receipt is unavailable. If a receipt is not available, a printout from the transportation agency showing the fare must be submitted for reimbursement (e.g., a printout from the BART website showing the total fare for the trip taken). Members should apply prudent business judgment in determining the means of transportation to use.

Personal/Private Vehicle Usage: Members' use of a personal/private vehicle is reimbursable at the mileage rate established by the IRS, which can be found at www.irs.gov. Details on the date of travel, starting and ending destinations, purpose of travel, miles driven, tolls and parking costs (receipt required when possible) incurred must be provided on the expense report form. A printout from a map website such as Google Maps should be used to determine the total miles driven and must be submitted with the expense report form. Members who operate vehicles on Air District business must have a valid driver's license and proof of insurance in their possession, and a good driving record.

2.9 Non-Reimbursable Expenditures

Non-reimbursable expenditures include but are not limited to:

Airfare upgrades or rental car upgrades
Air phone charges (except in emergencies)
Alcoholic beverages
Business class airfare
Entertainment expenditures
Expenditures incurred by/for spouses or other travel companions
Expenditures related to personal days while on Air District travel
First class airfare
Interest incurred on credit cards
Loss due to theft of cash or personal property
Lost baggage or briefcase
Meeting room rentals (when not for Air District business)
"No show" charges for hotel or car service
Optional travel or baggage insurance
Parking or traffic tickets or fines
Personal items
Reading material such as magazines, books and newspapers
Rental car insurance
Valet parking fees

(NOTE: Non-reimbursable expenditures are not limited to the list provided above. This list is provided for reference purposes only.)

2.10 Forms

The Travel and Expense Reimbursement Forms and Member Travel Report Back Form are kept by the Clerk of the Board.

2.11 Receipts for Expenses

Members must submit vouchers or receipts for all necessary and incidental expenses over $10.00 such as parking charges and fuel costs. Vouchers or receipts need not be presented for meal expenses and hotel accommodations.

Bay Area Air District

Administrative Code

Effective January 1, 2024
Last revised February 4, 2026

TABLE OF CONTENTS

Page

Section One. Title and Purpose 1

1.1 Title 1

1.2 Purpose and Overview 1

1.3 Adoption and Amendment of the Air District Administrative Code 1

1.4 Air District Seal 1

1.5 Non-Discrimination 1

Section Two. Board of Directors 2

2.1 Appointment 2

2.2 Terms 2

2.3 Quorum 2

2.4 Action 2

2.5 Rules of Procedure 2

2.6 Board of Directors Meetings 2

(a) Location 2

(b) Regular Meeting Time 2

(c) Special Meetings 3

(d) Use of Remote Teleconferencing 3

2.7 Officers 3

(a) Officers; Election, Removal 3

(b) Terms of Officers 4

(c) Officer Rotation 4

(d) Chairperson 4

(e) Vice-Chairperson 4

2.8 Non-Interference in Administration Affairs 4

2.9 Compensation for Attendance at Meetings 5

(a) Meetings Eligible for Compensation 5

(b) Attendance Requirements 5

(c) Amount of Compensation 5

(d) Active Transportation Calculation 5

2.10 Expense Reimbursement 6
2.11 Report of County Populations 6
Section Three. Committees of the Board of Directors. 6
3.1 Purpose 6
3.2 Standing Committees 7
(a) Community Equity, Health, and Justice Committee 7
(b) Finance and Administration Committee 7
(c) Nominating Committee 8
(d) Policy, Grants, and Technology Committee 9
(e) Stationary Source Committee 9
3.3 Standing Committee Procedures 9
(a) Meetings 9
(b) Quorum and Action 10
(c) Minority Report 10
3.4 Appointments to Committees 10
3.5 Ad Hoc Committees 10
3.6 Removal of Committee Members 10
Section Four. Advisory Council. 11
4.1 Advisory Council 11
4.2 Membership 11
4.3 Terms of Office 11
(a) Term of Office 11
(b) Limitations of Term of Office 11
4.4 Meetings 11
4.5 Compensation; Expenses 11
(a) Compensation for Attendance at Meetings. 11
(b) Expense Reimbursement 12
Section Five. Community Advisory Council 12
5.1 Community Advisory Council 12
5.2 Membership 12
5.3 Terms of Office 13
(a) Term of Office 13

(b) Term Limits 13
(c) Vacancy 13
5.4 Meetings 13
5.5 Compensation; Expenses 13
(a) Compensation for Attendance at Meetings and for Other Activities 13
(b) Expense Reimbursement 14
Section Six. Hearing Board 14
6.1 Hearing Board 14
6.2 Terms of Office 14
6.3 Rules of Procedure 15
6.4 Compensation, Expenses 15
(a) Hearing Board Meetings 15
(b) Expense Reimbursement 15
Section Seven. Adoption of Regulations 15
7.1 Regulation Authority 15
7.2 Rule Adoption Files 15
7.3 Public Hearing Notice Requirements 15
(a) Time of Publication 16
(b) Content of Notice 16
7.4 Public Hearing Requirements 16
(a) Public Hearing Required 16
(b) Hearing Procedure 16
(c) Findings 17
Section Eight. Personnel 17
8.1 Executive Officer / Air Pollution Control Officer (EO/APCO) 17
(a) Appointment 17
(b) Duties 17
8.2 Air District General Counsel 19
(a) Appointment 19
(b) Duties 18
8.3 Clerk of the Boards 19
8.4 Continuity Policy 20

Section Nine. Fiscal Policies and Procedures 19
9.1 Treasurer 19
9.2 Annual Audit 20
9.3 Adoption of Budget 20
(a) Budget Preparation 20
(b) Presentation to Finance and Administration Committee 20
(c) Adoption by the Board of Directors 21
(1) Notice 21
(2) Public Hearing to Review the Budget 21
(3) Adoption of the Budget 21
9.4 Procurement and Contracting 21
9.5 Acceptance of Grants and Gifts Made to the Air District 23
9.6 Grants of Air District Funds 23
9.7 Sponsorships 23
9.8 Agreements for Employee Compensation, Benefits 24
9.9 Claims Against the Air District 24
9.10 Electronic Signatures 24
(a) Definitions: The following definitions apply to this Section 9.10: 24
(b) Electronic and Digital Signatures Accepted 24
(c) Accepted Technologies 25
Section Ten. Employment 25
10.1 Personnel Policies 25
10.2 EO/APCO Authority 25
(a) Discipline 25
(b) Early Release with Compensation 25
(c) Underfilling of Positions 25
10.3 Salaries and Benefits 26
10.4 Determination of Salaries for New Hires 26
10.5 Y-Rating 26
10.6 Reservation of Rights 26
10.7 At-Will Employment 27
(a) At-Will Employees 27

(b) Appointments and Termination of At-Will Employees 27
(c) Return Rights for Specified At-Will Employees 27
9(d) Salary Step Advancement 28
10.8 Limited-Term Contract Employees 29
(a) Limited-Term Contract Employee Defined 29
(b) LTCE Employment 29
(c) Conversion to Permanent Status 29
10.9 Classification Plan 29
10.10 Units 29
(a) Technical/General Unit 29
(b) Professional Unit 30
(c) Confidential Unit 30
(d) Management Unit 30
(e) Attorney Management Unit 30
Section Eleven. Conflicts of Interest Code 30
11.1 Conflict of Interest Code 30
Section Twelve. California Environmental Quality Act ("CEQA") 30
12.1 CEQA Regulations 30
Section Thirteen. Transition Provisions, Interpretation of the Code. 31
13.1 Previous Administrative Code Repealed 31
13.2 Obligations of Contract Not Impaired 31
13.3 Effect of Headings 31
13.4 Severability 31
Revision History 32

Bay Area Air Quality Management District Administrative Code

Section One. Title and Purpose

1.1 Title

This Code shall be known as the "Bay Area Air Quality Management District Administrative Code," "Air District Administrative Code," or "Administrative Code."

1.2 Purpose and Overview

This Administrative Code sets forth the governance, administrative, and financial provisions for the Bay Area Air Quality Management District (hereafter "Air District"), the method of appointment of Air District employees, and procedures for the operation and management of the Air District.

The Air District is an independent special district created, pursuant to Chapter 4 of Part 3 of Division 26 of the California Health and Safety Code, to regulate stationary sources of air pollution in the nine counties that surround San Francisco Bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, southwestern Solano, and southern Sonoma counties.

1.3 Adoption and Amendment of the Air District Administrative Code

This Administrative Code is adopted and may be amended by ordinance of the Board of Directors, after review and recommendation by the Finance and Administration Committee. The Board of Directors shall ensure that the Air District Administrative Code is reviewed at least every five (5) years, and the Board of Directors shall approve amendments, as necessary.

1.4 Air District Seal

The Air District may provide for and adopt an official seal. The seal of the Air District shall be used only for purposes directly connected with the official business of the Air District.

1.5 Non-Discrimination

The Air District is committed to non-discrimination and equity throughout the organization and in carrying out the agency's mission. The Board of Directors shall adopt by resolution a Non-Discrimination Policy to articulate this commitment and to ensure compliance with all legal obligations, including without limitation the Equal Protection Clause of the Fourteenth Amendment to the U.S. Constitution, Title VI of the Civil Rights Act of 1964, and California Government Code Section 11135. The Executive Officer / Air Pollution Control Officer ("EO/APCO") shall implement this Non-Discrimination Policy and shall ensure that the Policy is communicated in a transparent fashion to Air District staff and to the public and is posted on the Air District's website.

Section Two. Board of Directors

2.1 Appointment

The Board of Directors is the governing body of the Air District and consists of members appointed pursuant to Article 3 of Chapter 4 of Part 3 of Division 26 of the Health and Safety Code. (Health and Safety Code section 40220 *et seq.*)

2.2 Terms

Each member of the Board of Directors appointed by a board of supervisors shall hold office for a term of four years and until the appointment and qualification of their successor, and each member appointed by a city selection committee shall hold office for a term of two years and until the appointment and qualification of their successor. (Health and Safety Code section 40222.)

2.3 Quorum

A majority of the members of the Board of Directors constitute a quorum for the transaction of business. The Board may meet only when a quorum is present. (Health and Safety Code section 40226.)

2.4 Action

Unless otherwise specified in state law or this Administrative Code, an action of the Board of Directors shall require the presence of a quorum and the affirmative vote of a majority of the total membership of the Board. The Board may act by ordinance, resolution, or motion. (Government Code section 54952.6; Health and Safety section 40226.)

2.5 Rules of Procedure

The Board of Directors shall adopt Rules of Procedure to govern the conduct of its meetings. The Board of Directors may amend those Rules to conform to changes in law or as otherwise needed.

2.6 Board of Directors Meetings

(a) Location

All regular meetings of the Board of Directors and all regular meetings of Board Committees shall be held at the offices of the Air District located at 375 Beale Street, San Francisco, California.

(b) Regular Meeting Time

The Board of Directors shall adopt annually by resolution a schedule of regular meetings for each calendar year. Regular meetings of the Board of Directors shall be held on the first Wednesday of each month, beginning at the hour of 10:00

a.m., and at additional dates and times as specified in the annual meeting schedule adopted by the Board.

(c) Special Meetings

A special meeting may be called whenever the business of the Air District may require it. A special meeting may be called at the request of the Chairperson of the Board of Directors in consultation with the EO/APCO, or at the request of a majority of the members of the Board of Directors. Whenever a special meeting is called, notice shall be given to each member of the Board of Directors at least twenty-four (24) hours in advance, and to others as required by law, stating the date and hour of the meeting, the location of the meeting, and the purpose for which the meeting is called. No business shall be transacted at the meeting except as stated in the notice. (Government Code section 54956.)

(d) Use of Remote Teleconferencing

The Board of Directors shall hold regular meetings at the location specified in subsection 2.6(a) above. The Board of Directors may hold any meeting using remote teleconferencing technology in accordance with Government Code sections 54953(b) and (f), with the exception that remote teleconference attendance shall not be allowed (except for "just cause" or "emergency circumstances" remote teleconferencing where authorized by Government Code section 54953(f)) for a meeting at which the Board of Directors is to adopt the budget or is to hold a public hearing for adoption of a rule or regulation, or upon special circumstances at the call of the chair.

As a courtesy to and for the convenience of members of the public, the Board of Directors may provide a webcast or streaming service for any meeting to allow members of the public to watch or participate in the meeting virtually. By choosing to participate in a meeting virtually, members of the public accept the risk that in the event of a disruption to the webcast or streaming service, the Board will continue with its meeting. (Government Code sections 54950 *et seq*.)

2.7 Officers

(a) Officers; Election, Removal

The Board of Directors shall elect a Chairperson and Vice-Chairperson. The Board of Directors shall elect these Officers in November prior to the commencement of the Officers' terms, or as otherwise necessary to fill a vacancy. The Officers shall serve at the pleasure of the Board of Directors and may be removed by a two-thirds (⅔) vote of the membership of the Board of Directors held at a regular meeting.

(b) Terms of Officers

The Chairperson and Vice-Chairperson shall serve two-year terms, which shall begin on January 1 of each even-numbered year. Members of the Board of Directors elected to serve as Chairperson and Vice-Chairperson for the one-year 2024 term under the predecessor to this Administrative Code shall serve in those positions for the two-year 2024-2025 term under this Administrative Code. No member of the Board of Directors may serve more than four years in any one office.

(c) Officer Rotation

The Officer positions shall be rotated among the members of the Board of Directors in a manner to assure participation in the affairs of the Air District from a wide representation of the membership. In selecting members to serve as Officers, the Board of Directors shall consider and balance representation by members appointed by Boards of Supervisors, members appointed by City selection committees, members from large counties, and members from small counties, as well as geographic representation from all parts of the Bay Area, although the Board need not follow any strict rule of rotation.

(d) Chairperson

The Chairperson's duties include without limitation:

(1) Presiding over the meetings of the Board of Directors.

(2) Signing all ordinances and resolutions adopted by the Board of Directors while the Chairperson presides.

(3) Appointing members of committees of the Board of Directors.

(e) Vice-Chairperson

The Vice-Chairperson shall have the following duties:

(1) In the event the Chairperson is unable to attend a meeting, the Vice-Chairperson shall preside over the meeting and shall sign ordinances and resolutions adopted at the meeting.

(2) In the event that the Chairperson is unable, for whatever reason, to fulfill their term of office, the Vice-Chairperson shall succeed the Chairperson.

2.8 Non-Interference in Administration Affairs

The Board of Directors and its members shall deal with the administration of the Air District only through the EO/APCO, except for the purpose of inquiry, and neither the Board of Directors nor any member thereof shall give orders or direction to any subordinates of the EO/APCO, without the express consent of the EO/APCO. The EO/APCO shall take their orders and instructions from the Board of Directors only when

sitting in a duly held meeting of the Board, and no individual member of the Board of Directors shall give any orders or instructions to the EO/APCO.

Except as expressly provided in this Administrative Code, the Board of Directors, and its members, shall have no power or authority over, nor shall they dictate, suggest, or interfere with respect to, any appointment, promotion, compensation decision, disciplinary action, contract or requisition for purchase, or other administrative action or recommendation of the EO/APCO.

Violation of this section of the Administrative Code constitutes official misconduct.

2.9 Compensation for Attendance at Meetings

Each member of the Board of Directors shall be entitled to compensation for attendance at meetings as follows:

(a) Meetings Eligible for Compensation

(1) Meetings of the Board of Directors and of Board Committees; and

(2) Other meetings while on official business of the Air District as authorized under the Meeting Compensation and Expense Reimbursement Policy adopted pursuant to Section 2.10.

(b) Attendance Requirements

A member of the Board of Directors shall be entitled to compensation for attending a meeting of the Board or a Board Committee only if:

(1) The member arrives for the meeting no later than thirty (30) minutes after the scheduled beginning of the meeting; and

(2) The member is present at the meeting for at least three quarters (¾) of the total meeting time, including closed session time.

(c) Amount of Compensation

Members of the Board of Directors shall be entitled to compensation of one hundred dollars ($100) per meeting for attendance at meetings under this Section 2.9, up to a maximum of two hundred dollars ($200) per day; plus, compensation for active transportation travel calculated as specified in Paragraph (d) below. No Board member may receive compensation of more than six thousand dollars ($6,000) in any calendar year for meeting attendance pursuant to this Section 2.9.

(d) Active Transportation Calculation

Compensation for active transportation travel pursuant to Paragraph (c) above shall be calculated as follows:

(1) $1.56 per mile for travel by personal/private non-motorized bicycle or similar nonmotorized pedal-operated vehicle; and

(2) $1.50 per mile for travel on foot or by wheelchair.

For multi-modal travel, compensation shall be provided only for miles traveled using the alternative transportation travel modes specified in this Paragraph (d). Members shall provide to the Clerk of the Boards the date of travel, starting and ending points, and purpose of travel when claiming compensation, and must document the distance traveled with a printout from a map website such as Google Maps.

2.10 Expense Reimbursement

Members of the Board of Directors are entitled to receive reimbursement for actual and necessary expenditures incurred in connection with the performance of their official duties. Pursuant to Government Code section 53232.2, the Board of Directors shall adopt a written Meeting Compensation and Expense Reimbursement Policy, at a public meeting, specifying the types of occurrences that qualify a member to receive reimbursement for expenses relating to travel, meals, lodging, and other actual and necessary expenses. The Expense Reimbursement Policy shall also apply to other boards and councils of the Air District as specified in this Administrative Code. Members of the Board of Directors and other covered boards and councils may receive reimbursement only as provided in the Policy and subject to the Policy's requirements. Members shall comply with the limits and reporting requirements of federal, state, and local law.

2.11 Report of County Populations

Appointments to the Board of Directors are determined by the population of the counties within the geographical jurisdiction of the Air District at the time of appointment according to the provisions of Health and Safety Code sections 40221 and 40221.5. The Clerk of the Boards shall report to the Board of Directors each year the population of each county included, in whole or in part, within the Air District's jurisdiction according to the latest estimate prepared by the Demographic Research Unit of the Department of Finance. For counties for which only a portion of the county is included within the Air District's jurisdiction, the Clerk of the Boards shall report the population of that portion within the Air District's jurisdiction. (Health and Safety Code section 40220.5.) The Clerk of the Boards shall report the populations promptly after the Demographic Research Unit publishes its estimates.

Section Three. Committees of the Board of Directors

3.1 Purpose

The Board of Directors establishes standing committees to advise and make recommendations to the Board on matters within the scope of the committee's

jurisdiction. In addition to the functions specified herein, any committee may also consider additional matters as referred by the Board of Directors. Except where explicitly authorized in this Administrative Code, the standing committees shall not have authority to approve any action or policy on behalf of the Board of Directors, to alter, change, or reverse any action or policy established by the Board of Directors, or to authorize the expenditure of any funds.

In the normal course of business, matters will be considered by the relevant committee(s) before being considered by the Board of Directors. However, the Board of Directors may take up any matter directly, without previous consideration by a committee, when necessary and appropriate.

3.2 Standing Committees

The standing committees of the Board of Directors are the following:

(a) Community Equity, Health, and Justice Committee

The Community Equity, Health, and Justice Committee advises and makes recommendations to the Board of Directors regarding equitable and inclusive actions the Air District takes to create a healthy breathing environment and clean air for the people of the Bay Area, regardless of race, ethnicity, age, gender identity, economic status, national origin, immigration status, ability, sexual orientation, or other distinguishing characteristics. The Committee oversees the development of policies for both internal and external operations impacting the Bay Area. Internal operations include applying an equity lens to programs, policies, and procedures related to staffing, recruitment, promotions, inclusive workplace practices, contracting for capital projects and services, and ongoing racial equity training. The committee prioritizes traditionally marginalized and underserved communities for investment opportunities to ensure communities overburdened by air pollution receive the programmatic, policy, and investment resources most needed.

The Community Equity, Health, and Justice Committee also advises and makes recommendations to the Board of Directors regarding the overall direction of the Air District's community engagement activities, civil rights compliance, and the implementation of Assembly Bill 617 (Stats. 2017, Ch. 136), including community selection and approval of Community Emission Reduction Plans. It is also the lead committee interacting and partnering with the Community Advisory Council. The Committee also advises and makes recommendations to the Board of Directors regarding grants related to matters within its jurisdiction.

(b) Finance and Administration Committee

The Finance and Administration Committee advises and makes recommendations to the Board of Directors relating to the administration of the Air District's programs and activities, including but not limited to policies regarding finance,

procurement, employment, salaries, working conditions, insurance, and the retaining of consultants.

The Finance and Administration Committee advises and makes recommendations to the Board of Directors with respect to strategic planning regarding the goals and objectives of the Air District. The Committee considers and recommends to the Board of Directors each year proposed updates and/or changes to the Air District's strategic plan, considering the goals and objectives and short- and long-range plans of the California Air Resources Board, as appropriate. The Committee uses the strategic plan approved by the Board of Directors to review and develop the proposed budget each year.

The Finance and Administration Committee oversees the preparation of the Air District's annual budget and presents the annual proposed budget with recommendations to the Board of Directors. At budget review time each year, the Committee evaluates the Air District's goals and objectives, financial plan, and fee schedules and recommends appropriate changes to the Board of Directors. The proposed budget prepared by the EO/APCO is automatically deemed referred to the Finance and Administration Committee for consideration, without need for further action by the Board of Directors.

The Finance and Administration Committee receives and reviews the Air District's annual audited financial statement reports from the independent financial auditors and reports any findings or recommendations to the Board of Directors. The Committee also receives and reviews reports from independent management performance auditors and reports any findings or recommendations to the Board of Directors.

The Finance and Administration Committee keeps itself informed as to the work of the Advisory Council and Hearing Board, and it recommends to the Board of Directors the appointment of members of the Advisory Council and Hearing Board whenever vacancies occur on those bodies.

The Finance and Administration Committee considers and recommends updates or revisions to this Administrative Code as may from time to time become necessary.

(c) Nominating Committee

The Nominating Committee considers and makes recommendations to the Board of Directors regarding candidates for Board Officer positions. In making its recommendations, the Nominating Committee shall consider the principles governing officer rotation as set forth in Section 2.7(c), although it need not follow any strict rule of rotation.

The Nominating Committee consists of the Chairperson of the Board, the past Chairperson of the Board, and three (3) appointees of the Chairperson of the

Board (or in the event the past Chairperson is no longer serving on the Board, four (4) appointees of the Chairperson of the Board). The Chairperson shall appoint the Nominating Committee no later than October 15th of the final year of the Board Officers' terms, and the Committee shall meet in November of that year to recommend candidates to the Board of Directors for Board Officers for the upcoming terms. The Nominating Committee members shall serve until the appointment of a new Committee, and shall recommend candidates to the Board of Directors in the event a Board Officer position becomes vacant in the middle of a term.

(d) Policy, Grants, and Technology Committee

The Policy, Grants, and Technology Committee advises and makes recommendations to the Board of Directors on policies and funding related to sources and activities that affect air pollution and climate impacts that do not fall within the jurisdiction of the Stationary Source Committee. In particular, the Committee advises and makes recommendations to the Board of Directors on policies and funding related to transportation and mobile sources, as well as equity for impacted communities related to these sectors. The Committee also advises and makes recommendations to the Board of Directors on policies and funding to catalyze innovation and incentivize low-carbon-intensity practices. The Committee also advises and makes recommendations to the Board of Directors relating to legislative advocacy. The Committee adopts legislative priorities each year to guide the work of the Committee and Air District staff related to legislative advocacy.

(e) Stationary Source Committee

The Stationary Source Committee advises and makes recommendations to the Board of Directors relating to the air quality and climate impacts of stationary sources, including indirect sources. The Committee advises and makes recommendations to the Board of Directors regarding all aspects of the Air District's stationary source programs, including but not limited to the following: permitting, compliance, small business assistance, rule development, California Environmental Quality Act thresholds of significance, and state and federal regulations that affect stationary sources. The Committee advises and makes recommendations to the Board of Directors regarding air quality planning and the development and implementation of State and Federal Air Quality Management Plans, as well as support for regional and local climate planning.

3.3 Standing Committee Procedures

(a) Meetings

The Board of Directors shall adopt annually by resolution a committee meeting calendar setting the time and place for meetings of each standing committee.

Standing committees may hold any meeting using remote teleconferencing technology in accordance with Government Code sections 54953(b) and (f).

(b) Quorum and Action

A quorum of a standing committee is a majority of the members of the committee. A committee may meet only when a quorum is present. An action of a committee shall require the presence of a quorum and the affirmative vote of a majority of the total membership of the committee.

(c) Minority Report

A standing committee member may submit a Minority Report to accompany a committee recommendation submitted to the Board of Directors, provided that no Air District staff resources are used to prepare such a report.

3.4 Appointments to Committees

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. The Clerk of the Boards shall report the Committee appointments to the Board of Directors at its first meeting in February of each year, or as soon thereafter as the Committee appointments are made.

[Revised December 3, 2025]

3.5 Ad Hoc Committees

The Chairperson may establish ad hoc advisory committees, composed solely of members of the Board of Directors, constituting less than a quorum of the Board of Directors or any of its standing committees, to accomplish a specific task in a short period of time. The Chairperson shall appoint the members of those ad hoc Committees. The Chairperson shall create each ad hoc committee and appoint its members in writing, which shall specify the task of the committee. An ad hoc committee expires upon completion of its designated task. The Board of Directors may overrule the Chairperson's decisions regarding the creation, appointment of members, or designated purpose of the ad hoc committee by majority vote. (Government Code section 54952(b).)

3.6 Removal of Committee Members

The Chairperson may remove a member from serving on a standing or ad hoc committee at any time. The Board of Directors may overrule the removal by a majority vote.

Section Four. Advisory Council.

4.1 Advisory Council

Pursuant to Health and Safety Code section 40261, the Board of Directors shall appoint a Bay Area Air Quality Management Council (also known as the Advisory Council) to advise and consult with the Board and the EO/APCO on matters referred to it by the Board of Directors or the EO/APCO. Members serve at the pleasure of the Board of Directors and may be removed at any time by a majority vote of the Board of Directors.

4.2 Membership

The Advisory Council shall consist of seven members who are skilled and experienced in the fields of air pollution, climate change, or the health impacts of air pollution, plus one liaison member from the Board of Directors. Advisory Council members shall be selected to include a diversity of perspectives, expertise, and backgrounds. The EO/APCO shall develop position qualifications for serving on the Advisory Council, which shall be approved by the Board of Directors.

4.3 Terms of Office

(a) Term of Office

Each Advisory Council member shall hold office for a term of two (2) years and until the appointment and qualification of the member's successor.

(b) Limitations of Term of Office

The Board of Directors shall not re-appoint a member of the Advisory Council who has served on the Council for twelve (12) consecutive years. A person who has served on the Advisory Council for twelve (12) consecutive years is eligible for re-appointment after an absence of two (2) years from the Council.

4.4 Meetings

The Advisory Council shall meet four (4) times each year, or more frequently if the Board of Directors or Advisory Council deems necessary.

4.5 Compensation; Expenses

(a) Compensation for Attendance at Meetings.

Members of the Advisory Council shall be entitled to compensation of two hundred dollars ($200) per meeting for attending meetings of the Advisory Council and other authorized meetings as specified in the Meeting Compensation and Expense Reimbursement Policy adopted pursuant to Section 2.10.

(Health and Safety Code section 40266.)

(b) Expense Reimbursement

Members of the Advisory Council shall be entitled to reimbursement for actual and necessary expenses incurred by them in attending meetings of the Advisory Council and Advisory Council committees of which they are a member in accordance with the Expense Reimbursement Policy adopted pursuant to Section 2.10.

(Health and Safety Code sections 40260-40268.)

Section Five. Community Advisory Council

5.1 Community Advisory Council

The Board of Directors shall appoint a Community Advisory Council to provide guidance to the Board of Directors on programs and policies that impact all communities, including overburdened communities, within the Air District's jurisdiction; to make recommendations to the Board of Directors on equity and environmental justice matters to improve air quality in all communities, prioritizing the most impacted communities; to meaningfully engage impacted communities to represent and address stakeholders' interests; to advise Air District leadership on community-related matters to advance an equity-forward policy agenda; and to carry out any additional duties as the Board of Directors may prescribe. The Community Advisory Council shall be governed in its work by a Governing Structure adopted by the Board of Directors ("Governing Structure").

5.2 Membership

In accordance with the Governing Structure, the Board of Directors shall appoint seventeen (17) members to the Community Advisory Council, who shall serve at the pleasure of the Board, as follows: Four (4) members shall live or work in Alameda County; four (4) members shall live or work in Contra Costa County; one (1) member shall live or work in Marin, Napa, or Sonoma County; one (1) member shall live or work in the City and County of San Francisco; one (1) member shall live or work in San Mateo County; two (2) members shall live or work in Santa Clara County; one (1) member shall live or work in Solano County; two (2) members shall be youths who are between the ages of fourteen (14) and twenty-four (24) at the start of their term; and one (1) member shall serve in an at-large seat. The Board of Directors shall grant priority to individuals with special expertise, such as wildfire management, when filling the at-large seat. A minimum of seventy percent (70%) of members shall be residents living in the County represented, and no more than six (6) members may represent a County where they work for the benefit of overburdened communities. If selected to fill a seat, a representative of a business holding an Air District permit, or of an industrial company subject to regulation, shall be a non-voting member.

5.3 Terms of Office

(a) Term of Office

The Board of Directors shall appoint each new member to an initial four-year term, and shall reappoint each member who has previously served to a subsequent two-year term. A member's service shall end upon expiration of their two- or four-year term (unless reappointed for another term), removal by the Board of Directors, resignation, or other disqualifying event.

(b) Term Limits

No member shall serve on the Community Advisory Council for more than six (6) years, except for inaugural Council members who were appointed to successive four-year terms before November 4, 2026, who may serve for no more than eight (8) years.

(c) Vacancy

In the event of a vacancy, the Board of Directors may appoint a new member to fill the vacant seat for the remainder of the term.

5.4 Meetings

The Community Advisory Council shall set, by resolution, a regular time and place for meetings.

5.5 Compensation; Expenses

(a) Compensation for Attendance at Meetings and for Other Activities

Members of the Community Advisory Council shall be entitled to compensation for their time spent working on Council-related matters as follows, up to a maximum of fifteen thousand dollars ($15,000) per calendar year in total combined compensation. The Board of Directors shall include provisions in the Meeting Compensation and Expense Reimbursement Policy adopted pursuant to Section 2.10 to establish procedures for administering these compensation provisions.

(1) Members shall be entitled to compensation of five hundred dollars ($500) per meeting for attending meetings of the Community Advisory Council.

(2) Co-Chairs shall be entitled to compensation of seventy-five dollars ($75) per hour for attending Co-Chair and Board meetings, up to a maximum of fifteen (15) hours per month.

(3) Members of ad hoc or standing committees shall be entitled to compensation of seventy-five dollars ($75) per hour for attending committee meetings, up to a maximum of eight (8) hours per month.

(4) Members shall be entitled to compensation of seventy-five dollars ($75) per hour for participating in other Air District business related to the Community Advisory Council, including staff working groups, grant and scholarship application review, and hiring panels, upon written approval by the Deputy Executive Officer of Equity and Community Programs or the Community Advisory Council Officer, up to a maximum of eight (8) hours per month.

(5) Members shall be entitled to compensation of seventy-five dollars ($75) per hour for pre-approved participation in events, activities, or services related to the mission and purpose of the Community Advisory Council authorized in accordance with the Meeting Compensation and Expense Reimbursement Policy adopted pursuant to Section 2.10, up to a maximum of one thousand dollars ($1,000) per year.

(b) Expense Reimbursement

Members of the Community Advisory Council shall be entitled to reimbursement for actual and necessary expenses incurred by them in connection with attending or participating in any of the meetings or events for which they are entitled to compensation under Section 5.5(a) above. Members shall be entitled to reimbursement for such expenses in accordance with the Meeting Compensation and Expense Reimbursement Policy adopted pursuant to Section 2.10.

Section Six. Hearing Board

6.1 Hearing Board

Pursuant to Health and Safety Code section 40800, the Board of Directors shall appoint a Hearing Board consisting of five members, as provided in Health and Safety Code section 40801. In filling the two seats designated for public members under Health and Safety Code section 40801(d), the Board of Directors shall give priority to applicants who do not qualify for the seats designated for members of professions under Health and Safety Code sections 40801(a)-(c). The Hearing Board shall have the power and authority to issue variances under Health and Safety Code sections 42350 *et seq.*, to issue orders for abatement under Health and Safety Code sections 42451 *et seq.*, to hear appeals from decisions by the EO/APCO to issue, deny, or suspend a permit under Health & Safety Code sections 42302 *et seq*.; to revoke a permit under Health and Safety Code section 42307, and to take all other actions authorized under other provisions of the Health and Safety Code and related law.

6.2 Terms of Office

The term of office for a member of the Hearing Board shall be three (3) years.

6.3 Rules of Procedure

The Hearing Board shall, as it may deem necessary, adopt, re-adopt, or amend rules of procedure for the conduct of its hearings and other matters before it.

6.4 Compensation, Expenses

(a) Hearing Board Meetings

Members of the Hearing Board shall be entitled to compensation of four hundred dollars ($400), or four hundred fifty dollars ($450) for the Chairperson, for each day attending meetings of the Hearing Board, and shall be entitled to compensation of one hundred dollars ($100) per day for attending other meetings as a representative of the Hearing Board upon authorization by the Board of Directors pursuant to the Meeting Compensation and Expense Reimbursement Policy adopted pursuant to Section 2.10.

(b) Expense Reimbursement

Members of the Hearing Board shall be entitled to reimbursement for actual and necessary expenses incurred by them in attending meetings of the Hearing Board and other meetings for which compensation is authorized under subsection 6.4(a) in accordance with the Meeting Expense Reimbursement Policy adopted pursuant to Section 2.10.

(Health and Safety Code section 40800 *et seq*.)

Section Seven. Adoption of Regulations

7.1 Regulation Authority

Pursuant to Health and Safety Code sections 40000, 40001, and 40702, among other provisions of law, the Board of Directors shall adopt rules and regulations to execute the powers and duties granted to, and imposed upon, the Air District, including but not limited to rules and regulations to achieve and maintain the state and federal ambient air quality standards in all areas affected by emission sources under the Air District's jurisdiction.

7.2 Rule Adoption Files

The EO/APCO shall maintain a file for each rule and regulation adopted by the Board of Directors containing (1) petitions received by the Air District proposing the adoption, amendment, or repeal of the rule or regulation; (2) notice of proposed adoption, amendment, or repeal of the rule or regulation; (3) written comments, data, studies, reports, and any other factual information submitted by any member of the public in connection with the adoption, amendment, or repeal of the rule or regulation; (4) a transcript, recording, or minutes of public hearings held in connection with the adoption,

amendment, or repeal of the rule or regulation; and (5) the text of the rule or regulation as originally proposed, and any modified text, that was made available to the public prior to adoption.

(Health and Safety Code section 40728.)

7.3 Public Hearing Notice Requirements

(a) Time of Publication

The Clerk of the Boards shall provide notice of the time and place of a public hearing to adopt, amend, or repeal any rule or regulation not less than 30 days prior thereto in accordance with Health and Safety Code section 40725 for such notice, and by publication in each county of the Air District pursuant to Section 6061 of the Government Code.

(b) Content of Notice

The published notice shall include the following information:

(1) The time and place of the public hearing.

(2) A brief description of the proposed action.

(3) Information on how members of the public may obtain the full text of the regulatory language that is proposed to be adopted, amended, or repealed, including a statement that it is available for public inspection at the Air District's headquarters during regular business hours.

(4) An invitation for the submission of written public comments on the proposed action prior to the hearing. The notice shall include information on how the comments should be submitted, including the name, address and telephone number of the person to whom they should be directed (with addresses for mailing, physical delivery, and electronic submission), and it shall specify the date by which the comments must be received.

7.4 Public Hearing Requirements

(a) Public Hearing Required

The Board of Directors shall not adopt, amend, or repeal any rule or regulation without first holding a public hearing thereon. The public hearing may be agendized and held in the same manner as any other agenda item in accordance with the Board's Rules of Procedure; no formal action of the Board is required to set the public hearing.

(b) Hearing Procedure

At the public hearing held to adopt, amend, or repeal a rule or regulation, the Board of Directors shall provide for the submission of statements, arguments, or

contentions, either oral, written, or both. In addition, any submitted written comments shall be made available to each Board member. Following consideration of all relevant matters presented, the Board of Directors may adopt, amend, or repeal a rule or regulation unless the Board determines to make changes in the text originally made available to the public that are so substantial as to significantly affect the meaning of the proposed rule or regulation. The Board of Directors shall not take action on a rule or regulation containing changed text where the change is so substantial as to significantly affect the meaning of the proposed rule or regulation before its next regular meeting and shall allow further statements, arguments, and contentions either written, oral or both, to be made and considered prior to taking final action.

(c) Findings

Before adopting, amending, or repealing a rule or regulation, the Board of Directors shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference, as defined in Health and Safety Code Section 40727, based upon relevant information presented at the hearing.

Section Eight. Personnel

8.1 Executive Officer / Air Pollution Control Officer (EO/APCO).

(a) Appointment

The Board of Directors shall appoint the Executive Officer /Air Pollution Control Officer (EO/APCO), who shall serve at the pleasure of the Board.

(b) Duties

The EO/APCO shall serve as the Executive Officer of the Air District and possess the power and duty to administer the business of the Air District. Those duties include, without limitation:

(1) Supervising and directing the preparation and submission of all required air quality plans.

(2) Enforcing all laws, rules, regulations, and orders to achieve and maintain the state and federal ambient air quality standards in all areas affected by emission sources under their jurisdiction and enforcing all applicable provisions of state and federal law.

(3) Supervising and directing the preparation of the annual budget for the Air District.

(4) Submitting to the Board of Directors each year a complete report of the finances and administrative activities of the Air District from the preceding year.

(5) Except as otherwise specified in this Administrative Code, executing and administering contracts entered into by the Air District and executing and administering grants and sponsorships funded by the Air District.

(6) Except as otherwise specified in this Administrative Code, serving as the appointing authority for all positions of employment in the Air District, with plenary and sole authority to hire, fire, discipline, layoff, supervise, and assign employees in the Air District.

(7) Developing a comprehensive Personnel Policy Manual setting forth personnel policies and procedures for the Air District for approval by the Board of Directors; making the Personnel Manual available to Air District employees and to the public; and administering the personnel policies and procedures set forth in the Personnel Manual.

(8) Recommending compensation and benefits for Air District employees for approval by the Board of Directors.

(9) Overseeing the Air District's labor relations program, including its compliance with relevant labor laws, its implementation of any labor agreements approved by the Board of Directors, and negotiations with any Air District labor organization.

(10) Overseeing a comprehensive classification and position control plan, subject to approval by the Board of Directors.

(11) In consultation with the Air District General Counsel, ensuring compliance with all relevant Equal Employment Opportunity and Non-discrimination laws.

(12) Providing the day-to-day administration of the Air District and carrying out all duties required under the Health and Safety Code.

(13) Retaining and maintaining records according to state law and the Air District's Records Management and Access Policy, which shall be approved by a resolution of the Board of Directors.

(14) Designating the Air District employee with principal responsibility for the financial affairs of the Air District to hold the title of Chief Financial Officer.

(15) Performing such other and additional duties as the Board of Directors may prescribe.

8.2 Air District General Counsel

(a) Appointment

The Board of Directors shall appoint a General Counsel to the Air District, who shall serve at the pleasure of the Board.

(b) Duties

The General Counsel shall serve as the chief legal officer of the Air District and possess the power and duty to administer the legal affairs of the Air District and to represent the Air District in all legal matters. The General Counsel's duties include, without limitation:

(1) Providing advice and legal opinions, either orally or in writing as appropriate to the circumstances, to the Board of Directors, the EO/APCO, Board Committee, Hearing Board, Advisory Councils, or other committee or employee as directed by the Board of Directors.

(2) Making recommendations to the EO/APCO and Board of Directors on the settlement of all claims and litigation involving the Air District.

(3) Approving as to form, prior to enactment, all surety bonds, contracts, ordinances, resolutions, and other legal documents and instruments; and examining and approving title to all real property to be acquired by the Air District.

(4) Serving as the appointing authority for all positions of employment in the Air District's Legal Division, with plenary and sole authority to hire, fire, discipline, layoff, supervise, and assign employees in that Office.

(5) Hiring outside legal counsel and related professional services when in the interests of the Air District. The General Counsel may execute contracts for legal services as provided for in Section 9.4(g).

(6) Carrying out other and additional duties as the Board of Directors may prescribe.

[Revised December 3, 2025]

8.3 Clerk of the Boards

The EO/APCO shall appoint a Clerk of the Boards. The Clerk of the Boards shall take the minutes, prepare the correspondence, assemble and distribute the agendas, post and deliver the meeting and hearing notices, keep the records, and generally provide administrative support for the Board of Directors and its committees, the Advisory Councils, and the Hearing Board, as required by law and as requested by the Chairperson and EO/APCO. The Clerk of the Boards shall be the sole entity authorized to accept

service of process on behalf of the Air District and its Board of Directors and Hearing Board.

8.4 Continuity Policy

In the event that either the EO/APCO or the General Counsel is temporarily unable to perform their duties, or if either position becomes vacant, the duties of that position shall be performed as specified in the Executive Leadership Continuity Policy adopted by the Board of Directors.

Section Nine. Fiscal Policies and Procedures

9.1 Treasurer

The Treasurer of the County of San Mateo shall be ex-officio Treasurer of the Air District and shall have the duties imposed by law.

9.2 Annual Audit

The Board of Directors shall contract with either a certified public accountant or the county auditor of one of the counties of the Air District to conduct an annual audit of the accounts and records of the Air District. The audit shall be conducted in accordance with generally accepted auditing standards for financial audits as specified in the Government Auditing Standards issued by the Comptroller General of the United States. A report of the audit shall be reviewed by the Board of Directors and shall be filed with the County Auditor of each of the counties within the Air District's jurisdiction, the State Controller's Office, and the U.S. Environmental Protection Agency, within twelve months of the end of the fiscal year under examination. (Government Code section 30200; Health and Safety Code section 40276.)

9.3 Adoption of Budget

(a) Budget Preparation

No later than the 15th day of January of each year, the EO/APCO shall start the preparation of the budget for submission to the Board of Directors via the Finance and Administration Committee.

(b) Presentation to Finance and Administration Committee

The EO/APCO, or their designee, shall present a proposed budget to the Finance and Administration Committee no later than March 31st for consideration by that Committee. The Committee may refer the proposed budget directly to the full Board of Directors, or it may request revisions to the proposed budget for consideration at a subsequent Committee meeting. The Finance and Administration Committee shall refer a proposed budget to the Board of Directors no later than April 30th.

(c) Adoption by the Board of Directors

(1) Notice

No less than thirty (30) days before any Board of Directors public hearing on the budget, the EO/APCO, or their designee, shall prepare and make available to the public a summary of the Air District budget and any supporting documents, including, but not limited to, a schedule of fees to be imposed by the Air District to fund its programs.

(2) Public Hearing to Review the Budget

Not less than two (2) weeks before the public hearing at which the budget is adopted, the Board of Directors shall hold a public hearing for the exclusive purpose of reviewing the proposed budget and providing the public with the opportunity to comment upon the proposed budget.

(3) Adoption of the Budget

The Board of Directors shall adopt the budget at a public hearing held not less than two weeks after the public hearing to review the proposed budget required under subsection 9.3(c)(2), but under no circumstances any later than the last day of June. (Health and Safety Code section 40130-40131.)

[Revised December 3, 2025]

9.4 Procurement and Contracting

(a) The EO/APCO shall maintain a Procurement Policy establishing procedures for conducting procurements consistent with public agency best practices, including competitive bidding, awarding, administering, and executing contracts for goods and services, leases, and other similar contractual agreements (collectively referred to herein as "contracts"). The EO/APCO may amend the policy as needed to implement an efficient and effective procurement program.

(b) The EO/APCO may execute contracts in an amount that does not exceed two hundred thousand dollars ($200,000). The EO/APCO shall report such contracts to the Board of Directors if they exceed one hundred thousand dollars ($100,000). Contracts in excess of two hundred thousand dollars ($200,000) must be approved by the Board of Directors.

(c) The EO/APCO may execute amendments to contracts (1) if the amount of the contract as amended does not exceed two hundred thousand dollars ($200,000), or (2) if the contract has previously been approved by the Board of Directors, the cumulative amount of all amendments since the last Board approval does not exceed the last Board-approved contract amount by more than two hundred thousand dollars ($200,000) or 25%, whichever is the lesser amount. All other amendments must be approved by the Board of Directors. The EO/APCO shall

report to the Board of Directors any amendments that (1) cause the amount of a contract as amended to exceed one hundred thousand dollars ($100,000), or (2) cause the amount of a contract already exceeding one hundred thousand dollars ($100,000) to increase by more than 25%.

(d) Notwithstanding any limitations in this Section 9.4, the EO/APCO may execute contracts for goods and services without prior approval by the Board of Directors in the event of a declared state of emergency that causes a need to immediately procure such goods or services to make repairs, to safeguard the lives or property of residents within the Air District jurisdiction or Air District employees or property, or to otherwise protect public health or welfare as a result of extraordinary conditions created by war, epidemic, weather, fire, flood, earthquake or other catastrophe, or the breakdown of any plant, equipment, structure, or public work. The EO/APCO may execute such a contract in an expeditious manner to the extent necessary to respond to the emergency; however, if the emergency permits, the EO/APCO shall obtain the approval of the Chairperson of the Board of Directors. The EO/APCO shall report to the Board of Directors on the execution of the contract as soon as practicably possible.

(e) Notwithstanding any limitations in this Section 9.4, the EO/APCO may execute renewal contracts for the following categories of goods and services without approval by the Board of Directors, including those exceeding two hundred thousand dollars ($200,000), provided the initial procurement was authorized under then-applicable provisions of the Administrative Code, including the use of appropriate required competitive processes: utilities; insurance; employee benefits (e.g., CalPERS, life insurance, etc.); fueling and charging of Air District vehicles; Bay Area Headquarters Authority common area and shared services expenses; real property leases and license agreements; software services (e.g. licenses, warranties, maintenance, and support); cloud based information infrastructure and services; OEM equipment warranties; and equipment leases.

For any contracts renewed in this manner, the EO/APCO shall report payments made under such contracts exceeding thirty thousand dollars ($30,000) in total in any fiscal year to the Board of Directors in connection with the quarterly financial reports. The provisions of this Section 9.4(e) apply to qualifying renewals of existing contracts only. Approval by the Board of Directors is required for all new contracts if the goods or services that will be purchased under the contract are anticipated to be greater than two hundred thousand dollars ($200,000).

(f) In circumstances where a contract is required to be executed independently from the EO/APCO, and no other Air District employee can appropriately execute the contract due to legal, confidentiality, or personnel reasons, or because other extenuating circumstances exist, the Chairperson of the Board of Directors may execute the contract on behalf of the Air District, with notification to the Board of Directors, if the amount of the contract does not exceed two hundred thousand

dollars ($200,000). Such contracts in excess of two hundred thousand dollars ($200,000) must be approved by the Board of Directors. In approving such contracts, the Board of Directors shall authorize and direct the Chairperson, the Vice-Chairperson, or another member of the Board of Directors to execute the contract on behalf of the Air District. In entering into contracts under this subsection 9.4(f), the Chairperson and the Board of Directors shall endeavor to follow public agency procurement best practices to the extent practicable.

(g) The General Counsel may execute contracts for outside legal counsel and related professional services as provided for in Section 8.2(b). The General Counsel may execute contracts for outside legal counsel and related professional services in the same manner in which the EO/APCO may execute contracts for general procurement under paragraphs 9.4(b) and 9.4(c) above, with the same limits on the dollar amounts of contracts and contract amendments that can be executed without further approval by the Board of Directors. In procuring outside counsel and related professional services, the General Counsel shall endeavor to follow public agency best practices to the extent practicable.

[Revised March 5, 2025 & December 3, 2025]

9.5 Acceptance of Grants and Gifts Made to the Air District

The Board of Directors must approve the acceptance of all grants and gifts made to the Air District of more than five hundred dollars ($500) in value. The Board of Directors may, in its discretion, approve the acceptance of multiple grants or gifts from a single source or entity in one blanket approval.

9.6 Grants of Air District Funds

(a) The EO/APCO shall develop for approval by the Board of Directors a Grants Policy for the awarding of grants of Air District funds. The EO/APCO shall ensure that all Air District grants comply with the Grants Policy as approved by the Board of Directors. The EO/APCO shall ensure that opportunities, qualifications, and criteria for applying for Air District grants are widely publicized, posted on the Air District's website, and provided to any person or entity who requests notice of such information, as provided for in the Grants Policy.

(b) The EO/APCO may approve the award of grants of Air District funding in an amount of up to two hundred thousand dollars ($200,000) per fiscal year per grantee, or up to five hundred thousand dollars ($500,000) for voluntary emissions reduction projects that are funded by state revenues and local vehicle registration fees. The EO/APCO shall report these grants to the Board of Directors. Awards of grants in excess of two hundred thousand dollars ($200,000) to a single grantee in a fiscal year, or five hundred thousand dollars ($500,000) for

voluntary emissions reduction projects that are funded by state revenues and local vehicle registration fees, must be approved by the Board of Directors. The Board of Directors may, in its discretion, approve such grants for an entire grant program in a blanket approval for that program.

9.7 Sponsorships

The EO/APCO shall develop for approval by the Board of Directors a Sponsorship Policy for the award of Air District funds to sponsor activities and events consistent with the Air District's mission, values and goals. The EO/APCO shall ensure that funds expended for sponsorships of such activities and events comply with the Sponsorship Policy as approved by the Board of Directors.

9.8 Agreements for Employee Compensation, Benefits

(a) The Board of Directors shall approve all employment and labor agreements regarding Air District employees. All such agreements shall be made available to the public and published on the Air District's website.

(b) The Board of Directors shall approve all contracts for health, retirement, or other employee benefits. All such contracts shall be made available to the public and published on the Air District's website.

(c) The Board of Directors shall approve the terms of all pay and benefits provided to Air District employees. The terms of such pay and benefits shall be made available to the public and published on the Air District's website.

9.9 Claims Against the Air District

(a) All claims against the Air District shall be filed with the Clerk of the Boards and the General Counsel. The Air District shall make available a claims form, which shall be published on the Air District's website and available upon request from the Clerk of the Boards, for purposes of advancing a claim.

(b) With the approval of the General Counsel, the EO/APCO may allow, compromise, or settle a claim or lawsuit against the Air District for an amount not to exceed fifty thousand dollars ($50,000). The EO/APCO shall report all such resolutions of claims to the Board of Directors. Any allowance, compromise or settlement of a claim or lawsuit in excess of fifty thousand dollars ($50,000) must be approved by the Board of Directors.

(Government Code section 935.4)

9.10 Electronic Signatures

(a) Definitions: The following definitions apply to this Section 9.10:

(1) "Electronic signature" has the same meaning as in Section 1633.2 of the California Civil Code.

(2) “Digital signature” has the same meaning as in Section 16.5 of the California Government Code.

(3) “Transaction” has the same meaning as in Section 1633.2 of the California Civil Code.

(4) “UETA” means the Uniform Electronic Transactions Act, commencing at Section 1633.1 of the California Civil Code.

(b) Electronic and Digital Signatures Accepted

(1) In any transaction with the Air District, in which the parties have agreed to conduct the transaction by electronic means, the Air District may use and accept an electronic signature, if the electronic signature complies with the UETA.

(2) In any written communication with the Air District, in which a signature is used or required, the Air District may use or accept a digital signature, if the digital signature complies with Section 16.5 of the California Government Code.

(3) The EO/APCO or their designee shall determine the documents for which the Air District may use and accept electronic signatures or digital signatures.

(c) Accepted Technologies

The EO/APCO or their designee shall determine acceptable technologies and vendors under this section to ensure the security and integrity of any data and signatures. In determining which technologies and vendors are acceptable for digital signatures, the EO/APCO or their designee shall comply with all applicable regulations, including, but not limited to, ensuring that the level of security used to identify the signer of a document and the level of security used to transmit the signature are sufficient for the transaction being conducted. In addition, to the extent necessary, the EO/APCO or their designee shall ensure that any certificate involved in obtaining a digital signature by the signer is sufficient for the Air District's security and interoperability needs.

Section Ten. Employment

10.1 Personnel Policies

The EO/APCO shall develop, maintain and administer personnel policies, which the EO/APCO may adopt and amend from time to time as the EO/APCO determines is most appropriate without the need for further approval by the Board of Directors. The EO/APCO shall compile such policies in a Personnel Policy Manual, which shall be made available to all employees.

10.2 EO/APCO Authority

The EO/APCO is authorized to make administrative decisions necessary to implement this Section 10. The EO/APCO’s authority includes, but is not limited to, the following:

(a) Discipline

The EO/APCO or designee has the authority to take any and all necessary disciplinary actions, including termination, to ensure the continuity and integrity of the Air District's functions and workplace.

(b) Early Release with Compensation

The EO/APCO has the authority to permit employees to leave work early with compensation.

(c) Underfilling of Positions

Instead of filling a vacant Board-approved position, the EO/APCO has the authority to temporarily substitute an alternate position with a lower classification in the same classification series in place of that vacant Board-approved position to allow for recruitment flexibility. This practice is referred to as underfilling. The EO/APCO may underfill the vacant Board-approved position by hiring, transferring or promoting an employee into the substituted lower-classification position instead of filling the vacant higher-classification position.

10.3 Salaries and Benefits

The Board of Directors shall annually (or as otherwise necessary) adopt and publish a salary schedule specifying the salary ranges for Air District employees and a benefits resolution specifying employment-related benefits.

The Board of Directors shall adjust salary ranges and employment-related benefits consistent with any Memoranda of Understanding entered into with represented employees or other agreements with Board-appointed employees or other parties.

10.4 Determination of Salaries for New Hires

Unless special conditions warrant otherwise, employees will be hired at the entrance salary of their position classification (Step A). An employee may be hired at Step B or C with written justification by the hiring supervisor and the approval of the EO/APCO. An employee may be hired at Step D or E with approval of the Finance and Administration Committee.

10.5 Y-Rating

When (i) an employee is transferred to a position with a lower salary than their current position or (ii) the salary of an employee's position is reduced for any reason, the EO/APCO may, with approval by the Board of Directors, maintain the employee at the salary they received before the transfer or reduction. This process is referred to as "Y-rating." A Y-rated employee will maintain the salary they received before the transfer or reduction, with no increase, until such time as the salary of their position exceeds the salary they received before the transfer or reduction. The salary of the Y-rated employee

will be increased only if the Board of Directors increases the salary for their position above the salary they received before the transfer or reduction, or if they become eligible for a higher salary because of a step increase, promotion or reclassification.

10.6 Reservation of Rights

The Board of Directors specifically reserves the right, subject to any meet and confer requirements, to, at any time, adjust, alter, change, delete, suspend or discontinue this Section 10, or any policies, procedures, benefits or programs, in whole or in part, to effectively meets the needs of the Air District and its employees.

10.7 At-Will Employment

(a) At-Will Employees

Employees in positions in the following classifications shall be at-will employees:

(1) Any individual appointed by the Board of Directors and employed under an employment contract, including the EO/APCO and General Counsel, who shall serve at the pleasure of the Board of Directors;

(2) Any individual appointed by the EO/APCO to the classification of Principal Deputy Executive Officer (PDEO), Deputy Executive Officer (DEO) or Assistant Deputy Executive Officer (ADEO), who shall serve at the pleasure of the EO/APCO;

(3) Any individual appointed by the General Counsel to the classification of Senior Assistant Counsel, who shall serve at the pleasure of the General Counsel.

(4) Any individual hired by the Air District as a Limited-Term Contract Employee (LTCE).

(b) Appointment and Termination of At-Will Employees

Appointments of the at-will employees identified in subsections (a)(1)-(a)(3) above need not include a competitive recruitment process and may be appointed directly by the appointing authority identified in subsections (a)(1)-(3), subject to budgetary approval.

Appointments of the at-will employees identified in subsections (a)(2) and (a)(3) above may be made at any salary step, notwithstanding any limitations in this Administrative Code, including Section 10.4 above; and after appointment, the EO/APCO may adjust the employee's salary step at any time based on performance, without regard to the length of time since the employee's last step increase.

At-will employees serve at the pleasure of the appointing authority and may be terminated for any reason or for no reason, with or without prior notice, and with no right to appeal or grieve any disciplinary action or termination regardless of whether they held

a prior position in the Air District. In addition, at-will employees may be appointed for a fixed term of employment, and in such cases the employee will be separated at the expiration of that term (unless the employee has return rights to a prior position pursuant to subsection 10.7(c) below or said term is extended by the identified appointing authority). Except as expressly provided in subsection 10.7(c) below, at-will employees separated from an at-will position shall have no right to return to any other Air District position, regardless of seniority or tenure. At-will employees are not subject to any Layoff and Recall provisions in any provision of any Air District code or policy.

(c) Return Rights for Specified At-Will Employees

Notwithstanding Section 10.7(b) above, employees who were appointed to the DEO or Senior Assistant Counsel classification prior to June 1, 2023, shall be entitled to return to a vacant position in the last classification they held prior to their appointment to the DEO or Senior Assistant Counsel classification, and at the same salary step they held prior to their appointment to the DEO or Senior Assistant Counsel classification. Reinstatement to the vacant position shall occur upon the termination of their appointment to the DEO or Senior Assistant Counsel classification, whether that occurs (1) at the end of a specified term, (2) due to their voluntary request to vacate the classification, or (3) at the discretion of the General Counsel or EO/APCO.

(1) For a DEO, if no vacant position exists in the employee's previously-held classification or if they did not serve in a previous classification, the employee shall be offered alternate employment at the discretion of the EO/APCO. Employees under this provision will be placed at the salary step closest to the current pay for the position they held immediately prior to their appointment to the DEO classification, or at the discretion of the EO/APCO.

(2) For a Senior Assistant Counsel, the employee will be placed in an Assistant Counsel position. In the event a Senior Assistant Counsel returns to an Assistant Counsel position under this paragraph, the returning Senior Assistant Counsel will be placed at the highest Assistant Counsel salary step for which they would have been eligible based on length of service if they had remained in their original Assistant Counsel position.

(3) Employees with return rights pursuant to this Subsection 10.7(c) are subject to discipline up to and including suspension while in the classification of DEO or Senior Assistant Counsel without appeal. However, if the Air District seeks to terminate such an employee, the employee will first be removed from the DEO or Senior Assistant Counsel classification and returned to an Air District classification with appeal rights pursuant to subsection 10.7(c)(1) or 10.7(c)(2) above. Discipline imposed on an employee in a Deputy Executive Officer or Senior

Assistant Counsel classification may be used for purposes of progressive discipline after such return.

10.8 Limited-Term Contract Employees

(a) Limited-Term Contract Employee Defined

Limited-Term Contract Employee (LTCE) means any person employed at-will by the Air District to work on one or more specific projects of limited duration, or for a specified period of time, and whose limited-term employment with the Air District is expected to terminate at the conclusion thereof.

(b) LTCE Employment

LTCE may be subject to a fixed term of employment and will be separated at the expiration of that term, unless the term is extended. LTCE are not subject to a probationary period and are not subject to any Layoff and Recall provisions in any provision of any Air District code or policy. They do not have the right to appeal or grieve any disciplinary action.

(c) Conversion to Permanent Status

Non-Competitive Appointment Eligibility: Unrepresented employees in LTCE positions may be appointed to an unrepresented permanent position without a competitive recruitment.

Return Rights: Unrepresented employees in LTCE positions may be granted the right to return to the permanent position they held prior to the LTCE assignment upon completion of said assignment.

10.9 Classification Plan

The Board of Directors shall adopt and maintain a Classification Plan that organizes Air District positions into classifications based on each position's assigned duties and responsibilities and the qualifications necessary to successfully perform the work. The Classification Plan shall specify the classifications that are included in each Representation Unit established pursuant to the Air District's Employer-Employee Relations Resolution.

The EO/APCO or designee shall periodically review the Classification Plan to ensure that each position in the Air District is properly classified, and shall recommend to the Board of Directors any updates necessary. The EO/APCO may make minor, non-substantive changes to the Classification Plan, such as correcting typographical or grammatical errors, updating job titles, and clarifying terminology, without further approval by the Board of Directors.

10.10 Units

Air District staff belong to one of the following five Units, as established in accordance with the Air District's Employer-Employee Relations Resolution:

(a) Technical/General Unit

The Technical/General Unit consists of employees in clerical classifications, which are employees engaged in administrative support activities including internal and external communication, recording and retrieval of data and/or information and other paperwork required in an office, such as Office Assistant, Accounting Assistant and employees in the technical classifications, which are employees engaged in work requiring scientific or technical knowledge and manual skills attained through college training or through on the job training, such as inspectors, laboratory technicians, and instrument specialists, except for employees included in the Confidential Unit.

(b) Professional Unit

The Professional Unit consists of employees in professional classifications, which include employees engaged in work requiring specialized knowledge and skills attained through completion of a recognized course of instruction, including, but not limited to, accountants, engineers, planners, meteorologists, statisticians, and the various types of physical, chemical and biological scientists.

(c) Confidential Unit

The Confidential Unit consists of employees in legal services classifications and personnel classifications, Executive Assistants, and employees who are privy to the decision-making process of Air District management or the Board of Directors affecting employee and labor relations matters.

(d) Management Unit

The Management Unit consists of employees in management classifications, including the EO/APCO, Deputy Executive Officers, Assistant and Principal Deputy Executive Officers, Division Directors, Officers, Managers, General Counsel, Senior Assistant Counsel and Staff Attorneys.

(e) Attorney Management Unit

The Attorney Management Unit consists of Assistant Counsels in the Attorney Manager classifications.

Section Eleven. Conflicts of Interest Code

11.1 Conflict of Interest Code

Pursuant to Government Code section 87300, the Board of Directors shall, by resolution, adopt and maintain a Conflict-of-Interest code.

Section Twelve. California Environmental Quality Act ("CEQA")

12.1 CEQA Regulations

Pursuant to Public Resources Code section 21082, the Board shall adopt procedures for the evaluation of projects and the preparation of environmental impact reports and negative declarations required under the California Environmental Quality Act.

Section Thirteen. Transition Provisions, Interpretation of the Code.

13.1 Previous Administrative Code Repealed

This Administrative Code replaces the Air District's previous Administrative Code, Divisions I and II of which were repealed effective January 1, 2024, and Division III of which was repealed effective *[insert date of adoption]*.

Employees represented by a labor organization recognized by the Air District's Board of Directors as their exclusive bargaining representative, shall be governed by applicable Memoranda of Understanding (MOU) between the Air District and the recognized labor organization. In the event of a conflict between this Administrative Code and a Memorandum of Understanding applicable to a represented employee, the MOU shall prevail with respect to that employee.

13.2 Obligations of Contract Not Impaired

All rights, claims, actions, orders, obligations, proceedings, bond authorizations, and contracts existing on the operative date of this Administrative Code shall not be affected by the adoption of this Administrative Code.

13.3 Effect of Headings

Section headings contained in this Administrative Code do not constitute any part of the law. Citations to state law are provided for reference only.

13.4 Severability

If any section, subsection, sentence, clause, word, or phrase of this Administrative Code is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Code. The Board of Directors hereby declares that it would have adopted this Administrative Code and each section, subsection, sentence, clause,

word, and phrase it contains, irrespective of the fact that one or more sections, subsections, sentences, clauses, words, or phrases may be held invalid.

Revision History

This Administrative Code was adopted by the Board of Directors on November 15, 2023 (Resolution No. 2023-24) and took effect on January 1, 2024. Since initial adoption, the Administrative Code has been amended as follows:

Date	**Provisions Affected**
March 5, 2025	Section 9.4 – Procurement and Contracting
December 3, 2025	Section 3.4 – Appointments to Committees Section 8.2 – Air District General Counsel Section 9.3 – Adoption of Budget Section 9.4 – Procurement and Contracting
February 4, 2026	Table of Contents Section 3.2(b) – Standing Committees, Finance and Administration Committee Section 10.1-10 – Employment (new) Section 11 – Conflicts of Interest Code (renumbered) Section 12 – California Environmental Quality Act ("CEQA") (renumbered) Section 13.1 – Previous Administrative Code Repealed

BAY AREA AIR QUALITY MANAGEMENT

MEETING COMPENSATION AND EXPENSE REIMBURSEMENT POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS, COMMUNITY ADVISORY COUNCIL, ADVISORY COUNCIL, AND HEARING BOARD

This Meeting Compensation and Expense Reimbursement Policy ("Policy") is established by the Board of Directors of the Bay Area Air Quality Management District ("Air District") to provide a single, common policy to govern compensation and expense reimbursement for members of the Air District's legislative bodies. This Policy will promote consistency and ease of use by the members of these bodies and by Air District staff who administer compensation and expense reimbursement for these bodies.

This Policy governs compensation and expense reimbursement for members of the Air District's Board of Directors, Community Advisory Council ("CAC"), Advisory Council, and Hearing Board. As used herein, "Member" refers generically to all members of any of these legislative bodies. Where it is necessary to refer to the members of a body specifically, they are referred to as "Board of Directors member," "CAC member," "Advisory Council member," and "Hearing Board member", respectively.

The first section of this Policy addresses the types of meetings for which Members are entitled to claim compensation and expenses. It also provides the procedures by which Members must obtain prior authorization to attend such meetings, for meetings where such authorization is required. Given the difference among the legislative bodies governed by this Policy, the policies and procedures regarding approved meeting attendance vary somewhat among the four bodies.

The second section of this Policy addresses the types of actual and necessary expenses for which Members are entitled to reimbursement in connection with approved meeting attendance. These policies and procedures are the same for all Members of all four legislative bodies.

Section One: Authorized Meetings for Which Members Can Claim Compensation and Expenses

Pursuant to the Air District's Administrative Code and relevant provisions of California law, it is the policy of the Bay Area Air Quality Management that Members of the Air District's Board of Directors, Community Advisory Council, Advisory Council, and Hearing Board are entitled to receive compensation for meeting attendance at the rates set forth in the Administrative Code. Compensation for meeting attendance is intended to compensate Members for the time they spend preparing for, traveling to, and attending meetings on behalf of the Air District. Providing compensation for Members' time spent on this work recognizes the value of the important work that Members perform on behalf of the public in furthering the Air District's mission.

The Air District's policies for the types of meetings for which Members are eligible for compensation are set forth below for each of the four legislative bodies governed by this Policy.

1.1 Board of Directors

1.1.1 Board and Committee Meetings

Members of the Board of Directors are entitled to compensation and expense reimbursement for attendance at all meetings of the Board of Directors and of the Board's standing and ad hoc committees, without any need for prior approval. As provided in Section 2.9(c) of the Administrative Code, in order for members to be eligible for compensation for meetings of the Board and Board committees, they must arrive for the meeting no later than 30 minutes after the scheduled beginning of the meeting and must be present for at least three quarters (¾) of the total meeting time, including closed session time.

1.1.2 CARB Representative Attendance at CARB Meetings

As provided for under Health & Safety Code section 39512.5, a member of the Board of Directors who is appointed to serve on the California Air Resources Board pursuant to Health & Safety Code section 39510(d)(2) is entitled to expense reimbursement for attending official meetings of the California Air Resources Board (including meetings of its committees, advisory groups, and other bodies that constitute "state bodies" under California Government Code section 11121 of which they are a member); and if the member is an elected public official, they are also authorized by the Board of Directors to receive one hundred dollars ($100) for each day, or portion thereof, spent attending such meetings, not to exceed one thousand dollars ($1,000) in any month.

1.1.3 Other Meetings

For meetings other than Board, Board committee and California Air Resources Board meetings authorized under Sections 1.1.1 and 1.1.2 above, in order to be entitled to compensation and expense reimbursement, a Board member's attendance at the meeting must be (i) recommended by the APCO and (ii) authorized by the Board of Directors. For all in-state meetings, the Chairperson is delegated the power to authorize Board member attendance on behalf of the Board of Directors. For all out-of-state meetings, including international travel to meetings in other countries, the full Board of Directors must vote to authorize Board member travel. Board members must obtain authorization prior to travel, except in the case of an unexpected or urgent need to travel, in which case a Board Member may obtain the approval of the Chair, in writing, before any travel expenditures are incurred. Such approval must be reported to and ratified by the Board of Directors at the Board's next meeting.

The Board of Directors (or Chairperson on the Board's behalf) may authorize attendance by Board members only for meetings that are related to the Air District's mission and where attendance by the Board member will further that mission. The types of meeting attendance that may be authorized under this Policy include (but are not limited to):

- Attending meetings with local representatives in Sacramento or Washington DC with Air District Staff for legislative advocacy purposes.
- Attending the AWMA Conference as an Air District representative.
- Attending other air quality-related conferences as an Air District representative.
- Attending the annual COP Climate Conference as an Air District representative.

(NOTE: Justified travel is not limited to the list provided above. This list is provided for reference purposes only and includes the most common examples of justified travel. All trips must be preapproved, regardless of whether they are included on this list.)

For out-of-state and international travel to attend conferences, conventions, legislative advocacy trips and other compensable and reimbursable meetings covered by this Policy, the Chairperson shall nominate Board members to attend such events for approval by the Board of Directors. In making such nominations, the Chairperson shall solicit the interest of Board Members and consult with the Executive Officer/Air Pollution Control Officer ("APCO") and any other relevant Air District staff to ensure compliance with this Policy.

The Chairperson and Vice-Chairperson shall have priority to represent the Air District at any event where attendance is limited or capped due to cost or capacity. In considering which other Board Members may be selected for travel, or who shall represent Air District in the stead of the Chairperson and Vice-Chairperson, the Chairperson shall consider, at a minimum, all the following:

- The history of attendance and participation by Board members at regular Air District Board and Committee meetings.
- The length of service on the Board by a Board member.
- The prior opportunities to travel and represent Air District by Board members.
- The relevance or appropriateness of Board members' committee assignments to the nature and purpose for the travel.
- Opportunities for the professional growth or development of new Board members.
- The relevance and purpose of a meeting or agenda to the home jurisdiction of Board members.
- Equitable considerations that would elevate or include the voices of marginalized members of the Bay Area.

Additionally, the Chairperson shall have the authority to recommend non-Board-members for inclusion in Air-District-related travel. In making such a recommendation, the Chairperson shall demonstrate how and why the recommendation fulfills the mission of Air District and is consistent with the goals of the Board of Directors and the agency.

Any Board member authorized to travel on behalf of Air District pursuant to this section shall provide a brief written report on their travel on the Travel Report Back Form. The

Chairperson of the Board may also request that Board members who represent the Air District at meetings, conferences, or other events provide an oral report on their participation and experience to the Board of Directors.

1.1.4 Active Transportation Travel

As provided for in Section 2.9(d) of the Administrative Code, Board of Directors members are entitled to compensation for active transportation travel to and from authorized meetings. Payments under this provision for active transportation travel is compensation, not a reimbursement for travel expenses.

1.1.5 Annual Limit on Compensation

Under California law and Section 2.9(c) of the Administrative Code, Board members are subject to a limit of $6,000 per year in total combined compensation for meeting attendance of all types under this Section 1.1 (excluding any payments to the Air District's representative to the California Air Resources Board under Section 1.1.2).

1.2 Community Advisory Council

1.2.1 CAC Meetings

CAC members are eligible to receive stipends for participation in meetings of the full CAC, currently occurring every other month (bi-monthly). The Air District will provide a stipend of five hundred dollars ($500)[1] to travel to and from the meeting, prepare for and participate in the meeting, and everything else related to the bi-monthly CAC meetings. The five-hundred-dollar ($500) stipend for each CAC meeting is intended to cover time spent during the meeting and to fully prepare for and participate in CAC meetings. This shall include any Air District trainings and educational events hosted by the Air District in advance of a full CAC meeting. Trainings and educational activities made available to CAC members in preparation for CAC meetings are not compensated separately from the CAC stipend. The time preparing for and participating in the meeting is not to exceed ten (10) hours.

1.2.2 Co-Chair Meetings, Ad-Hoc and Standing Committee Meetings, Staff Working Groups, and Other Authorized Meetings and Activities

In compliance with the Brown Act, Co-Chair meetings and Ad Hoc Committee meetings are held virtually, standing Committee meetings must have quorum in-person, other required meetings (consisting of less than a quorum) may be held in-person or virtually. Co-Chairs are compensated at seventy-five dollars ($75) per hour[2] to attend Co-Chair and Board meetings, up

[1] Stipend is in alignment with the stipend the California Air Resources Board (CARB) provides to the Environmental Justice Advisory Committee.

[2] The Air District uses as a guide the living wage in San Francisco, California for a household of three ($75/hour at the time of this publication) to determine an equitable community stipend amount.

to a maximum of fifteen (15) hours per month. CAC members of an Ad Hoc Committee or standing Committee are compensated at seventy-five dollars ($75) per hour to attend committee meetings, up to a maximum of eight (8) hours per month.

CAC members may participate in other Air District business related to the CAC, including staff working groups, grant and scholarship application review, and hiring panels, upon written approval by the Deputy Executive Officer of Equity and Community Programs or the CAC Officer, up to a maximum of eight (8) hours per month.

CAC members are eligible for compensation only for time spent in meetings or working on compensable activities. Members will not be compensated for travel time or meeting preparation time. To be eligible for compensation for participation in a meeting, a member must be present in the meeting as set forth above. Compensation will be pro-rated based on time spent in the meeting. For example, if a member attends only 30 minutes of a one-hour meeting, they will receive only 50% of the hourly rate, or $37.50.

1.2.3 Other CAC Member Activities

Every fiscal year, each CAC member can apply for up to one thousand dollars ($1,000) in funding to support their participation in events, activities, or services the CAC Co-Chairs and Air District Project Lead agree fulfils the mission of the Air District and purpose of the CAC. For example, the CAC may provide funding to send a CAC Member to a regional conference and the stipend would cover their time to attend conference sessions. Another example may be to pay a member of the CAC for research or work related to the Committees, above and beyond meeting attendance. The stipend is intended to cover pre-approved costs related to the work of the CAC up to $1,000 and shall be calculated at $75 per hour for time spent on the proposed activity. It is the responsibility of the CAC member to make a request for funding at an appropriate level of funding. Requests should be submitted to the Air District Project Lead thirty (30) days in advance of the proposed activity. When a Co-Chair makes a request, they shall recuse themselves from the approval process and the decision to approve the funding request will be made by the other Co-Chairs. When the CAC only has one Chair, and they make a request for funding, it must be approved by the full body of the CAC. Neither the CAC nor the Air District will be responsible for covering costs beyond the member's estimated expenses and up to a maximum of $1,000. CAC Members must file a reimbursement for the approved $1,000 stipend within the applicable fiscal year and are not eligible for additional funding from the "other activities" category until the next fiscal year. Unused funding will not roll over to the next fiscal year. This funding is only available to the CAC during the first nine (9) months of the fiscal year or until the amount budgeted in the CAC's Board-approved budget is exhausted, whichever comes first. The CAC Co-Chairs reserve the right to reallocate unused funding from this budget item after 9 months for any purpose related to the operations of the CAC.

For CAC members who wish to use all or part of the $1,000 funding available for CAC-related activities to attend conferences, conventions, or similar meetings, such meetings are eligible if (i) the meeting is directly related to the mission of the Air District and consistent with

the purpose of the CAC; (ii) the CAC Member is attending as a representative of the Air District; and (iii) the CAC member has received preapproval pursuant to this Section 1.2.3. For in-state meetings, the designated CAC Co-Chair, in agreement with the APCO, may authorize CAC member attendance on behalf of the Air District. For all out-of-state meetings, including international travel to meetings in other countries, the Community, Equity, Health and Justice Committee must authorize CAC member travel. CAC members must obtain authorization prior to travel, except in the case of an unexpected or urgent need to travel, in which case a CAC member may obtain the approval of the designated CAC Co-Chair and the APCO, in writing, before any travel-related expenditures are incurred. Such approval must be reported to and ratified by the Community, Equity, Health and Justice Committee at that Committee's next meeting.

Meeting attendance may be authorized under this Section 1.2.3 only for meetings that are related to the Air District's mission and consistent with the purpose of the CAC and where attendance of the CAC member will further that mission.

For out-of-state and international travel to attend conferences, conventions, and other compensable and reimbursable meetings covered by this this Section 1.2.3, the CAC Chair/Co-Chairs shall nominate CAC members to attend such events for approval by the Community Equity, Health, and Justice Committee. In making such nominations, the CAC Chair/Co-Chairs shall solicit the interest of CAC Members and consult with the Executive Officer and any other relevant Air District staff to ensure compliance with this Policy.

The CAC Chair or Co-Chairs shall have priority to represent the Air District at any event where attendance is limited or capped due to cost or capacity. In considering which other CAC members may be selected for attendance, or who shall represent the Air District, the CAC Chair/Co-Chairs shall consider, at a minimum, all the following:

- The history of attendance and participation by the CAC member at regular CAC, Co-Chair meetings, and Ad Hoc Committee Meetings (if the CAC member is a member of an Ad Hoc Committee).
- The length of service on the CAC by a CAC member.
- The prior opportunities to travel and represent the Air District by the CAC member.
- The relevance or appropriateness of the CAC member's committee assignments to the nature and purpose for the travel.
- Opportunities for the professional growth or development of new CAC members.
- The relevance and purpose of a meeting or agenda to the home jurisdiction of the CAC member.
- Equitable considerations that would elevate or include the voices of marginalized members of the Bay Area.

Additionally, the CAC Chair/Co-Chairs shall have the authority to recommend non-CAC-members for inclusion in Air-District-related travel. Non-CAC-members must live in an

overburdened community within the 9-County Bay Area. The recommended non-CAC-member cannot be a family member of any CAC member. In making such a recommendation, the Chair/Co-Chairs shall demonstrate how and why the recommendation fulfills the mission of the Air District and is consistent with the purpose of the CAC and agency.

Any CAC Member authorized to attend a meeting(s) on behalf of the Air District pursuant to this section shall provide the CAC with a brief, written report on their travel on the Travel Report Back Form. Any Co-Chair may also request that a CAC member who represents the Air District at a meeting, conference, or other event provide an oral report on their participation and experience to the full CAC at the bi-monthly meeting following the CAC member's return.

1.2.4 Annual Limit on Compensation for CAC-Related Activities

An annual cap of $15,000 per calendar year applies to compensation for all CAC-related activities under sections 1.2.1 through 1.2.3 and cannot be exceeded.

1.3 Advisory Council

1.3.1 Advisory Council Meetings

Members of the Advisory Council are entitled to compensation and expense reimbursement for attendance at all Advisory Council meetings.

1.3.2 Other Meetings

Members of the Advisory Council are entitled to compensation and expense reimbursement for attendance as a representative of the Council at technical conferences and similar meetings directly related to the work of the Council if and only if authorized in advance by the Board of Directors. Any Advisory Council member authorized to attend such a meeting as a representative of the Council pursuant to this section shall provide a brief, written report of the meeting to the Board of Directors and Advisory Council on the Travel Report Back Form. The Chairpersons of the Board of Directors and Advisory Council may also request that a Council member who attends such a meeting as a representative of the Advisory Council provide an oral report on their participation and experience to the Board of Directors or Advisory Council, respectively.

1.4 Hearing Board

1.4.1 Hearing Board Hearings and Meetings

Hearing Board members are entitled to compensation and expense reimbursement for attendance at hearings and other meetings of the Hearing Board.

1.4.2 Other Meetings

Hearing Board members are entitled to compensation and expense reimbursement for attendance at meetings of the Board of Directors or Advisory Council as a representative of the Hearing Board when their attendance is requested by the Board of Directors or Advisory Council.

Section Two: Procedures for Claiming Reimbursement for Actual and Necessary Expenses Incurred in Connection with Meeting Attendance

It is the policy of the Bay Area Air Quality Management that Members of the Air District's Board of Directors, Community Advisory Council, Advisory Council, and Hearing Board are entitled to receive reimbursement for actual and necessary expenditures incurred in connection with the performance of their official duties for the Air District, as provided for in the Air District Administrative Code and by state law. The guiding principle of this policy is that travel and other expenditures incurred by Members while working on behalf of the Air District and its boards and councils must be in the public interest. Pursuant to California Government Code section 53232.2, this Expense Reimbursement Policy establishes guidelines for expenditures authorized as business travel expenditures and other business expenditures and incurred by Members in the course of their duties.**General Procedures and Responsibilities**

Members are entitled to reimbursement for actual and necessary travel and other expenses under this Policy only for justified business travel in connection with attending meetings authorized under Section I above.

Members will be entitled to reimbursement for all actual and necessary expenditures while traveling on authorized agency business. Expenditures should be paid with a personal credit card or cash. Advances are not allowed. A list of non-reimbursable expenditures is included in Section 2.9 below. Actual receipts are almost always required except where otherwise stated in this Policy.

When a Member combines business and personal travel on a business trip, the Member will be responsible for the additional charges related to the personal travel. Only the Member's direct travel expenditures are eligible for reimbursement. The Air District will not provide reimbursement for travel expenditures incurred by a spouse or any another individual traveling with the Member.

Requests for reimbursement of expenditures must be submitted on the authorized Air District Expense Reimbursement Form within 30 calendar days after the conclusion of the trip. Receipts must be provided for all expenditures (other than incidentals that typically do not result in a receipt such as tips). Any reimbursement or payment issued by the Air District that is

subsequently refunded to the Member by a third party must be repaid to the Air District within 30 calendar days of receipt of the refund.

Only the APCO can override and approve specific cost items that would otherwise be ineligible for reimbursement under this Policy, and only when it is in the best interests of the Air District to do so. Any reimbursement of an expenditure that requires the waiver of any provision of this Policy by the APCO must be reported for informational purposes to the authority responsible for approving the Member's meeting attendance pursuant to Section I of this Policy.

Expense reimbursement documents will be audited from time to time and are public records subject to disclosure under the California Public Records Act.

2.2 Air Travel

Members flying on Air District business for which they will seek reimbursement should make reservations as early as possible to minimize costs.

For domestic air travel with a flight duration of four hours or less, airfare should be purchased for coach/economy seats only, at the lowest possible cost that provides a practical flight itinerary and meets the requirements of the trip. First and business class airfare is not a reimbursable expenditure, nor are upgrades from the lowest coach/economy fare to "economy plus" seats (or equivalent), or to first or business class. If a Member purchases a first- or business-class ticket, they will be eligible for reimbursement for the amount of the lowest available coach/economy fare only.

For domestic air travel with a flight duration of more than four hours, as well as for international travel, airfare may be purchased at the "economy plus" fare/seats. First- and business-class airfare is not reimbursable, nor are upgrades to first or business class. If a Member purchases a first- or business-class ticket, they will be eligible for reimbursement for the lowest available "economy plus" fare only.

Members are entitled to reimbursement for regular baggage fees charged pursuant to applicable airline policy. Excess baggage charges will be reimbursed only when the Member is traveling with heavy or bulky materials or equipment necessary for the Air District business for which the travel is being undertaken.

2.3 Hotel Accommodations

When making hotel reservations, Members must use the approved Per Diem Rates for lodging published on the General Services Administration (GSA) website (www.gsa.gov) for the location of the stay plus 25%, to determine the maximum hotel accommodation expenditure that Air District will reimburse per night, plus any applicable taxes.

Members should use hotels where government rates are available. Hotels that subscribe to a "green" standard must be utilized where available.

If the hotel stay is in connection with a conference or training activity, the cost should not exceed the maximum group rate published by the conference or activity sponsor. Inquiries should always be made about any special rates or discounts available to Air District by the hotel, such as governmental rates, to get the best rate possible.

If accommodations are shared with individuals who are not traveling on Air District business, the Member is responsible for the payment of any rate difference between the single occupancy room rate and actual rate incurred.

Resort or facility use fees imposed by the hotel, such as fitness center fees and internet connection fees and business center charges incurred for performing Air District work, are allowable as reimbursable business-related expenditures.

Hotel self-parking fees are also allowable as reimbursable business-related expenditures, however, the cost of parking at the hotel should be considered when deciding whether to rent a vehicle or use public transportation (see Transportation discussion below). Valet parking fees will not be reimbursed.

2.4 Rental Vehicles

Reimbursement for rental of cars or other vehicles while traveling on Air District business is limited to those circumstances where the need for a vehicle for business purposes is expected to be extensive, or the use of taxi services or public transportation would not be economical or practical. Members who operate vehicles on Air District business must have a valid driver's license and proof of insurance in their possession and must also have a good driving record.

In the event a rental vehicle is required, Air District will reimburse for a "Standard Class" size vehicle or alternative fuel vehicle, except when there are justifiable circumstances, such as group requirements, that make a larger vehicle necessary. Alternative fuel vehicles should be used when available, even if the cost triggers a surcharge or exceeds the cost of a non-alternative-fuel vehicle.

The Air District holds liability insurance to cover third parties in case a Member injures someone or causes property damage to another vehicle while renting a car or driving his/her own personal vehicle while engaging in Air District business. Accordingly, rental car insurance is not an allowable reimbursable expenditure.

Rental cars should be returned with a full tank of gas to avoid refueling fees. The cost of gas for rental cars is an allowable expenditure under this policy.

2.5 Event Registration Fees

If a Member obtains authorization as provided in Section One to attend a conference, convention, seminar, or similar event for which a registration fee is required, the Member is eligible for reimbursement of such registration fee(s).

2.6 Meals While Traveling

One-Day Travel: Meals are NOT an allowable reimbursable expenditure for one-day travel unless such travel is more than 25 miles one way from either the Bay Area Metro Center or the Member's personal residence.

Multiple-Day Travel: For multiple-day travel, meals will be reimbursed at the lesser of:

i) Actual reasonable cost (including applicable taxes and reasonable tip), or

ii) The Per Diem Rates for meals located on the GSA website (www.gsa.gov) for the location of the stay plus 25%. Note that separate rates are provided for Breakfast, Lunch and Dinner. For travel days where a Member has traveled more than 12 hours but less than 24 hours, the Per Diem Rate shall be 75% of the GSA rate for the destination.

If the actual cost method is used, an original itemized receipt must be submitted with the expense report form. If meals are provided by an event or conference the cost for which is paid by Air District, then no separate reimbursement is allowed for that meal. A Member who pays the bill for a meal attended by more than one Member or Air District employee may submit the expenditure with receipt for the combined meal cost, but all attendees' names must be included on the expense report form. Only costs related to Members and Air District employees' meals are eligible for reimbursement. Costs incurred for any other person at such a meal (including applicable taxes and appropriate allocation of any tip) must be deducted from the amount of the requested reimbursement.

Members who claim the allowable Per Diem Rate from the GSA website should print the page for the location of the meeting or conference from the website to attach to their expense report form. In addition, they should retain their actual receipts to substantiate out-of-pocket expenses in the event of an audit by the State or IRS.

Alcoholic beverages are not a reimbursable expenditure. Alcoholic beverages may appear on the itemized receipt for a meal, but the charge (including applicable taxes and appropriate allocation of any tip) must be deducted from the amount of the requested reimbursement.

Entertainment expenditures, including but not limited to meals unrelated to the Member's Air District business, movies, shows, etc., are not reimbursable expenditures.

2.7 Other Meals

Expenditures for business meals other than meals during travel, such as meals with other elected officials where Air District business is discussed, must be preapproved by the APCO. To

obtain reimbursement for such expenditures, the following documentation is required and must be recorded on the expense report form or backup documentation:

i. Names of individuals present along with their titles and affiliation,

ii. Name and location of where the meal took place,

iii. Exact amount and date of the expenditure, and

iv. Specific Air District-related topics discussed.

2.8 Miscellaneous Travel Expenses

Ordinary, reasonable, and necessary miscellaneous expenditures are reimbursable at actual cost when accompanied by itemized receipts and justification for the expenditures including Wi-Fi, phone, fax, and similar expenses.

In-Flight Communications: In-flight phones and Wi-Fi services should be used only in emergency situations.

Tipping: Reasonable and customary tipping rates are reimbursable. In the US 15-20% gratuity on meals, up to a $3 baggage handling gratuity, and up to $5 per day housekeeping gratuity are considered reasonable and are allowable. (Receipts for baggage and housekeeping gratuities are not required for reimbursement.)

Transportation: Fares and expenditures for taxis, shuttles, buses, BART, or other public transportation (including Uber, Lyft or similar services) are reimbursable when incurred for Air District business. Receipts should be obtained whenever possible, but expenditures are still eligible for reimbursement when a receipt is unavailable. If a receipt is not available, a printout from the transportation agency showing the fare must be submitted for reimbursement (e.g., a printout from the BART website showing the total fare for the trip taken). Members should apply prudent business judgment in determining the means of transportation to use.

Personal/Private Vehicle Usage: Members' use of a personal/private vehicle is reimbursable at the mileage rate established by the IRS, which can be found at www.irs.gov. Details on the date of travel, starting and ending destinations, purpose of travel, miles driven, tolls and parking costs (receipt required when possible) incurred must be provided on the expense report form. A printout from a map website such as Google Maps should be used to determine the total miles driven and must be submitted with the expense report form. Members who operate vehicles on Air District business must have a valid driver's license and proof of insurance in their possession, and a good driving record.

2.9 Non-Reimbursable Expenditures

Non-reimbursable expenditures include but are not limited to:

Airfare upgrades or rental car upgrades

Air phone charges (except in emergencies)

Alcoholic beverages
Business class airfare
Entertainment expenditures
Expenditures incurred by/for spouses or other travel companions
Expenditures related to personal days while on Air District travel
First class airfare
Interest incurred on credit cards
Loss due to theft of cash or personal property
Lost baggage or briefcase
Meeting room rentals (when not for Air District business)
"No show" charges for hotel or car service
Optional travel or baggage insurance
Parking or traffic tickets or fines
Personal items
Reading material such as magazines, books and newspapers
Rental car insurance
Valet parking fees

(NOTE: Non-reimbursable expenditures are not limited to the list provided above. This list is provided for reference purposes only.)

2.10 Forms

The Travel and Expense Reimbursement Forms and Member Travel Report Back Form are kept by the Clerk of the Board.

2.11 Receipts for Expenses

Members must submit vouchers or receipts for all necessary and incidental expenses over $10.00 such as parking charges and fuel costs. Vouchers or receipts need not be presented for meal expenses and hotel accommodations.

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Fiscal Year 2026–2027 Mid-Year Budget Request and Proposed Staffing Modifications

RECOMMENDED ACTION

Adopt mid-year budget modifications and authorize $261,927 in funding sources to fund proposed staffing modifications to align with operational priorities.

BACKGROUND

Air District staff periodically review the agency's organizational structure, staffing, and operations to ensure they align with strategic plan priorities, regulatory requirements, and emerging business needs. Since the adoption of the Fiscal Year Ending (FYE) 2027 Budget on June 3, 2026, Air District staff have identified staffing and operational needs that warrant mid-year budget adjustments.

DISCUSSION

To effectively address staffing and operational needs and to better align with the strategic plan priorities, Air District staff propose to add/delete nine (9) positions, transfer three (3) positions, and reclassify three (3) positions.

The attached table (Attachment A) summarizes the proposed modifications to eight (8) full-time equivalent (FTE) positions. The recommended changes result in a net annual cost of approximately $286,524, which will be funded primarily through the General Fund, with grant funding sources supporting eligible positions where applicable. The estimated fiscal impact associated with these staffing modifications is presented on the attached table.

In addition, the attached table (Attachment B) summarizes the proposed staffing modifications for seven (7) Limited-Term Contract Employee (LTCE) positions. The recommended changes result in a net annual savings of approximately ($24,597). LTCE positions will be funded through eligible grant sources, including the 9% Administrative Community Benefit Fund, Assembly Bill (AB) 617 grants, and applicable federal grant

funding that supports the Commuter Benefit Program and the LTCE Staffing Reserve Designation within the General Fund. The estimated fiscal impact associated with these staffing modifications is presented on the attached table.

BUDGET CONSIDERATION/FINANCIAL IMPACT

If approved, the proposed staffing modifications include changes to eight (8) FTE positions and seven (7) LTCE positions. The FTE modifications result in a net annual cost of approximately $286,524, while the LTCE modifications result in a net annual cost savings of approximately ($24,597).

Funding for these positions will be provided primarily through the General Fund, with some eligible positions supported by grant funding sources, including the 9% Administrative Community Benefit Fund, AB 617 grants, and applicable federal grants.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Judy Yu and Jun Pan
Reviewed by: Lisa Baker, Stephanie Osaze, and Hyacinth Hinojosa

ATTACHMENT(S):

1. Mid Year Staffing Attachment A
2. Mid Year Staffing Attachment B
3. FY 2026-2027 Mid Year Appendix F

Attachment A

FYE 2026-2027 Mid-Year Budget Full-Time Equivalent (FTE) Add/Delete, Transfer, and Reclassification Requests					
Current Position	**Proposed Position**	**Current Division**	**Proposed Division**	**Justification**	**Cost Impact**
Senior Executive Assistant	Principal Analyst	Administrative Resources	Human Resources	The Principal Analyst will provide ongoing support to the employee relations and labor relations program. The position will lead discussions with the Employees' Association, coordinate sensitive personnel matters, and analyze and interpret labor laws, regulations, and legislation.	$42,014
Senior Analyst	Supervising Analyst	Administrative Resources	Administrative Resources	The Supervising Analyst will supervise staff and oversee procurement and purchasing operations, including work planning, assignments, performance management, and staff development.	$22,031
Senior Public Information Officer	Senior Public Information Officer	Communications	Enterprise Technology Solutions	Transfer: This Senior Public Information Officer will support the Air District's digital communications by maintaining website content, branding, and accessibility standards on the public website while overseeing governance of the Air District's SharePoint intranet. The position will support secure, effective information sharing and collaboration across the organization.	$0
Technician	Grants and Community Program Technician	Community Investment	Community Investment	Reclassify the position to better reflect the duties performed.	$0
Systems Analyst I/II	Manager II	Enterprise Technology Solutions	Enterprise Technology Solutions	The Manager II will oversee the records management section and district-wide records governance, reconcile business priorities with Information Management capacity, project backlogs, and budgets. The position will provide management of complex functional areas, budget responsibility, strategic planning, and cross-divisional coordination of information management work.	$82,783

Senior Grants and Community Program Specialist	Officer	Environmental Justice	Environmental Justice	The Officer will provide strategic leadership and coordination for the Community Advisory Council (CAC), advancing Strategic Plan priorities related to equity, community engagement, and organizational effectiveness. Key responsibilities include CAC governance, Board coordination, implementation of CAC recommendations, and cross-divisional collaboration on Environmental Justice initiatives. The role will also lead program planning, budget coordination, and community partnerships that support the CAC's long-term success. Establishing this position permanently will provide the stability and leadership needed to fulfill the CAC's charter, support agency goals, and sustain its impact.	$126,239
Manager I	Manager II	External Affairs	External Affairs	The External Affairs Manager role has expanded from individual projects to broader oversight of programs and staff. Responsibilities include direct supervision, setting priorities, assigning and evaluating work, and directing public affairs, government relations, and community engagement activities. The role will also coordinate with Air District divisions and external stakeholders and oversees resources, budgets, and contracts, as applicable. This expanded authority and responsibility for program delivery align with the journey-level Manager II classification.	$13,455
Principal Air Quality Instrument Specialist	Principal Air Quality Specialist	Meteorology and Measurements	Meteorology and Measurements	Reclassify the position to better reflect the duties performed.	$0

Attachment B

FYE 2026-2027 Mid-Year Budget Limited Term Contract Employee (LTCE) Add/Delete, Transfer, and Reclassification Requests					
Current Position	**Proposed Position**	**Current Division**	**Proposed Division**	**Justification**	**Cost Impact**
Manager II (LTCE)	Manager II (LTCE)	Administrative Resources	Legal	Transfer: The Manager II will oversee Legal Division administrative support and may manage non-attorney staff. Responsibilities include office administration, procurement, contracts, budget support, and relationships with outside firms, insurers, and consultants. The role will also oversee large document-management projects and paralegal-type functions, including litigation filings, case tracking, trial and hearing support, and court liaison duties.	$0
Technician (LTCE)	Grants and Community Program Technician (LTCE)	Community Investment	Community Investment	Reclassify the position to better reflect the duties performed.	$0
Grants and Community Program Specialist I/II (LTCE)	Analyst I/II (LTCE)	Environmental Justice	External Affairs	The Analyst will administer the Air District's Commuter Benefits Program enforcement functions and ensure compliance assistance, employer notifications and enforcement actions meet the program requirement and Air District policies. Staff will support federal grant administration, including work planning, documentation, reporting and coordination to meet applicable funding requirements.	$18,126
Senior Analyst (LTCE)	Executive Assistant I/II (LTCE)	Human Resources	Executive	The Executive Assistant will support the efficient, transparent, and effective administration of Hearing Board proceedings, while also providing high-level executive administrative support to ensure continuity of operations.	($29,267)
Air Quality Specialist I/II (LTCE)	Public Information	Regulatory Development	Communications	The Public Information Officer (PIO) will coordinate communications with AB 617	$0

	Officer I/II (LTCE)			communities, support incident response readiness, and ensure consistent Spare the Air coverage. As a dedicated liaison for AB 617 staff and community partners, the PIO will coordinate communications planning, outreach materials, and public information to deliver timely, accurate, consistent messaging. The PIO will also help develop and implement incident response protocols with internal and external partners to improve response efficiency.	
Manager II (LTCE)	Manager I (LTCE)	Enterprise Technology Solutions	Enterprise Technology Solutions	The Manager I will provide project management and support the development and implementation of Air District enterprise systems. The Manager I will provide supervision to staff and oversee daily operations of the project as well as providing support to special projects within Enterprise Technology Solutions.	($13,455)
Senior Air Quality Engineer (LTCE)	Senior Air Quality Engineer (LTCE)	Regulatory Development	Engineering	Transfer: In September 2025, the Board approved multiple positions to support reduction of the permitting backlog, including a limited term contract employee position at the Senior Engineer level to support Regulatory Development. Recommend transfer to the Engineering Division/Operations section to focus on permit processing efficiency.	$0

FYE 2027 Mid-Yr Proposed Full-Time Equivalent (FTE) Positions

Table 1: The positions listed in Table 1, below, constitute the entirety of authorized permanent full-time positions and division assignments at the designated classifications for Fiscal Year Ending (FYE) 2027. The FYE 2027 Mid-Yr PROPOSED column represents proposed changes to the designated classifications and/or division assignments (if any) which is reflected in the "Diff" column. The total proposed staffing for FYE 2027 Mid-Yr includes 8 changed positions (add/del and transfer). The total remains 538 FTEs.

By Service Area > Division > Classification	Range#	FYE 2027	FYE 2027 Mid-Yr Proposed	Diff
Total Full Time Employees		**538**	**538**	
100S Engineering & Compliance Service Area		**204**	**204**	
Deputy Executive Officer	169	1	1	
9130 Compliance & Enforcement		**99**	**99**	
Administrative Assistant II	118	2	2	
Air Quality Inspector I	130	14	14	
Air Quality Inspector II	134	30	30	
Air Quality Specialist I	130	1	1	
Air Quality Specialist II	134	4	4	
Air Quality Technician	126	9	9	
Director	156	1	1	
Manager II	148	5	5	
Principal Air Quality Engineer	144	1	1	
Principal Air Quality Specialist	142	2	2	
Senior Advanced Projects Advisor	148	1	1	
Senior Air Quality Engineer	140	2	2	
Senior Air Quality Inspector	138	10	10	
Senior Air Quality Specialist	138	3	3	
Senior Air Quality Technician	130	2	2	
Supervising Air Quality Inspector	142	9	9	
Supervising Air Quality Specialist	142	3	3	
9135 Engineering		**88**	**88**	
Administrative Assistant II	118	4	4	
Air Quality Engineer I	132	12	12	
Air Quality Engineer II	136	12	12	
Air Quality Specialist I	130	5	5	
Air Quality Specialist II	134	2	2	
Air Quality Technician	126	6	6	
Director	156	1	1	
Manager I	146	1	1	
Manager II	148	3	3	
Principal Air Quality Engineer	144	7	7	
Senior Advanced Projects Advisor	148	1	1	
Senior Air Quality Engineer	140	15	15	
Senior Air Quality Specialist	138	1	1	
Senior Air Quality Technician	130	1	1	
Senior Manager	152	2	2	
Supervising Air Quality Engineer	144	13	13	
Supervising Air Quality Specialist	142	1	1	
Toxicologist	144	1	1	
9136 Source Test		**16**	**16**	
Air Quality Engineer II	136	3	3	
Air Quality Instrument Specialist I	130	2	2	
Air Quality Instrument Specialist II	134	2	2	
Principal Air Quality Engineer	144	1	1	
Principal Air Quality Instrument Specialist	142	1	1	
Senior Air Quality Engineer	140	2	2	
Senior Air Quality Instrument Specialist	138	1	1	
Senior Manager	152	1	1	
Supervising Air Quality Engineer	144	1	1	
Supervising Air Quality Instrument Specialist	142	1	1	
Technician	126	1	1	

By Service Area > Division > Classification	Range#	FYE 2027	FYE 2027 Mid-Yr Proposed	Diff
200S Equity & Community Programs Service Area		**82**	**82**	
Deputy Executive Officer	169	1	1	
9102 Diversity, Equity & Inclusion		**4**	**4**	
Analyst II	134	1	1	
Officer	156	1	1	
Senior Analyst	138	1	1	
Supervising Analyst	142	1	1	
9112 Civil Rights		**3**	**3**	
Analyst II	134	1	1	
Officer	156	1	1	
Senior Analyst	138	1	1	
9120 Technology Implementation		**11**	**11**	
Director	156	1	1	
Grants and Community Program Specialist I	130	2	2	
Grants and Community Program Specialist II	134	1	1	
Grants and Community Program Supervisor	142	2	2	
Grants and Community Program Technician	126	2	2	
Manager II	148	1	1	
Senior Grants and Community Program Specialist	138	2	2	
9124 Community Investments		**5**	**5**	
Grants and Community Program Specialist I	130	1	1	
Grants and Community Program Supervisor	142	1	1	
Grants and Community Program Technician (add/delete from Technician)	126	0	1	+1
Manager II	148	1	1	
Officer	156	1	1	
Technician (add/delete to Grants and Community Program Technician)	126	1	0	-1
9125 Strategic Incentives		**35**	**35**	
Administrative Assistant II	118	1	1	
Director	156	1	1	
Grants and Community Program Specialist I	130	5	5	
Grants and Community Program Specialist II	134	5	5	
Grants and Community Program Supervisor	142	6	6	
Grants and Community Program Technician	126	6	6	
Manager II	148	4	4	
Principal Grants and Community Program Specialist	142	1	1	
Senior Grants and Community Program Specialist	138	6	6	
9150 Environmental Justice		**23**	**23**	
Administrative Assistant II	118	1	1	
Director	156	1	1	
Grants and Community Program Specialist I	130	1	1	
Grants and Community Program Specialist II	134	5	5	
Grants and Community Program Technician	126	1	1	
Manager I	146	2	2	
Manager II	148	3	3	
Officer (add/delete from Senior Grants and Community Program Specialist)	156	0	1	+1
Senior Advanced Projects Advisor	148	1	1	
Senior Grants and Community Program Specialist	138	7	7	
Senior Grants and Community Program Specialist (add/delete to Officer)	138	1	0	-1

By Service Area > Division > Classification	Range#	FYE 2027	FYE 2027 Mid-Yr Proposed	Diff
300S Finance & Administration Service Area		**61**	**61**	
Deputy Executive Officer	169	1	1	
9101 Executive		**14**	**14**	
Administrative Assistant II	118	1	1	
Clerk of the Boards	132	1	1	
Executive Assistant I	128	1	1	
Executive Assistant II	132	3	3	
Executive Officer/Air Pollution Control Officer	N/A	1	1	
Manager II	148	2	2	
Principal Deputy Executive Officer	173	1	1	
Senior Advanced Projects Advisor	148	1	1	
Senior Executive Assistant	134	3	3	
9103 Finance		**18**	**18**	
Accountant I	130	1	1	
Accountant II	134	3	3	
Accounting Supervisor	142	1	1	
Accounting Technician	126	4	4	
Analyst II	134	1	1	
Director	156	1	1	
Manager II	148	3	3	
Principal Analyst	142	1	1	
Senior Accountant	138	1	1	
Senior Analyst	138	2	2	
9105 Administrative Resources		**16**	**15**	**-1**
Analyst I	130	3	3	
Analyst II	134	3	3	
Director	156	1	1	
Manager II	148	1	1	
Senior Analyst	138	2	2	
Senior Analyst (add/delete to Supervising Analyst)	138	1	0	-1
Senior Executive Assistant [txfr to 9106] (add/delete to Principal Analyst)	134	1	0	-1
Supervising Analyst	142	2	2	
Supervising Analyst (add/delete from Senior Analyst)	142	0	1	+1
Technician	126	2	2	
9106 Human Resources		**12**	**13**	**+1**
Analyst II	134	3	3	
Director	156	1	1	
Manager II	148	2	2	
Principal Analyst	142	2	2	
Principal Analyst [txfr from 9105] (add/delete from Senior Executive Assistant)	142	0	1	+1
Senior Analyst	138	3	3	
Technician	126	1	1	

By Service Area > Division > Classification	Range#	FYE 2027	FYE 2027 Mid-Yr Proposed	Diff
350S Information Management Service Area		**34**	**35**	**+1**
Deputy Executive Officer	169	1	1	
9155 Information Services		**15**	**15**	
Director	156	1	1	
Manager I	146	1	1	
Manager II	148	3	3	
Principal Cybersecurity Analyst	139	1	1	
Senior Systems Analyst	139	1	1	
Supervising Systems Analyst	143	2	2	
Systems Analyst I	131	2	2	
Systems Analyst II	135	1	1	
Systems Technician	127	3	3	
9156 Enterprise Technology Solutions		**18**	**19**	**+1**
Director	156	1	1	
Manager I	146	4	4	
Manager II	148	1	1	
Manager II (add/delete from Systems Analyst II)	148	0	1	+1
Principal Systems Analyst	143	2	2	
Senior Public Information Officer [txfr from 9115]	138	0	1	+1
Senior Systems Analyst	139	6	6	
Supervising Systems Analyst	143	2	2	
Systems Analyst I	131	1	1	
Systems Analyst II (add/delete to Manager II)	135	1	0	-1

By Service Area > Division > Classification	Range#	FYE 2027	FYE 2027 Mid-Yr Proposed	Diff
400S General Counsel Service Area		**19**	**19**	
General Counsel	N/A	1	1	
9110 Legal		**18**	**18**	
Analyst II	134	4	4	
Assistant Counsel II	153	10	10	
Executive Assistant I	128	1	1	
Senior Assistant Counsel	157	2	2	
Staff Attorney	145	1	1	

By Service Area > Division > Classification	Range#	FYE 2027	FYE 2027 Mid-Yr Proposed	Diff
500S Public Affairs Service Area		**21**	**20**	**-1**
Deputy Executive Officer	169	1	1	
9109 Legislative and Government Affairs		**2**	**2**	
Analyst II	134	1	1	
Officer	156	1	1	
9114 External Affairs		**5**	**5**	
Analyst I	130	2	2	
Manager I (add/delete to Manager II)	146	1	0	-1
Manager II (add/delete from Manager I)	148	0	1	+1
Officer	156	1	1	
Technician	126	1	1	
9115 Communications		**13**	**12**	**-1**
Director	156	1	1	
Manager II	148	2	2	
Public Information Officer I	130	2	2	
Public Information Officer II	134	4	4	
Public Information Technician	126	2	2	
Senior Public Information Officer	138	1	1	
Senior Public Information Officer [txfr to 9156]	138	1	0	-1

By Service Area > Division > Classification	Range#	FYE 2027	FYE 2027 Mid-Yr Proposed	Diff
600S Policy Service Area		**38**	**38**	
Deputy Executive Officer	169	1	1	
9145 Planning & Climate Protection		**21**	**21**	
Director	156	1	1	
Environmental Planner II	134	3	3	
Manager II	148	4	4	
Principal Environmental Planner	142	3	3	
Senior Advanced Projects Advisor	148	2	2	
Senior Air Quality Specialist	138	1	1	
Senior Environmental Planner	138	6	6	
Technician	126	1	1	
9151 Regulatory Development		**16**	**16**	
Analyst I	130	1	1	
Director	156	1	1	
Manager II	148	3	3	
Principal Air Quality Engineer	144	1	1	
Principal Air Quality Specialist	142	1	1	
Senior Advanced Projects Advisor	148	1	1	
Senior Air Quality Engineer	140	3	3	
Senior Air Quality Specialist	138	5	5	

By Service Area > Division > Classification	Range#	FYE 2027	FYE 2027 Mid-Yr Proposed	Diff
700S Science Service Area		**79**	**79**	
Assistant Deputy Executive Officer	160	1	1	
Deputy Executive Officer	169	1	1	
9140 Assessment, Inventory & Modeling		**18**	**18**	
Air Quality Engineer II	136	2	2	
Assistant Atmospheric and Air Quality Modeler	132	1	1	
Atmospheric and Air Quality Modeler I	136	1	1	
Atmospheric and Air Quality Modeler II	140	2	2	
Director	156	1	1	
Manager II	148	2	2	
Principal Air Quality Engineer	144	3	3	
Senior Advanced Projects Advisor	148	2	2	
Senior Air Quality Engineer	140	2	2	
Senior Atmospheric and Air Quality Modeler	144	2	2	
9160 Meteorology & Measurement		**59**	**59**	
Air Quality Chemist II	134	1	1	
Air Quality Instrument Specialist I	130	3	3	
Air Quality Instrument Specialist II	134	8	8	
Air Quality Instrument Technician	126	3	3	
Air Quality Laboratory Assistant	126	1	1	
Air Quality Meteorologist II	135	2	2	
Air Quality Specialist II	134	1	1	
Director	156	1	1	
Manager II	148	6	6	
Principal Air Quality Chemist	142	3	3	
Principal Air Quality Instrument Specialist	142	4	4	
Principal Air Quality Meteorologist	143	2	2	
Principal Air Quality Specialist	142	3	3	
Senior Advanced Projects Advisor	148	1	1	
Senior Air Quality Chemist	138	1	1	
Senior Air Quality Instrument Specialist	138	9	9	
Senior Air Quality Specialist	138	2	2	
Supervising Air Quality Instrument Specialist	142	4	4	
Systems Analyst II	135	2	2	
Technician	126	2	2	
Total Full Time Employees		**538**	**538**	

FYE 2027 Mid-Yr Proposed Limited Term Contract Employee (LTCE) Positions

Table 2: The positions listed in Table 2, below, constitute the entirety of limited term contract employee positions and division assignments at the designated classifications presented in the FYE 2027 Mid-Yr PROPOSED column. FYE 2027 Mid-Yr PROPOSED column represents proposed changes to the designated classifications and/or division assignments (if any) which is reflected in the "Diff" column. The total proposed LTCE positions for FYE 2027 Mid-Yr includes 7 changed positions (add/del and transfer). The total remains 36 LTCEs.

By Service Area > Division > Classification	Range#	FYE 2027	FYE 2027 Mid-Yr Proposed	Diff
Total Limited Term Contract Employees		**36**	**36**	
100S Engineering & Compliance Service Area		**14**	**15**	**+1**
9135 Engineering		**14**	**15**	**+1**
Air Quality Engineer I	132	8	8	
Air Quality Technician	126	2	2	
Manager II	148	3	3	
Senior Air Quality Engineer [txfr from 9151]	140	0	1	+1
Supervising Air Quality Engineer	144	1	1	
200S Equity & Community Programs Service Area		**8**	**7**	**-1**
9112 Civil Rights		**1**	**1**	
Analyst I	130	1	1	
9120 Technology Implementation		**2**	**2**	
Grants and Community Program Technician	126	2	2	
9124 Community Investments		**3**	**3**	
Grants and Community Program Technician (add/delete from Technician)	126	0	1	+1
Senior Grants and Community Program Specialist	138	2	2	
Technician (add/delete to Grants and Community Program Technician)	126	1	0	-1
9150 Environmental Justice		**2**	**1**	**-1**
Grants and Community Program Specialist I	130	1	1	
Grants and Community Program Specialist I [txfr to 9114] (add/delete to Analyst II)	130	1	0	-1
300S Finance & Administration Service Area		**3**	**2**	**-1**
9101 Executive		**0**	**1**	**+1**
Executive Assistant II [txfr from 9106] (add/delete from Senior Analyst)	132	0	1	+1
9105 Administrative Resources		**1**	**0**	**-1**
Manager II [txfr to 9110]	148	1	0	-1
9106 Human Resources		**2**	**1**	**-1**
Analyst II	134	1	1	
Senior Analyst [txfr to 9101] (add/delete to Executive Assistant II)	138	1	0	-1
350S Information Management Service Area		**3**	**3**	
9156 Enterprise Technology Solutions		**3**	**3**	
Manager I (add/delete from Manager II)	146	0	1	+1
Manager II (add/delete to Manager I)	148	1	0	-1
Senior Systems Analyst	139	1	1	
Systems Analyst I	131	1	1	
400S General Counsel Service Area		**0**	**1**	**+1**
9110 Legal		**0**	**1**	**+1**
Manager II [txfr from 9105]	148	0	1	+1
500S Public Affairs Service Area		**1**	**3**	**+2**
9114 External Affairs		**1**	**2**	**+1**
Analyst I	130	1	1	
Analyst II [txfr from 9150] (add/delete from Grants and Community Program Specialist I)	134	0	1	+1
9115 Communications		**0**	**1**	**+1**
Public Information Officer II [txfr from 9151] (add/delete from Air Quality Specialist II)	134	0	1	+1
600S Policy Service Area		**5**	**3**	**-2**
9145 Planning & Climate Protection		**2**	**2**	
Environmental Planner I	130	1	1	
Senior Environmental Planner	138	1	1	
9151 Regulatory Development		**3**	**1**	**-2**
Air Quality Specialist II	134	1	1	
Air Quality Specialist II [txfr to 9115] (add/delete to Public Information Officer II)	134	1	0	-1
Senior Air Quality Engineer [txfr to 9135]	140	1	0	-1
700S Science Service Area		**2**	**2**	
9160 Meteorology & Measurement		**2**	**2**	
Air Quality Specialist I	130	1	1	
Senior Air Quality Specialist	138	1	1	
Total Limited Term Contract Employees		**36**	**36**	

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Fiscal Year 2026–2027 Salary Schedule for Deleted Classifications

RECOMMENDED ACTION

Adopt the salary schedule for represented classifications that were deleted effective September 5, 2026, to ensure the Air District has a Board-approved salary schedule covering the period from July 1, 2026, through September 5, 2026.

BACKGROUND

As part of the Air District comprehensive classification study approved by the Board on September 2, 2026, the Board authorized amendments to represented classifications, including the adoption of new classifications, revisions to existing classifications, and the elimination of obsolete classifications. As a result, several classifications were deleted effective September 5, 2026. Prior to their deletion, some employees remained assigned to and compensated under those classifications from July 1, 2026, through September 5, 2026.

On September 2, 2026, the Board also adopted a resolution approving the Memorandum of Understanding with the Employees' Association, which included adoption of the Fiscal Year 2026-2027 salary schedule reflecting negotiated salary increases for represented employees. The approved salary schedule was effective September 6, 2026 and applied to the new and revised represented classifications resulting from the classification study; however, it did not include the represented classifications that were deleted as part of the reclassification.

A subsequent review identified the need for a Board-approved salary schedule covering the deleted classifications for the period they remained active. Although these classifications no longer exist, adoption of the salary schedule is necessary to ensure that compensation paid between July 1, 2026, and September 5, 2026, is supported by an officially approved salary schedule and to maintain complete and accurate payroll records, which are subject to audit.

DISCUSSION

The proposed salary schedule reflects the represented classifications and salary ranges for positions in effect prior to their deletion on September 5, 2026. Adoption of this salary schedule is an administrative action intended to document and authorize compensation paid to employees while they occupied these classifications between July 1, 2026 and September 5, 2026.

This action does not re-establish the deleted classifications, create new positions, modify employee compensation, or change any prior Board-approved classification actions. The classifications remain deleted effective September 5, 2026.

BUDGET CONSIDERATION/FINANCIAL IMPACT

There is no additional fiscal impact associated with this action. Employees have already been compensated in accordance with the salary ranges applicable to these classifications provided by prior Board-approved salary increases for represented employees.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Danica Winston and Stephanie Osaze
Reviewed by: Hyacinth Hinojosa

ATTACHMENT(S):

1. Deleted Salary Schedule 26

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
SALARY SCHEDULE FOR TECHNICAL/GENERAL AND PROFESSIONAL EMPLOYEES
Annually/Monthly/Bi-weekly/Hourly effective July 1 - September 5, 2026

ID-JDE	PROFESSIONAL	Range	Step A	Step B	Step C	Step D	Step E
7P002	Advanced Projects Advisor	144	154581.7932	162310.8828	170426.4270	178947.7483	187895.1357
			12881.8161	13525.9069	14202.2022	14912.3124	15657.9280
			5945.4536	6242.7263	6554.8626	6882.6057	7226.7360
			74.3182	78.0341	81.9358	86.0326	90.3342
7P006	Atmospheric Modeler	140	140210.2432	147220.7554	154581.7932	162310.8828	170426.4270
			11684.1869	12268.3963	12881.8161	13525.9069	14202.2022
			5392.7017	5662.3367	5945.4536	6242.7263	6554.8626
			67.4088	70.7792	74.3182	78.0341	81.9358
7P008	Legislative Analyst	138	133533.5650	140210.2432	147220.7554	154581.7932	162310.8828
			11127.7971	11684.1869	12268.3963	12881.8161	13525.9069
			5135.9063	5392.7017	5662.3367	5945.4536	6242.7263
			64.1988	67.4088	70.7792	74.3182	78.0341
7P013	Librarian	128	104627.0423	109858.3944	115351.3141	121118.8798	127174.8238
			8718.9202	9154.8662	9612.6095	10093.2400	10597.9020
			4024.1170	4225.3229	4436.5890	4658.4185	4891.3394
			50.3015	52.8165	55.4574	58.2302	61.1417
4P002	Principal Air and Meteorological Monitoring Specialist	143	150856.3832	158399.2024	166319.1625	174635.1206	183366.8767
			12571.3653	13199.9335	13859.9302	14552.9267	15280.5731
			5802.1686	6092.2770	6396.8909	6716.7354	7052.5722
			72.5271	76.1535	79.9611	83.9592	88.1572
7P010	Research Analyst	130	109858.3944	115351.3141	121118.8798	127174.8238	133533.5650
			9154.8662	9612.6095	10093.2400	10597.9020	11127.7971
			4225.3229	4436.5890	4658.4185	4891.3394	5135.9063
			52.8165	55.4574	58.2302	61.1417	64.1988
6P005	Senior Atmospheric Modeler	144	154581.7932	162310.8828	170426.4270	178947.7483	187895.1357
			12881.8161	13525.9069	14202.2022	14912.3124	15657.9280
			5945.4536	6242.7263	6554.8626	6882.6057	7226.7360
			74.3182	78.0341	81.9358	86.0326	90.3342
7P011	Statistician	137	130315.4158	136831.1866	143672.7459	150856.3832	158399.2024
			10859.6180	11402.5989	11972.7288	12571.3653	13199.9335
			5012.1314	5262.7379	5525.8748	5802.1686	6092.2770
			62.6516	65.7842	69.0734	72.5271	76.1535

ID-JDE	TECHNICAL/GENERAL	Range	Step A	Step B	Step C	Step D	Step E
8T001	Accounting Assistant I	122	90380.7729	94899.8116	99644.8022	104627.0423	109858.3944
			7531.7311	7908.3176	8303.7335	8718.9202	9154.8662
			3476.1836	3649.9928	3832.4924	4024.1170	4225.3229
			43.4523	45.6249	47.9062	50.3015	52.8165
7T001	Accounting Assistant II	126	99644.8022	104627.0423	109858.3944	115351.3141	121118.8798
			8303.7335	8718.9202	9154.8662	9612.6095	10093.2400
			3832.4924	4024.1170	4225.3229	4436.5890	4658.4185
			47.9062	50.3015	52.8165	55.4574	58.2302
7T002	Administrative Analyst	131	112571.3558	118199.9236	124109.9198	130315.4158	136831.1866
			9380.9463	9849.9936	10342.4933	10859.6180	11402.5989
			4329.6675	4546.1509	4773.4585	5012.1314	5262.7379
			54.1208	56.8269	59.6682	62.6516	65.7842
7T003	Administrative Secretary	118	81978.0253	86076.9266	90380.7729	94899.8116	99644.8022
			6831.5021	7173.0772	7531.7311	7908.3176	8303.7335
			3153.0010	3310.6510	3476.1836	3649.9928	3832.4924
			39.4125	41.3831	43.4523	45.6249	47.9062
8T002	AQ Case Settlement Spec. I	126	99644.8022	104627.0423	109858.3944	115351.3141	121118.8798
			8303.7335	8718.9202	9154.8662	9612.6095	10093.2400
			3832.4924	4024.1170	4225.3229	4436.5890	4658.4185
			47.9062	50.3015	52.8165	55.4574	58.2302
7T004	AQ Case Settlement Spec. II	130	109858.3944	115351.3141	121118.8798	127174.8238	133533.5650
			9154.8662	9612.6095	10093.2400	10597.9020	11127.7971
			4225.3229	4436.5890	4658.4185	4891.3394	5135.9063
			52.8165	55.4574	58.2302	61.1417	64.1988
8T005	Air Quality Laboratory Technician I	122	90380.7729	94899.8116	99644.8022	104627.0423	109858.3944
			7531.7311	7908.3176	8303.7335	8718.9202	9154.8662
			3476.1836	3649.9928	3832.4924	4024.1170	4225.3229
			43.4523	45.6249	47.9062	50.3015	52.8165
7T007	Air Quality Laboratory Technician II	126	99644.8022	104627.0423	109858.3944	115351.3141	121118.8798
			8303.7335	8718.9202	9154.8662	9612.6095	10093.2400
			3832.4924	4024.1170	4225.3229	4436.5890	4658.4185
			47.9062	50.3015	52.8165	55.4574	58.2302
8T006	Air Quality Permit Technician I	122	90380.7729	94899.8116	99644.8022	104627.0423	109858.3944
			7531.7311	7908.3176	8303.7335	8718.9202	9154.8662
			3476.1836	3649.9928	3832.4924	4024.1170	4225.3229
			43.4523	45.6249	47.9062	50.3015	52.8165
7T008	Air Quality Permit Technician II	126	99644.8022	104627.0423	109858.3944	115351.3141	121118.8798
			8303.7335	8718.9202	9154.8662	9612.6095	10093.2400
			3832.4924	4024.1170	4225.3229	4436.5890	4658.4185
			47.9062	50.3015	52.8165	55.4574	58.2302
7T010	Air Quality Technical Assistant	118	81978.0253	86076.9266	90380.7729	94899.8116	99644.8022
			6831.5021	7173.0772	7531.7311	7908.3176	8303.7335
			3153.0010	3310.6510	3476.1836	3649.9928	3832.4924
			39.4125	41.3831	43.4523	45.6249	47.9062
8T008	Air Quality Technician I	122	90380.7729	94899.8116	99644.8022	104627.0423	109858.3944
			7531.7311	7908.3176	8303.7335	8718.9202	9154.8662
			3476.1836	3649.9928	3832.4924	4024.1170	4225.3229
			43.4523	45.6249	47.9062	50.3015	52.8165

ID-JDE	TECHNICAL/GENERAL (cont'd)	Range	Step A	Step B	Step C	Step D	Step E
7T011	Air Quality Technician II	126	99644.8022	104627.0423	109858.3944	115351.3141	121118.8798
			8303.7335	8718.9202	9154.8662	9612.6095	10093.2400
			3832.4924	4024.1170	4225.3229	4436.5890	4658.4185
			47.9062	50.3015	52.8165	55.4574	58.2302
8T016	Assistant Air Quality Specialist I	122	90380.7729	94899.8116	99644.8022	104627.0423	109858.3944
			7531.7311	7908.3176	8303.7335	8718.9202	9154.8662
			3476.1836	3649.9928	3832.4924	4024.1170	4225.3229
			43.4523	45.6249	47.9062	50.3015	52.8165
7T035	Assistant Air Quality Specialist II	126	99644.8022	104627.0423	109858.3944	115351.3141	121118.8798
			8303.7335	8718.9202	9154.8662	9612.6095	10093.2400
			3832.4924	4024.1170	4225.3229	4436.5890	4658.4185
			47.9062	50.3015	52.8165	55.4574	58.2302
8T014	Assistant Staff Specialist I	122	90380.7729	94899.8116	99644.8022	104627.0423	109858.3944
			7531.7311	7908.3176	8303.7335	8718.9202	9154.8662
			3476.1836	3649.9928	3832.4924	4024.1170	4225.3229
			43.4523	45.6249	47.9062	50.3015	52.8165
7T033	Assistant Staff Specialist II	126	99644.8022	104627.0423	109858.3944	115351.3141	121118.8798
			8303.7335	8718.9202	9154.8662	9612.6095	10093.2400
			3832.4924	4024.1170	4225.3229	4436.5890	4658.4185
			47.9062	50.3015	52.8165	55.4574	58.2302
7T012	Building Maintenance Mechanic	114	74356.4856	78074.3098	81978.0253	86076.9266	90380.7729
			6196.3738	6506.1925	6831.5021	7173.0772	7531.7311
			2859.8648	3002.8581	3153.0010	3310.6510	3476.1836
			35.7483	37.5357	39.4125	41.3831	43.4523
7T013	Data Entry Operator	111	69109.0473	72564.4997	76192.7247	80002.3609	84002.4790
			5759.0873	6047.0416	6349.3937	6666.8634	7000.2066
			2658.0403	2790.9423	2930.4894	3077.0139	3230.8646
			33.2255	34.8868	36.6311	38.4627	40.3858
5T010	Data Support Supervisor	142	147220.7554	154581.7932	162310.8828	170426.4270	178947.7483
			12268.3963	12881.8161	13525.9069	14202.2022	14912.3124
			5662.3367	5945.4536	6242.7263	6554.8626	6882.6057
			70.7792	74.3182	78.0341	81.9358	86.0326
7T014	Database Specialist	135	124109.9198	130315.4158	136831.1866	143672.7459	150856.3832
			10342.4933	10859.6180	11402.5989	11972.7288	12571.3653
			4773.4585	5012.1314	5262.7379	5525.8748	5802.1686
			59.6682	62.6516	65.7842	69.0734	72.5271
7T015	Deputy Clerk of the Boards	123	92612.7330	97243.3697	102105.5382	107210.8151	112571.3558
			7717.7278	8103.6141	8508.7948	8934.2346	9380.9463
			3562.0282	3740.1296	3927.1361	4123.4929	4329.6675
			44.5254	46.7516	49.0892	51.5437	54.1208
7T028	Facilities Maintenance Worker	108	64231.9279	67443.5243	70815.7005	74356.4856	78074.3098
			5352.6607	5620.2937	5901.3084	6196.3738	6506.1925
			2470.4588	2593.9817	2723.6808	2859.8648	3002.8581
			30.8807	32.4248	34.0460	35.7483	37.5357
5T008	Facilities Services Supervisor	130	109858.3944	115351.3141	121118.8798	127174.8238	133533.5650
			9154.8662	9612.6095	10093.2400	10597.9020	11127.7971
			4225.3229	4436.5890	4658.4185	4891.3394	5135.9063
			52.8165	55.4574	58.2302	61.1417	64.1988

ID-JDE	TECHNICAL/GENERAL (cont'd)	Range	Step A	Step B	Step C	Step D	Step E
7T031	Fiscal Services Supervisor	142	147220.7554	154581.7932	162310.8828	170426.4270	178947.7483
			12268.3963	12881.8161	13525.9069	14202.2022	14912.3124
			5662.3367	5945.4536	6242.7263	6554.8626	6882.6057
			70.7792	74.3182	78.0341	81.9358	86.0326
8T009	Mechanic I	121	88202.6029	92612.7330	97243.3697	102105.5382	107210.8151
			7350.2169	7717.7278	8103.6141	8508.7948	8934.2346
			3392.4078	3562.0282	3740.1296	3927.1361	4123.4929
			42.4051	44.5254	46.7516	49.0892	51.5437
7T016	Mechanic II	125	97243.3697	102105.5382	107210.8151	112571.3558	118199.9236
			8103.6141	8508.7948	8934.2346	9380.9463	9849.9936
			3740.1296	3927.1361	4123.4929	4329.6675	4546.1509
			46.7516	49.0892	51.5437	54.1208	56.8269
8T010	Office Assistant I	104	58260.2521	61173.2647	64231.9279	67443.5243	70815.7005
			4855.0210	5097.7721	5352.6607	5620.2937	5901.3084
			2240.7789	2352.8179	2470.4588	2593.9817	2723.6808
			28.0097	29.4102	30.8807	32.4248	34.0460
7T017	Office Assistant II	108	64231.9279	67443.5243	70815.7005	74356.4856	78074.3098
			5352.6607	5620.2937	5901.3084	6196.3738	6506.1925
			2470.4588	2593.9817	2723.6808	2859.8648	3002.8581
			30.8807	32.4248	34.0460	35.7483	37.5357
5T001	Office Services Supervisor	116	78074.3098	81978.0253	86076.9266	90380.7729	94899.8116
			6506.1925	6831.5021	7173.0772	7531.7311	7908.3176
			3002.8581	3153.0010	3310.6510	3476.1836	3649.9928
			37.5357	39.4125	41.3831	43.4523	45.6249
7T018	Permit Coordinator	134	121118.8798	127174.8238	133533.5650	140210.2432	147220.7554
			10093.2400	10597.9020	11127.7971	11684.1869	12268.3963
			4658.4185	4891.3394	5135.9063	5392.7017	5662.3367
			58.2302	61.1417	64.1988	67.4088	70.7792
4T002	Principal Staff Specialist	142	147220.7554	154581.7932	162310.8828	170426.4270	178947.7483
			12268.3963	12881.8161	13525.9069	14202.2022	14912.3124
			5662.3367	5945.4536	6242.7263	6554.8626	6882.6057
			70.7792	74.3182	78.0341	81.9358	86.0326

ID-JDE	TECHNICAL/GENERAL (cont'd)	Range	Step A	Step B	Step C	Step D	Step E
8T011	Programmer Analyst I	127	102105.5382	107210.8151	112571.3558	118199.9236	124109.9198
			8508.7948	8934.2346	9380.9463	9849.9936	10342.4933
			3927.1361	4123.4929	4329.6675	4546.1509	4773.4585
			49.0892	51.5437	54.1208	56.8269	59.6682
7T019	Programmer Analyst II	131	112571.3558	118199.9236	124109.9198	130315.4158	136831.1866
			9380.9463	9849.9936	10342.4933	10859.6180	11402.5989
			4329.6675	4546.1509	4773.4585	5012.1314	5262.7379
			54.1208	56.8269	59.6682	62.6516	65.7842
7T027	Purchasing Agent	122	90380.7729	94899.8116	99644.8022	104627.0423	109858.3944
			7531.7311	7908.3176	8303.7335	8718.9202	9154.8662
			3476.1836	3649.9928	3832.4924	4024.1170	4225.3229
			43.4523	45.6249	47.9062	50.3015	52.8165
7T021	Radio/Telephone Operator	113	72564.4997	76192.7247	80002.3609	84002.4790	88202.6029
			6047.0416	6349.3937	6666.8634	7000.2066	7350.2169
			2790.9423	2930.4894	3077.0139	3230.8646	3392.4078
			34.8868	36.6311	38.4627	40.3858	42.4051
5T002	Radio/Telephone Operator Supervisor	119	84002.4790	88202.6029	92612.7330	97243.3697	102105.5382
			7000.2066	7350.2169	7717.7278	8103.6141	8508.7948
			3230.8646	3392.4078	3562.0282	3740.1296	3927.1361
			40.3858	42.4051	44.5254	46.7516	49.0892
7T022	Receptionist	104	58260.2521	61173.2647	64231.9279	67443.5243	70815.7005
			4855.0210	5097.7721	5352.6607	5620.2937	5901.3084
			2240.7789	2352.8179	2470.4588	2593.9817	2723.6808
			28.0097	29.4102	30.8807	32.4248	34.0460
7T023	Secretary	112	70815.7005	74356.4856	78074.3098	81978.0253	86076.9266
			5901.3084	6196.3738	6506.1925	6831.5021	7173.0772
			2723.6808	2859.8648	3002.8581	3153.0010	3310.6510
			34.0460	35.7483	37.5357	39.4125	41.3831
6T001	Senior Accounting Assistant	120	86076.9266	90380.7729	94899.8116	99644.8022	104627.0423
			7173.0772	7531.7311	7908.3176	8303.7335	8718.9202
			3310.6510	3476.1836	3649.9928	3832.4924	4024.1170
			41.3831	43.4523	45.6249	47.9062	50.3015

ID-JDE	TECHNICAL/GENERAL (cont'd)	Range	Step A	Step B	Step C	Step D	Step E
6T007	Senior Air Quality Permit Technician	130	109858.3944	115351.3141	121118.8798	127174.8238	133533.5650
			9154.8662	9612.6095	10093.2400	10597.9020	11127.7971
			4225.3229	4436.5890	4658.4185	4891.3394	5135.9063
			52.8165	55.4574	58.2302	61.1417	64.1988
6T008	Senior Staff Specialist	138	133533.5650	140210.2432	147220.7554	154581.7932	162310.8828
			11127.7971	11684.1869	12268.3963	12881.8161	13525.9069
			5135.9063	5392.7017	5662.3367	5945.4536	6242.7263
			64.1988	67.4088	70.7792	74.3182	78.0341
8T013	Staff Specialist I	130	109858.3944	115351.3141	121118.8798	127174.8238	133533.5650
			9154.8662	9612.6095	10093.2400	10597.9020	11127.7971
			4225.3229	4436.5890	4658.4185	4891.3394	5135.9063
			52.8165	55.4574	58.2302	61.1417	64.1988
7T032	Staff Specialist II	134	121118.8798	127174.8238	133533.5650	140210.2432	147220.7554
			10093.2400	10597.9020	11127.7971	11684.1869	12268.3963
			4658.4185	4891.3394	5135.9063	5392.7017	5662.3367
			58.2302	61.1417	64.1988	67.4088	70.7792
5T009	Supervising Staff Specialist	142	147220.7554	154581.7932	162310.8828	170426.4270	178947.7483
			12268.3963	12881.8161	13525.9069	14202.2022	14912.3124
			5662.3367	5945.4536	6242.7263	6554.8626	6882.6057
			70.7792	74.3182	78.0341	81.9358	86.0326
7T024	Systems Analyst	135	124109.9198	130315.4158	136831.1866	143672.7459	150856.3832
			10342.4933	10859.6180	11402.5989	11972.7288	12571.3653
			4773.4585	5012.1314	5262.7379	5525.8748	5802.1686
			59.6682	62.6516	65.7842	69.0734	72.5271
7T025	Systems Quality Assurance Specialist	135	124109.9198	130315.4158	136831.1866	143672.7459	150856.3832
			10342.4933	10859.6180	11402.5989	11972.7288	12571.3653
			4773.4585	5012.1314	5262.7379	5525.8748	5802.1686
			59.6682	62.6516	65.7842	69.0734	72.5271
7T026	Web Master	135	124109.9198	130315.4158	136831.1866	143672.7459	150856.3832
			10342.4933	10859.6180	11402.5989	11972.7288	12571.3653
			4773.4585	5012.1314	5262.7379	5525.8748	5802.1686
			59.6682	62.6516	65.7842	69.0734	72.5271

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Publication of 2027 Regulatory Agenda

RECOMMENDED ACTION

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

BACKGROUND

Each year, the Air District is required by Health and Safety Code section 40923 to publish a list of regulatory measures scheduled or tentatively scheduled for consideration during the next calendar year. If a measure is not on this list, the Air District may not propose it for consideration unless it is necessary to: 1. Satisfy federal requirements; 2. Abate a substantial endangerment to public health or welfare; 3. Comply with state toxic air contaminant requirements; 4. Comply with California Air Resources Board requirement that the Air District adopt contingency measures due to inadequate progress towards attainment; 5. Preserve an existing rule's "original intent;" or 6. Allow for alternative compliance under an existing rule.

DISCUSSION

The list below includes all measures that may potentially come before the Board in calendar year 2027.

Regulation, Rule	**Title**
Reg. 1	General Provisions and Definitions
Reg. 2, Rule 1	Permits, General Requirements
Reg. 2, Rule 2	Permits, New Source Review
Reg. 2, Rule 4	Permits, Emissions Banking
Reg. 2, Rule 5	Permits, New Source Review for Toxic Air Contaminants

Reg. 2, Rule 6	Major Facility Review
Reg. 2, Rule 9	Interchangeable Emission Reduction Credits
Reg. 3	Fees
Reg. 5	Open Burning
Reg. 6	Particulate Matter, Common Definitions and Test Methods
Reg. 6, Rule 1	Particulate Matter, General Requirements
Reg. 6. Rule 3	Particulate Matter, Wood-Burning Devices
Reg. 6. Rule 4	Particulate Matter, Metal Recycling and Shredding Operations
Reg. 6, Rule 6	Particulate Matter, Prohibition of Trackout
Reg. 8, Rule 8	Organic Compounds, Wastewater Collection and Separation Systems
Reg. 9, Rule 1	Inorganic Gaseous Pollutants, Sulfur Dioxide
Reg. 9, Rule 2	Inorganic Gaseous Pollutants, Hydrogen Sulfide
Reg. 9, Rule 4	Inorganic Gaseous Pollutants, Nitrogen Oxides from Natural Gas-Fired Furnaces
Reg. 9, Rule 6	Inorganic Gaseous Pollutants, Nitrogen Oxides Emissions from Natural Gas-Fired Water Heaters
Reg. 9, Rule 7	Nitrogen Oxides and Carbon Monoxide from Industrial, Institutional, and Commercial Boilers, Steam Generators and Process Heaters
Reg. 9, Rule 8	Inorganic Gaseous Pollutants, Nitrogen Oxides and Carbon Monoxide from Stationary Internal Combustion Engines
Reg. 11, Rule 18	Hazardous Pollutants, Reduction of Risks from Air Toxic Emissions at Existing Facilities
Reg. 12, Rule 11	Miscellaneous Standards of Performance, Flare Monitoring at Refineries
Reg. 12, Rule 12	Miscellaneous Standards of Performance, Flares at Refineries
Reg. 12, Rule 15	Miscellaneous Standards of Performance, Refining Emissions Tracking
Reg. 12, Rule 17	Miscellaneous Standards of Performance, Fenceline Air Monitoring at Refineries and Related Facilities
Reg. 13, Rule 4	Anerobic Digestion and Publicly Owned Treatment Works
Reg. 13, Rule 5	Industrial Hydrogen Plants

Reg. and Rule TBD	Cumulative Impacts
Reg. and Rule TBD	Warehouse Rule
Reg. and Rule TBD	Refinery Community Air Monitoring Programs
MOP	Manual of Procedures, Volumes 1 through 8

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Victor Douglas
Reviewed by: Greg Nudd

ATTACHMENT(S):

None

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Proposed Board and Committee Meeting Schedule for Calendar Year 2027

RECOMMENDED ACTION

Adopt the attached Resolution establishing a Board and Committee meeting schedule for calendar year 2027.

BACKGROUND

None.

DISCUSSION

Attached for your consideration is a proposed Resolution establishing a meeting schedule for the Board of Directors and its Standing Committees for 2027 per Sections 2.6(b) and 3.3(a) of the Administrative Code. The Board is required to adopt a resolution each year establishing a meeting schedule for the upcoming year.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Vanessa Johnson
Reviewed by: Philip M. Fine

ATTACHMENT(S):

1. 2027 Proposed Board & Committee Meeting Schedule
2. Draft Board Resolution Adopting 2027 Board and Committee Meeting Schedule

CALENDAR YEAR 2027 BOARD OF DIRECTORS MEETING SCHEDULE		
MONTH	**DATE**	**TIME**
January	January 27	10:00 a.m. **Board of Directors Retreat** **Hayes Mansion, San Jose Curio Collection by Hilton** **200 Edenvale Ave., San Jose, CA 95136**
February	February 3	10:00 a.m.
March	March 3	10:00 a.m.
April	April 7	10:00 a.m.
May	May 5	10:00 a.m. [Public Hearing for the exclusive purpose of reviewing and taking public comment on Proposed FY 2027-2028 Budget] AND 11:00 a.m. [Full Board of Directors Meeting]
June	June 2	10:00 a.m. [Budget and Fee Regulation Adoption Meeting]
July	July 7	10:00 a.m.
AUGUST	**DARK**	**DARK**
September	September 1	10:00 a.m.
October	October 6	10:00 a.m.
November	November 3	10:00 a.m.
December	December 1	10:00 a.m.

DRAFT

BOARD OF DIRECTORS	COMMITTEES				
	Stationary Source	**Community Equity, Health, and Justice**	**Policy, Grants, and Technology**	**Finance & Administration**	**Technical Advisory Council**
Time - 10:00 a.m. *Occurs 1st Wednesday of the Month* ***(Exceptions specified in bold below)***	Time – 10:00 a.m. ***Occurs 2nd Wednesday of the Month (Exceptions specified in bold below)***	Time – 1:00 p.m. ***Occurs 2nd Wednesday of the Month (Exceptions specified in bold below)***	Time – 10:00 a.m. ***Occurs 3rd Wednesday of the Month (Exceptions specified in bold below)***	Time – 1:00 p.m. ***Occurs 3rd Wednesday of the Month (Exceptions specified in bold below)***	*At the Call of the Chair*
January 27 **(Board Retreat)** ***Hayes Mansion San Jose*** ***200 Edenvale Avenue*** ***San Jose, CA 95136***	***No January Meeting***	***No January Meeting***	***No January Meeting***	***No January Meeting***	
February 3	February 10	February 10	February 17	February 17	
March 3	March 10	March 10	March 17	March 17	
April 7	April 14	April 14	April 21	April 21	

DRAFT

BOARD OF DIRECTORS (cont.)	COMMITTEES (cont.)				
	Stationary Source	**Community Equity, Health, and Justice**	**Policy, Grants, and Technology**	**Finance & Administration**	**Technical Advisory Council**
May 5 ***10:00 a.m.:*** *Public Hearing for the exclusive purpose of reviewing and taking public comment on Proposed FY 2027-2028 Budget* ***11:00 a.m.:*** *Full Board of Directors Meeting*	May 12	May 12	May 19	May 19	
June 2 *Budget and Fee Regulation Adoption Meeting*	June 9	June 9	June 16	June 16	
July 7	July 14	July 14	July 21	July 21	
AUGUST DARK					
September 1	September 8	September 8	September 15	September 15	
October 6	October 13	October 13	October 20	October 20	
November 3	November 10	November 10	November 17	November 17	
December 1	December 8	December 8	December 15	December 15	

DRAFT

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION NO. 2026 -

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

RECITALS

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

WHEREAS, the Board of Directors has considered and approves of the attached proposed 2027 meeting schedule.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts the attached meeting schedule for calendar year 2027.

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

The foregoing resolution was duly and regularly introduced, passed and adopted at a public meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of _____, seconded by _____, on the ____ day of _____, 2026 by the following vote of the Board:

AYES:

NOES:

ABSTAIN:
ABSENT:

_____
Lynda Hopkins
Chair of the Board of Directors

DRAFT

ATTEST:

_____

Marcy Hiratzka
Clerk of the Boards

DRAFT

AGENDA: 24

BOARD MEETING DATE: December 2, 2026

REPORT: Community Advisory Council

SYNOPSIS: The Community Advisory Council (CAC) held a retreat on Thursday, October 29, 2026. The following is a summary of the retreat.

RECOMMENDED ACTION:

This item is provided for the Board's information and awareness; no action is requested at this time.

William Goodwin, Co-Chair
Patrick Messac, Co-Chair
Latasha Washington, Co-Chair
Community Advisory Committee

WG/PM/LW:mh

CALL TO ORDER - ROLL CALL

The meeting Facilitator, Randolph Belle of Randolph Belle, Artist (RBA) Creative, called the Community Advisory Council retreat to order at 10:00 a.m.

Roll Call:

Present, In Person: (Sheraton Sonoma Wine Country, Petaluma, Heron Ballroom, 745 Baywood Drive, Petaluma, CA 94954): Council Members Sejal Babaria, Dominique Brooks, Adriana Fernandez-Arriaga, William Goodwin, Patrick Messac, Cynthia Prieto-Diaz, Saidy Reyes Mazariegos, Kevin G. Ruano Hernandez, Violet Saena, Jeff Sanchez, Harsheet Subedi, Ken Szutu, Azjargal Tsogtsaikhan, and Latasha Washington.

Arrived After Roll Call: Ms. Margaret Gordon (arrived at 10:22 a.m.); Arieann Harrison (arrived at 11:42 a.m.)

Absent: None.

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

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

Dr. Philip M. Fine, Executive Officer/APCO, reported the following:

- Appreciation for Board members who are in attendance today or plan to attend later today. (Director Steve Young, Linda Sell, and Chair Lynda Hopkins attended).
- On October 7th, the Board of Directors approved recommendations from the Council on ways to increase Board and Council collaboration. We look forward to implementing these new collaborative efforts in early 2027 and seeing how this closer working relationship with the Board can create even more opportunities for the Council to have a meaningful impact on protecting the health of communities.
- Former Deputy Executive Officer of Equity and Community Programs, Arsenio Mataka, departed from the Air District in October 2026. Marcia Raymond is currently acting in that role, and Temporary Council Officer, Anyania Muse, is now reporting to Ms. Raymond. Appreciation for Arsenio's tenure at the Air District, including his support of the Council, bringing actionable recommendations to the Board of Directors, and his formation of the new Office of Civil Rights, the new Community Investments Office, and the creation of the EJ Navigators Program.
- Hiring of the permanent Director of the Environmental Justice Division is in process. A Council member is sitting on the hiring panel.
- General Counsel, Sandy Crockett, will be retiring at the end of 2026. Recruitment for new General Counsel is in progress, and a Council member is sitting on the hiring panel. The legal support for the Council will change in January 2027.
- Air District staff is working on several import rule development efforts including:
    - Water Heaters: Proposed amendment to our rule regulating household water heaters. On November 4th, the Board will consider amendment to this rule to delay its implementation from January 2027 until January 2028, address affordability issues associated with low-income property owners and complex and expensive installations.
    - Refinery Flaring: Concepts for revising our Refinery Flare Rules, Rules 12-11 and 12-12. These concepts include limits on certain pollutants with fees to exceeding those limits, better categorization of flaring events, require mitigation measures, third party audits, standardized reporting, and strengthened monitoring and reporting requirement. Also, the development of a Flaring Tutorial for residents in refinery communities.
    - Warehouse Rule: Concept for minimizing pollution from mobile sources that are attracted by warehouses. Reviewing South Coast WAIRE Rule for potential model and lessons learned.
    - Fugitive Dust Rule: Developing draft regulatory language to further minimize fugitive dust and address coke and coal operations using best management practices and registration of dust generating activities such as construction sites, bulk material handling, and other fugitive dust sites—Rules 6-1 and 6-6.

- o Metal Recycling: Developing draft amendments to incorporate best management practices for metal recycling operations with shredders or light fibrous material, and incorporate the requirements of the Bonta Bill AB 2851, requiring fenceline monitoring at metal shredding operations.
- o Data Centers and Backup Generators: Staff have begun preliminary work on ways to reduce emissions from backup generators at data centers. This could involve characterizing the impacts from all operations of BUGs and a review of alternatives to the use of diesel engines.

- Community Investments Office
  - o The Bay Area Air District has awarded $65 million to Richmond, Contra Costa County, Benicia and surrounding communities, including North Richmond Pinole, El Sobrante, East Richmond Heights, San Pablo, the Iron Triangle, Point Richmond and unincorporated West Contra Costa County.
  - o These penalty funds will reinvest in community-driven projects that will reduce air pollution, improve public health, expand clean energy, support the local economy, and strengthen community resilience. The grants are funded through Bay REPAIR, or Reinvesting Penalties for Air Improvement and Resilience, and will support community-led projects as grant agreements are finalized and work begins.
  - o The two largest grants, known as the Richmond Catalyst grants, have been awarded to the City of Richmond at $10.7 million and Contra Costa County at $12.9 million for a total of $23.6 million. Catalyst grants, the largest funding category within the Bay REPAIR Local Community Benefits Fund, provide $10 million to $40 million for multi-project collaborations that address a range of community needs. Opportunity and Seed grants provide smaller award amounts.

- Legal Division:
  - o The General Counsel's Office has published its draft Legal Enforcement Policy for public review and comment. Our General Counsel Sandy Crockett is scheduled to give the Council a presentation on the draft policy at your November meeting. We are seeking public comment on the draft policy through November 30. You can find more information and the draft policy document on the Air District's website.

- EJ Division
  - o People's Air Grant: On October 7, the Board approved 12 grantees for $3 million in funding across four project areas: air quality education and mitigation, community air monitoring, health resources and services, and pollution and exposure reduction, Staff are now working with grantees to finalize project scope and grant agreements.

- Assembly Bill (AB) 617
  - o An Open House was held on September 22 to present the public draft of the Bayview Hunters Point/Southeast San Francisco Community Emissions Reduction Plan or CERP to the public and answer questions. CSC

members co-presented with staff and the event was well attended. The comment period for the Public Draft CERP closed on October 14 with 130 comments received. This is an important milestone for the Air District, the Marie Harrison Community Foundation, and the BVHP/SESF Community Steering Committee and local partners. The next Community Steering Committee meeting is on December 8. Details about the plan and CSC meeting can be found on our webpage.

- Meteorology & Measurement Division
    - We concluded the East Oakland Air Monitoring Project that we conducted with Communities for a Better Environment and University of California, Berkeley. We posted a StoryMap describing the results and the follow-up by Compliance & Enforcement on observed issues, as well as the complete dataset.
    - Up next is supporting the Community-Led Environmental Air Research or CLEAR project that Merie Harrison Community Foundation and Leaders 4 Earth are conducting. We are already collecting data with our mobile air monitoring van, referring identified issues to Compliance & Enforcement, and training youth about air quality, data analysis methods, and siting stationary PM monitors.
    - Initial results of the Statewide Mobile Monitoring Initiative are expected this December, and CARB will be holding a webinar about the results – stay tuned for more details.
    - This month we posted a few new webpages about prescribed burning and air quality, including information about smoke and health, and how the Air District authorizes prescribed burns when conditions favor smoke dispersal and background levels of PM are low.

Public Comments

Public comments were given by Lynn Dougherty, Pittsburg resident; and Maedbh Lillis, Pittsburg resident.

Council Comments

None.

NOTED PRESENT: Council Member Ms. Margaret Gordon was noted present at 10:22 a.m.

Council Action

No action taken.

CONSENT CALENDAR

3. Approval of the Draft Minutes of the Community Advisory Council Meeting of September 17, 2026

Public Comments

No requests received.

Council Comments

None.

Council Action

Council Member Ruano Hernandez made a motion, seconded by Council Member Subedi, to **approve** the Draft Minutes of the Community Advisory Council Meeting of September 17, 2026; and the motion **carried** by the following vote of the Council:

AYES:	Babaria, Brooks, Fernandez-Arriaga, Goodwin, Gordon, Messac, Prieto-Diaz, Ruano Hernandez, Saena, Sanchez, Subedi, Szutu, Tsogtsaikhan, Washington.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Harrison, Reyes Mazariegos.

Motion Approved.

DISCUSSION ITEMS

4. **BACKUP POWER GENERATION AND COMMUNITY AIR QUALITY IMPACTS OF DATA CENTERS IN THE BAY AREA**

The Council discussed backup power generation at data centers in the Bay Area, with a focus on diesel backup generators (BUGs). The presentation included the Air District's roles in permitting BUGs, enforcement of BUG operations, and future considerations including potential rulemaking. This was an informational presentation to provide context to the Council on data centers in the Bay Area and the Air District's role as it relates to backup power generation.

Ana Beard, Senior Air Quality Specialist, Xuna Cai, Supervising Air Quality Engineer, and Joseph Palmer, Principal Air Quality Specialist, gave the staff presentation *Backup Power Generation at Data Centers in the Bay Area,* including: abbreviations; outline; overview of data centers and backup generators (BUGS) – overviews of data centers, permitting and California Environmental Quality Act (CEQA) for data centers, air pollution and backup generation, Disel PM emissions attributed to BUGs in the nine counties of the Bay Area, data centers are clustered in certain areas, number of permitted data center

facilities in the Bay Area region, modeling analysis: City of Santa Clara case study, modeling results, study findings and context, air quality management approach to BUGs; Permitting BUGs at data centers – permitting process overview, initial review of application, permitted use of BUGs, technical review, Health Risk Assessment (HRA), appliable regulatory requirements, permit limits and monitoring, public notices, authority to construct timeline, permit to operate and continued compliance; compliance and enforcement for BUGs at data centers – compliance and enforcement, compliance information on data centers, violation details between July 1, 2024 and June 30, 2026, example inspection (engine location, vicinity photo, pre-inspection review, onsite checks, hour meter records, results); looking forward; and rulemaking considerations for BUGs – what is rule development, rule development process, next steps (regulatory and non-regulatory).

NOTED PRESENT: Council Member Harrison was noted present at 11:42 a.m.

Council Comments

The Council and staff discussed differences between traditional cloud data centers and AI-enabled data centers, including how the transition to AI-focused infrastructure is expected to evolve; how many data centers in the Bay Area currently run, or are anticipated to run 24-hours; the perspective of other regulatory agencies regarding this issue; the concern that distribution center moratoriums could result in vacant facilities that may ultimately be repurposed for other industrial uses, potentially creating additional environmental and pollution impacts for surrounding communities; the desire for future videos that provide a more localized perspectives by highlighting specific neighborhoods and illustrating the proximity of community gathering places to nearby pollution sources; whether the Air District is developing policies specifically aimed at addressing diesel backup generator emissions associated with cannabis cultivation facilities and data center operations; the desire for a greater focus on environmental justice and public participation in future staff presentations; the number of Air District inspectors assigned to permitted facilities in Santa Clara County compared to the entire Bay Area jurisdiction; unique information gained through onsite inspections and how those findings enhance or supplement existing data and analyses; whether any of the data centers in the Bay Area self-report emission levels to the Air District; the number of how penalties and corrective actions that have resulted from Notices of Violation being issued to data centers in the Bay Area, and how long that can take; the desire for enhanced and immediate enforcement measures; data that the Air District uses to assess health risks and concerns regarding using modeling to assess health impacts; concerns about data gaps/time that is not logged in hour meter records; why permit applications for data centers located in disadvantaged communities are being approved; the fact that activists often serve as a key source of complaints because they closely track local activities, while many community members may lack the information needed to identify concerns and notify the Air District; how violations identified during inspections inform potential rule amendments, regarding protecting overburdened communities from cumulative impacts; whether permitted data center can be required to submit monthly data on their generators; the desire for enhanced air monitoring efforts; why the process of ceasing operations at a facility found to be in violation can take a significant amount of time; desire for the Air

District to engage in the California Environmental Quality Act review process as early as possible for proposed projects, and whether public input could help support changes that would facilitate earlier involvement; levels of diesel particulate matter (DPM) in the Bay Area; whether the Air District's rules can be amended to include density limits; whether the permitting process could be amended to incorporate prior complaints from the surrounding area as part of evaluating ongoing or recurring pollution concerns associated with a particular source; how often the Air District refers to a Bay Area county's public health data, regarding cancer and mortality rates and visits to the Emergency Room; the suggestion of requiring maintenance information from permitted facilities (such as equipment calibration dates); the fact that a lack of complaints should not be interpreted as evidence that conditions are improving; data center meter data that is publicly available online; whether the Air District plans to match the stringency of the World Health Organization's standard of National Ambient Air Quality Standards exceedances; whether the Air District plans to monitor pollutants from BUGs other than DPM; the number of data centers that a city allows to be developed within its jurisdiction; the average duration from issue detection to resolution; the process that occurs following the receipt of a complaint or the issuance of a Notice of Violation; and the fact that, while low-income communities are often disproportionately affected, health impacts extend across communities of all income levels.

The Council then discussed the air quality concerns and community impacts of big tech, data centers, backup power generation, diesel backup generators, the April 22, 2026, Petition to the Air District to address transparency and public health and environmental harms from diesel backup generators at data centers, and the fight for environmental justice and clean air in Oakland and the Bay Area Region.

The presentation *Backup Power Generation and Community Air Quality Impacts of Data Centers in the Bay Area* was presented by Masheika Allgood of AllAI Consulting, Roger Lin and Meya Saenz Zagar of the Center for Biological Diversity, and Veronica Eady of the West Oakland Environmental Indicators Project.

AllAI slides included: air quality and AI data center development; where are they being built; air quality; air quality concerns; and personal impact on public health.

Center for Biological Diversity slides included: video of 'Dirty Diesel, Dirty Air: The Hidden Pollution Behind Bay Area Data Centers"; immediate recommendations for diesel backup generator rulemaking; and Council and Board continued collaboration with petitioners.

West Oakland Environmental Indicators Project slides included: Behring Company; American Steel; NAACP – stop dirty data centers; and City of Oakland moratorium.

THE COUNCIL RECESSED AT 1:00 P.M, AND RESUMED AT 2:00 P.M.

Public Comments (on Item 4)

Public comments were given by Lynn Dougherty, Pittsburg resident; Maedbh Lillis, Pittsburg resident; Anna Hernandez, Pittsburg resident; Angelica, Pittsburg resident; and Colleen Fitzgerell, Earthjustice.

Council Action (on Item 4)

No action taken.

5. **COMMUNITY ADVISORY COUNCIL LOCAL ENVIRONMENTAL JUSTICE UPDATES**

The Council discussed local environmental justice issues related to air pollution and community engagement efforts from across the Bay Area. Council Members and community representatives presented on local community concerns and discussed actions being taken within overburdened communities.

Alameda County

1. Council Member Ms. Margaret Gordon: Cumulative impacts and the coal terminal impacting West Oakland and the region.

2. Council Co-Chair Patrick Messac: Data center oversight in practice: grounding community protection in current permitting, inspection, compliance, and enforcement results in Alameda County. Slides: permit conditions and verification; key strategies and local community efforts; and within 90 days: return with a public Data Center Compliance and Enforcement Plan.

3. Council Member Cynthia Prieto-Diaz: Community Impact Project providing support to a Community-Based Organization, in Spanish, with a focus on language access in Alameda County and Contra Costa County. Slides: empowering communities through civic science; community-led solutions and impact.

Contra Costa County

4. Council Co-Chair William Goodwin: Environmental justice and air pollution in Contra Costa County. Lisa Jackson from 350 Contra Costa Action spoke about East Contra Costa Healthy Homes Collaborative.

5. Council Member Kevin Ruano-Hernandez: Environmental justice and air pollution, air monitoring, climate resilience, and youth engagement in the communities of Richmond and East Contra Costa County.

6. Co-Chair Latasha Washington: Detection of toxic chemicals tetrachloroethylene (PCE) in the soil at Kennedy High School in Richmond. Slides: Kennedy High School: evidence and next steps; the issue at Kennedy High School; PCE detected beneath the campus;

how exposure could occur; why the campus closed and reopened; what remains unresolved; the surrounding neighborhood matters; what residents need to see; requests for Council and Air District discussion.

San Francisco County

7. Malik Sepharu, Program Director of the Marie Harrison Community Foundation: Environmental justice and youth engagement in Bayview Hunters Point, San Francisco. Slides included: Marie Harrison Community Foundation – 45 Days of Community Work - Land, Air, Water, and Relationships.

San Mateo County

8. Council Member Adriana Fernandez-Arriaga: Environmental justice and air pollution in San Mateo County. Sustainability resilience.

Santa Clara County

9. Council Member Violet Saena: How to engage meaningfully with community for climate resilience and environmental justice.

10. Council Member Azjargal Tsogtsaikhan: Data centers, local water regulation, and the California Water Efficiency Partnership.

Solano County

11. Council Member Ken Szutu: From Community Concerns to System Improvement: What Crown Hill Taught Us About Using Case Studies from Vallejo, Solano County. Slides: working together can solve real problems; case studies = continuous improvement; build a protocol for future case studies.

THE COUNCIL RECESSED AT 4:00 P.M, AND RESUMED AT 4:10 P.M.

Reflections on Item 5 were given by Chair Hopkins of the Board of Directors:

- Mentioned common themes across CAC member presentations of air purifier programs, youth empowerment and art, and calls to action for how to improve as an Air District on inspections and enforcement of data centers and the PCE plume at Kennedy High School in Richmond, as well as more outreach to communities for grant opportunities and improving on the case study process.
- “With struggle comes solidarity” was inspirational.
- Would like to bring these local perspectives to the January Board Retreat.
- Plan to do toxic tours in the community as part of this year’s retreat, which will be in the South Bay.

Public Comments (on Item 5)

No requests received.

Council Comments (on Item 5)

The Council and staff discussed gratitude for the passion, resilience, and activism of the Council Members, whose commitment provides hope for the future; disappointment and concern that Board members did not accept the invitation to attend the retreat, nor designate staff representatives to attend on their behalf; the desire to see the Air District revitalize youth-led symposiums and deepen its engagement with youth, especially in mentorship opportunities; the importance of Air District staff to engaging directly with residents in disadvantaged and overburdened communities, as their presence can help strengthen trust and facilitate more effective community engagement; the desire for stronger enforcement of existing regulations and a more direct discussion of compliance issues, rather than continued reliance on future rulemaking processes; and the suggestion of developing a public living air quality stakeholder directory that identifies relevant government agencies, community-based organizations, and private sector entities, including their roles, points of contact, and interrelationships to improve understanding of the overall landscape.

Council Action (on Item 5)

No action taken.

OTHER BUSINESS

6. PUBLIC COMMENTS ON NON-AGENDA MATTERS

Public comments were given by Maedbh Lillis, Pittsburg resident; Lynn Dougherty, Pittsburg resident; Angelica, Pittsburg resident; Anna Hernandez, Pittsburg resident; and Randy Schaffer, Pittsburg resident.

7. COMMUNITY ADVISORY COUNCIL CO-CHAIRS AND ADMINISTRATIVE UPDATE

The Council received the following updates from the Community Advisory Council Co-chairs on Council planning and administrative matters:

Update on the Three Council items in process for Board consideration:

a. Oct 7 - All 7 Council recommendations in the BOD-Council Collaboration item were adopted by a vote of the Board of Directors
    - Next steps are for staff to discuss implementation details with the Council Co-Chairs - i.e. rotation schedule for attending Board meetings, etc.
b. Oct. 14 - The Council Charter amendments passed a vote of the Board's Community Equity, Health, and Justice Committee and is moving to the Board of Directors on consent for a vote on November 4

c. Dec. 2 - At the April Board meeting, the Board of Directors requested staff responses to the Council's 7 Compliance and Enforcement Recommendations based on the results of the Crown Hill Materials case study are slated to be on the agenda for the Dec. 2 Board of Directors meeting

Council's November 19 meeting agenda and pre-reads (3 items, 2 are action items):

a. Action Plan Ad Hoc Report-out and a vote on Council's future work recommendations for the Council's consideration (presented by Ken Szutu and Aza Tsogtsaikhan)
    - Please look for an email with comprehensive reports and proposals to read ahead of the Nov 19 meeting from the Action Plan Ad Hoc
    - Please come prepared with your questions on the proposals and your thoughts on prioritizing future Council work
b. Formation of a new Council Ad Hoc on Permitting and Community Protections (presented by Patrick Messac)
    - Please see the pre-read on the Permitting ad hoc proposal to come over email
c. Legal Enforcement Policy Update (presented by Sandy Crockett)
    - Please see the pre-read on the Legal Enforcement Policy and come prepared to provide your thoughts and input to Sandy prior to him bringing the policy to the Board in December

Update on the People's Air Grant

a. Oct 7 - All of the PAG grantees were approved by the Board of Directors and will be awarded grants.

At this time, a live evaluation/survey was conducted, via Mentimeter, regarding the Council's feedback on the retreat.

Would like to encourage CAC members to apply for and utilize the $1,000 projects.

8. COUNCIL MEMBER COMMENTS

Co-Chair Messac encouraged the Council Members to attend the Air District's November 4 Board meeting, at which, the Board will consider changes to Rule 9-6 for water heaters. The changes, if approved, provide for some exemptions to the zero-nitrogen oxides standard and would extend the compliance date by a calendar year.

9. TIME AND PLACE OF NEXT MEETING

Thursday, November 19, 2026, at 6:00 p.m. The meeting will be held in-person at the Bay Area Metro Center and at satellite locations as may be specified on the meeting agenda using a remote teleconferencing link. Members of the Community Advisory Council and the public may attend at any of those in-person locations, and members of the public may also attend virtually via webcast.

Adjournment
The meeting was adjourned at 5:17 p.m.

Attachments
#3 – Approval of the Draft Minutes of the Community Advisory Council Meeting of September 17, 2026
#4 – Backup Power Generation and Community Air Quality Impacts of Data Centers in the Bay Area
#5 – Community Advisory Council Local Environmental Justice Updates

AGENDA: 25

BOARD MEETING DATE: December 2, 2026

REPORT: Technical Advisory Council

SYNOPSIS: The Technical Advisory Council held a meeting on Monday, November 9, 2026. The following is a summary of the meeting.

RECOMMENDED ACTION:

This item is provided for the Board's information and awareness; no action is requested at this time.

Dr. Phil Martien, Chair

PM:mh

Chair Martien called the meeting to order at 9:00 a.m.

ROLL CALL:

Present: Chairperson Dr. Philip T. Martien; Vice Chair Dr. Garima Raheja; and Members Dr. Daniel Baldassare, Melanie Colburn, Dr. Stephanie Holm, and Dr. Michael Schmeltz.

Arrived After Roll Call: Melanie Colburn (arrived at 9:29 a.m.)

Absent: Board Liaison Lynda Hopkins.

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

CONSENT CALENDAR

2. **APPROVAL OF THE DRAFT MINUTES OF THE TECHNICAL ADVISORY COUNCIL MEETING OF OCTOBER 5, 2026**

Public Comments

No requests received.

Council Comments

None.

Council Action

Dr. Schmeltz made a motion, seconded by Dr. Baldassare, to **approve** the Draft Minutes of the Advisory Council Meeting of October 5, 2026; and the motion **carried** by the following vote of the Council:

AYES:	Baldassare, Colburn, Holm, Martien, Raheja, and Schmeltz.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Hopkins.

DISCUSSION ITEMS

3. FRAMEWORKS AND APPLICATIONS FOR PLACE-BASED SCREENING TOOLS

The Council discussed and explored the Healthy Places Index and CalEnviroScreen, including their conceptual frameworks, applications by Air Districts and communities, and implications for identifying priority communities in the Bay Area.

Coline Bodenreider, MPH, Climate Change and Health Data Lead, at the Public Health Alliance of Southern California, gave the presentation *The Healthy Places Index (HPI): Data to Build Healthy, Resilient Communities,* including: our shared value; empowering change through data with the HPI; a proven track record of community impact; the HPI platform; HPI 3.0 indicators, domains, and domain weights; let's explore the California HPI; HPI score; HPI domains and indicators; race and ethnicity data; additional data layers; pool geographics; rank geographies; more tools; frames matter, comparing HPI and CalEnviroScreen; community success stories; and use of HPI in air districts.

Public Comments

Public comments were given by Rich Parenteau, ConServe.

NOTED PRESENT: Council Member Colburn was noted present at 9:29 a.m.

Council Discussion

In response to Vice Chair Raheja's inquiry about updates to HPI, Coline Bodenreider explained that the Public Health Alliance planned to update the tool annually, with the next update expected in July 2027. Previous major versions were generally separated by four or five years, in part because many indicators relied on five-year estimates from the American Community Survey (ACS). Councilmember Holm asked whether the comparison of HPI and CalEnviroScreen within the Air District had been re-ranked on a Bay Area-only basis. Coline Bodenreider clarified that the analysis retained statewide rankings and was merely restricted geographically to Bay Area tracts. In response to inquiry from Councilmember Baldassare, they stated that HPI 3.0 was released in 2022 and that its tract-level data had subsequently been crosswalked from 2010 to 2020

Census tract boundaries. They also affirmed that the Alliance would examine the effects of newer input data and continue to provide comparisons among versions in its technical documentation; the Alliance had not yet conducted testing for the upcoming update and, for its tract-level ACS measures, it used the estimates for the individual tract without smoothing or borrowing from neighboring tracts.

Councilmember Schmeltz emphasized that the differing vintages of HPI 3.0 and CalEnviroScreen 5.0 data complicated direct comparison. In particular, the ACS data used by HPI predated the COVID-19 pandemic; Dr. Schmeltz expressed hesitation about relying on these older estimates for present-day decisions, but was looking forward to the planned HPI updates improving comparability and usefulness. Councilmember Baldassare asked what proportion of HPI depended on ACS estimates. Coline Bodenreider indicated that the proportion was substantial but did not have a precise figure available and offered to follow up or point members to the technical report. Chair Martien expressed appreciation for HPI's asset-based framing, remarking that it encouraged a different mindset about communities and conveyed a positive direction for policy.

Chair Martien asked whether the Alliance used expert panels to validate the tool's outputs. Coline Bodenreider explained that each iteration of HPI was informed by a steering committee and that its methodology had been developed with researchers at Virginia Commonwealth University. The steering committee and other experts considered the implications of indicator selection, inclusion and exclusion criteria, and statistical methodology. Chair Martien asked specifically whether community members participated in that review. Coline Bodenreider stated that the Alliance sought to engage a diversity of users, stakeholders, and experts and had conducted extensive user testing of the HPI 3.0 platform. For example, the inclusion of more detailed race and ethnicity information had been informed by community feedback, and the resulting features were tested with different audiences to determine whether they met users' needs.

Turning to the relation between measurement and action, Chair Martien asked whether HPI's various frames could be understood in relation to the particular policy goals being pursued, noting the Council's work to develop recommendations for how the Air District identifies overburdened communities. Coline Bodenreider explained that HPI domains or policy action areas were tied to evidence-based policy action guides, so that the indicators were intended not only to describe community conditions but also to identify opportunities for improvement. Chair Martien invited Coline Bodenreider to remain for the later discussion of cumulative impacts recommendations, particularly given the potential relevance of HPI's approach to linking indicators and policy actions.

Council Action

No action taken.

4. AIR TOXICS MONITORING AND ASSESSMENT IN THE BAY AREA

The Council discussed the Air District's air toxics work, covering past monitored trends of region-wide concentrations, current community air monitoring, and plans to assess health risks across the Bay Area. The discussion also introduced the Bay Area Regional Evaluation of Air Toxics and Health Effects (BREATHE) study, an integrated initiative to evaluate regional air toxics and population exposure.

Dr. Jennifer Ofodile, Principal Air Quality Specialist in the Meteorology and Measurements Division, gave the staff presentation *Air Toxics Monitoring and Assessment in the Bay Area,* including: abbreviations; recommended action; criteria air pollutants; air toxics pollutants; air toxics monitoring; routine monitoring of air toxics; regional air toxics trends; local air toxics monitoring (overview, mobile surveys); upcoming air toxics study - BREATHE; and air toxics and cumulative impacts.

Public Comments

Public comments were given by Rich Parenteau, ConServe.

Council Discussion

Councilmember Baldassare asked whether other measured air toxics had experienced reductions comparable to the pronounced historical decline in ambient benzene. Dr. Ofodile explained that trends vary by compound and by the sources that contribute to them. Some compounds more associated with legacy emissions or sources may now exhibit relatively stable background concentrations, while other compounds have declined, for example in response to controls on motor vehicles. She emphasized that the pattern depends on the pollutant and the effectiveness of measures directed at its dominant sources.

Councilmember Colburn described the following as compelling: Dr. Ofodile's example of an analysis of mobile monitoring observations in East Oakland that identified elevated pollutant concentrations and led to the discovery of a powder coating facility operating without a required Air District permit. Councilmember Colburn asked how frequently the mobile monitoring laboratory could identify sources with that degree of precision and how often such findings led to enforcement. Dr. Ofodile explained that mobile measurements provide a snapshot of concentrations at a particular time and place, so follow-up visits and other investigation may be needed. She recalled approximately five or more referrals to enforcement from the project, although she did not have a verified count available. Not all referrals result in notices of violation; one investigated business, for example, was determined not to require an Air District permit.

Councilmember Schmeltz asked which air toxics were most frequently not detected, and whether non-detects reflected low ambient concentrations or limits of the analytical methods. Dr. Ofodile discussed tetrachloroethylene as an example, noting its historical phase-out and the limitations of the current canister method in detecting low

concentrations. Dr. Schmeltz sought clarification about whether a non-detect could be interpreted as reassuring. Dr. Ofodile cautioned that it could not necessarily be interpreted that way: detection depends both on concentration and the measurement method. More sensitive, continuous instruments and the mobile monitoring laboratory can sometimes observe compounds or short-lived enhancements that routine integrated canister sampling does not resolve. She identified this as part of the rationale for BREATHE.

Chair Martien asked about the projected timeline for BREATHE, including the establishment of monitoring stations, updates to the air toxics emissions inventory, and regional modeling. Dr. Andrea Polidori, Deputy Executive Officer of Science, stated that an external technical advisory group was being assembled, with the hope of convening its first meeting in December 2026 or early January 2027. If implementation proceeded as planned, continuous monitoring could begin at approximately five stations around mid-2027, with initial emissions inventory and modeling work following, potentially beginning late in 2027. He emphasized that the initial 5 stations were intended to operate continuously rather than as a time-limited campaign. While BREATHE shared the broad purpose of the South Coast Air Quality Management District's Multiple Air Toxics Exposure Study (MATES) which has 10 monitoring sites, BREATHE was being designed around newer, high-time-resolution instruments.

Councilmember Schmeltz asked how communities would influence the selection of BREATHE sites, and whether the process would depend on residents initiating requests or would include proactive outreach, calling attention to the apparent absence of candidate sites in the populated corridor between Oakland and San Jose. Staff replied that site locations were preliminary, based in part on existing infrastructure and prior evidence of elevated concentrations, and would be informed by the proposed technical advisory group; sites could be added or changed as the project developed. Dr. Schmeltz encouraged staff not to rely only on communities already organized and able to seek monitoring, since less organized or less vocal communities may also have significant needs. Dr. Polidori added that community organizations and leaders were being invited to participate in the advisory process and agreed that this concern should inform planning.

Councilmember Baldassare asked for examples of candidate sites that had shown air toxics concentrations above thresholds. Staff pointed to monitoring sites in San Jose and East Oakland as examples of higher measurements for several compounds relative to other existing monitoring sites and contrasted them with a Portero Hill-San Francisco monitoring location where concentrations were generally lower.

Councilmember Schmeltz sought clarification about the Reference Exposure Levels (RELs) developed by the Office of Environmental Health Hazard Assessment (OEHHA), noting that the same acronym is sometimes used for occupational exposure guidance, and asking how the one-hour and eight-hour benchmarks should be interpreted. Staff explained that OEHHA's RELs are health-based inhalation exposure benchmarks intended for ambient environmental exposures, as distinct from occupational standards. Staff also noted that the Air District considers acute as well as chronic exposures in refinery fence-line and community monitoring, and that comparing a measurement with

an REL requires attention to the averaging duration. Staff described the one-hour REL as an important point of reference for evaluating potential acute community exposures.
Dr. Polidori commented that diesel particulate matter was likely to remain an important contributor to modeled cancer risk in an urban region with traffic, ports, and other combustion sources. He also discussed evolving cancer potency estimates for acrolein and ethylene oxide, noting that draft OEHHA values could substantially alter their apparent contributions to risk if finalized. He stated that the Air District was keeping those compounds in view in planning its monitoring program, noting that acrolein is emitted by many combustion processes and ethylene oxide is associated with industrial uses like sterilization facilities. He emphasized that the developing regional network would combine routine air toxics monitoring, refinery fence-line and community measurements, local investigations, and BREATHE rather than relying on any single program.

Councilmember Holm asked whether BREATHE's continuous instruments would be co-located with conventional monitoring stations to enable comparisons between measurement approaches. Staff confirmed that existing monitoring infrastructure was being leveraged where possible. Dr. Holm then inquired about the apparent tension between two stated site-selection goals: obtaining a set of measurements representative of region-wide exposure and prioritizing locations suspected of elevated air toxics risk. If measurements were to validate a regional model, she observed, concentrating sites in high-risk locations might not represent the full distribution of exposures.

Staff acknowledged the distinction and tradeoff. Staff explained that the long-term objective was to develop an air toxics exposure and risk picture across the entire air basin, using emissions inventories and modeling informed and evaluated by monitoring observations, while separate mobile and community investigations could focus more intensively on local hot spots. Staff stated that the initial stations were being selected substantially for their utility in understanding regional distributions and their practical feasibility, although they also included locations expected to have elevated concentrations. Staff also noted that the specialized real-time instrumentation was costly, and that establishing new permanent monitoring sites was challenging. Staff compared the initial five-site concept with the South Coast MATES ten-site program and indicated that the system could be expanded, or stations moved as evidence and resources permitted.

Chair Martien reflected on the possibility of unanticipated risks from compounds that have been in use for years but are later found to be more hazardous than previously understood. He asked how the Air District might anticipate or protect communities against such surprises, a question he saw as relevant to the Council's cumulative impacts deliberations. Staff agreed that new measurements and updated toxicological information could reveal risks not appreciated when regulations or emissions inventories were developed. Dr. Polidori recalled an example from an earlier South Coast air toxics study in which unexpectedly high hexavalent chromium concentrations at a monitoring location led investigators to identify an industrial source and informed subsequent regulatory action. The purpose of an expanded monitoring program, he emphasized, was not merely to reproduce existing knowledge but also to identify and investigate what is not yet understood.

Councilmember Schmeltz asked how BREATHE and the Air District's air toxics assessment might account for seasonal or acute exposures, citing pesticides and vector-control spraying used in large-area applications as examples. Staff responded that the initial monitoring and inventory effort would concentrate on compounds believed to contribute substantially to cancer and non-cancer risks, while recognizing that some more source-specific pollutants and episodic emissions may require different methods. Staff indicated that the pollutant list and inventory would be refined as new information became available and as the study progressed.

Council Action

No action taken.

THE COUNCIL RECESSED AT 10:32 A.M., AND RESUMED AT 10:45 A.M.

5. **CONTINUED DISCUSSION OF RECOMMENDATIONS ON CUMULATIVE IMPACTS**

Chair Martien gave the presentation *Continued Discussion of Recommendations on Cumulative Impacts,* including: overview; ***questions on stricter limits and thresholds;*** questions on civil rights laws; questions on examples of the precautionary approach; updates and a revised draft timeline and additional steps; ***questions from last meeting, updates, and timeline;*** issues raised at the Air District's Community Advisory Council and Technical Advisory Council meetings; scope of cumulative impacts: the issue; New Jersey Department of Environmental Protection: environmental and public health stressors; Minnesota Pollution Control Agency: environmental stressors; ***scope of cumulative impacts***; community identification – the need for goals, comparisons, ***draft goals*** and requirements, and updated recommendations; scope and community identification decisions should work with the overall policy structure; New Jersey statewide cumulative impacts rule; Bay Area Air District toxics current permitting rule; and discussion and questions.

The Council discussed and further refined its recommendations for addressing cumulative impacts when permitting new or modified sources of air pollution. The Council continued discussion of the October draft recommendations document, including questions raised at the October 5, 2026, meeting and suggested additional improvements. The Council is in the process of preparing these draft recommendations for the Board of Directors' consideration.

Public Comments

No requests received.

Council Discussion

Following the recess, Chair Martien reconvened the meeting and introduced the continuing review of the draft recommendations for addressing cumulative impacts in permitting new or modified air pollution sources. He explained that the October 2026 draft remained the most recent public version. The recommendations ad hoc committee had begun work on a subsequent draft, but Chair Martien wanted to discuss several unresolved issues with the full Council before releasing it. Since the previous meeting, the Council's ad hoc committee had met twice with an ad hoc group of Community Advisory Council (CAC) members. Chair Martien indicated that these meetings had raised questions about the scope of the recommendations and the potential for place-based screening tools to exclude communities that experience substantial burdens.

Chair Martien first returned to questions about the potential consequences of stricter cancer risk, non-cancer hazard, and particulate matter limits or trigger levels. Dr. Radhakrishna explained that new thresholds or comparable requirements would be considered through a staged rule-development process in which their effects and feasibility could be evaluated. Staff cited the existing, more protective cancer-risk threshold for projects in designated overburdened communities, stating that it had led to more stringent operating conditions or reduced emissions for approximately 5% of projects in those communities. Mr. Nudd added that tightening the threshold had been prompted in part by a proposal for a large, highly toxic facility in southern Vallejo, and said that similarly large proposals had not subsequently been seen in those communities, while cautioning against assuming a causal connection. Staff added that the effect of a threshold for any particular project depends on receptor locations and characteristics, terrain, meteorology, and dispersion. Regarding $PM_{2.5}$, staff identified that undifferentiated $PM_{2.5}$ would need to be designated as a toxic air contaminant by the state before it could be considered under the relevant air toxics framework.

In response to a question about staff capacity for the proposed monitoring and evaluation work, Dr. Radhakrishna pointed to existing and emerging programs that combine regional and community-scale monitoring, modeling, and emissions inventory analysis. Staffing and technical capacity could be adjusted over time as the scope and findings of the work became clearer. Staff added that the Engineering Division had dedicated California Environmental Quality Act (CEQA) personnel and access to consultants and worked with local governments to encourage analysis of cumulative impacts early in project planning. Chair Martien noted that a separate question about potential tradeoffs between tightening permitting limits and opportunities for communities had not yet been taken up with the CAC ad hoc group but would remain on the agenda for future joint meetings.

Chair Martien also revisited a comment letter concerning civil rights law and a proposed addition to the recommendations' discussion of alignment with Air District activities. Dr. Radhakrishna reported that the Air District's Civil Rights Officer had no objection to referencing existing civil rights commitments in the 2024-2029 Strategic Plan. Such language could reinforce that cumulative impacts work was related to the agency's existing obligations rather than a separate or parallel undertaking. Reiterating the

commitment adds value because it ties cumulative impact recommendations to existing civil rights obligations and underscores their relevance to permitting and policy development.

Turning to precautionary approaches, Chair Martien asked Councilmembers and staff whether additional concrete regulatory examples should be included. Dr. Radhakrishna pointed to California Health and Safety Code sections 42330-42333, which allow consideration of an applicant's past compliance history when issuing, renewing, or denying permits; staff also noted opportunities to learn from other national jurisdictions through ongoing exchange.

Chair Martien reviewed revisions to the draft work schedule. Two additional joint CAC/TAC ad hoc meetings were anticipated during November and December 2026, with the objective of completing information-gathering by approximately mid-December, including consideration of the CAC's input and results from an internal staff survey. Chair Martien expected to reconvene in approximately February 2027, with another public draft released in advance. Following that round of discussion, the recommendations would be revised for presentation to the Board's Community Equity, Health, and Justice Committee and then the full Board in spring or summer 2027. Board feedback would subsequently inform a final recommendations document.

Councilmember Schmeltz requested a summary of the discussions taking place between the TAC and CAC ad hoc groups, asking whether the Council should be aware of emerging concerns or directionality. Chair Martien reported that the first October meeting was primarily introductory, while the second had begun substantive review of the draft. CAC members had read the recommendations and were identifying questions that merited discussion by the full TAC before another draft was completed. He proposed to use the remainder of the presentation to bring forward two such questions: the scope of cumulative impacts addressed by the recommendations, and the adequacy of the approach for identifying communities.

Chair Martien explained that the existing recommendations concentrated on assessing the cumulative air pollution impacts of newly permitted or modified sources. Members of the CAC had pointed out that people experiencing cumulative impacts generally understand those impacts more broadly, encompassing water and soil pollution, traffic, noise, loss of open space, and other stressors potentially added by a proposed source. Chair Martien compared this scope to with the broader multimedia and nonchemical stressors considered under cumulative impacts permitting approaches in New Jersey and Minnesota. Those states' environmental agencies had responsibilities across multiple media, he noted, while California generally divided authority among separate agencies. He asked members for their thoughts on whether interagency coordination, some role for CEQA, or a clearer statement of the Council's deliberately narrower scope might be appropriate.

Dr. Holm, noting involvement with the recommendations ad hoc group but inability to attend the recent joint meetings, distinguished two questions: which impacts should be included in cumulative impacts assessment, and what the Air District itself has authority to do. Dr. Holm suggested adding a concise explanation, potentially with staff assistance, of the regulatory and programmatic actions the recommendations could influence. Such an explanation could help set realistic expectations in light of community frustration about the limited jurisdiction of individual agencies. Chair Martien agreed that describing the Air District's authority and the intended scope of the recommendations were related but distinct issues.

Vice Chair Raheja suggested treating the scoping in stages rather than as an all-or-nothing decision: the Council could be explicit that its first set of recommendations addressed air pollution, while recognizing additional stressors and more ambitious approaches for future consideration. Chair Martien suggested that the document's existing section on areas for future work might be a suitable place to acknowledge nonchemical stressors and possibilities for broadening assessments later. Chair Martien noted that some stressors used in New Jersey's framework, such as tree cover and parks, were not necessarily within the direct regulatory authority of that state's permitting agency either.

Mr. Nudd requested clarification as to whether the question concerned the Air District’s ability to consider nonchemical stressors and pollution from other environmental media in making air permitting decisions. He observed that the Air District already considered broader burdens indirectly through its overburdened-community designation, which relied on CalEnviroScreen and therefore incorporated population characteristics and pollution burdens beyond those associated with an individual air pollution source. Chair Martien distinguished the identification of places to which more protective rules apply from the assessment of impacts attributable to a proposed project; in the existing Air District approach, broader indicators can influence where stricter thresholds apply, while the health risk assessment itself focuses on toxic air emissions from the permitted source. By comparison, New Jersey's cumulative impacts review considers additional multimedia stressors attributable to a proposed project.

Members observed that consideration of broader stressors in designating communities could be understood as a precautionary approach, even where precise causal relationships between individual stressors and health outcomes cannot be quantified. However, the Council returned to the distinction between acknowledging existing burdens and evaluating a proposed source's incremental contribution to them. Councilmember Baldassare suggested that the recommendations could describe a broad view at the planning or identification stage followed by narrower analysis appropriate to the Air District's permitting function. Dr. Holm recommended retitling or reframing Appendix A to underscore the incremental nature of the work and to make clear that topics deferred from the current draft were important rather than rejected.

A Councilmember asked what, specifically, CAC members thought was missing if the Air District's existing designation already took account of non-air pollution and socioeconomic indicators. Chair Martien explained that the concern was not principally about other agencies' role, but about whether the Air District's own permitting decision considered the full set of impacts attributable to a proposed project. Staff and Councilmembers acknowledged that although broader conditions can affect the geographic application of air permitting requirements, not all incremental stressors enter directly into the resulting risk assessment. Chair Martien indicated that the exchange had clarified a path for revising the discussion of scope in the next draft.

Chair Martien next considered concerns that some communities do not see their experiences reflected in the maps used to identify overburdened areas. He suggested that clearer policy objectives might help guide the choice of indicators, geographic units, and validation methods. He contrasted New Jersey's reliance principally on population characteristics, with provisions for adjacent uninhabited industrial block groups, and Minnesota's similar demographic criteria and one-mile buffer, with the Air District's use of CalEnviroScreen 4.0 at or above the 70th percentile plus a 1,000-foot buffer. Chair Martien observed that the former approaches appeared especially focused on identifying what might be termed environmental justice areas, that might not necessarily be pollution-burdened, while the Air District's designation explicitly combined socioeconomic and environmental burden indicators.

Chair Martien introduced preliminary goals for community identification, framed around the difference that maps could make in policy. One goal was to respond to unequal political and economic resources that can affect a community's ability to oppose the siting of pollution sources. A second goal was to avoid adding more pollution in places already facing disproportionate environmental and health burdens, including those shaped by historical policies such as redlining. A third was to help compensate for known gaps in conventional risk assessment methods, such as omitted background concentrations, incomplete toxicological information, possible synergistic effects, and nonchemical stressors. He suggested that these distinct objectives might warrant different combinations of population characteristics and environmental burden information.

Chair Martien then presented recommendations for preliminary requirements for place-based mapping tools. Recommendation 2a may remain unchanged and continue supporting placed-based approaches. Recommendation 2b would be revised from continuing to use CalEnviroScreen while exploring the Health Places Index to a broader recommendation to build on existing statewide tools. The proposed revision would allow greater flexibility to incorporate additional methods and information. Recommendation 2c would be revised to include a validation step using expert panels. This process could incorporate local mapping tools, community lived experience, and comparisons with additional datasets not directly used in the screening methodology. A new Recommendation 2d would call for the development of a product roadmap addressing mapping tool development, documentation, and periodic updates. Members generally expressed support for the direction of the revisions while raising questions about implementation complexity, resource requirements, and opportunities to achieve similar results using existing tools.

Chair Martien then used a three-part framework discussed in an earlier presentation by Dr. Yukyan Lam to show how community identification, impact assessment, and regulatory action fit together. He contrasted New Jersey's relatively narrow demographic identification criteria followed by a broad multimedia assessment with the Air District's broader community identification criteria followed by a more focused assessment of air toxics from a proposed source. He stressed that these were different ways to distribute consideration of cumulative burdens across the stages of a permitting decision. Chair Martien asked whether the proposed mapping goals and revisions would address the CAC's concerns without losing the practical usefulness of the existing tools.

Councilmember Colburn observed that HPI already incorporated several of the factors under discussion, including socioeconomic conditions and indicators relevant to vulnerability, and asked whether combining it with CalEnviroScreen would address many concerns without creating an extensive new review process. Chair Martien acknowledged that some proposals, particularly convening expert panels, could be resource-intensive and asked whether a less burdensome approach might address most of the identified deficiencies.

Councilmember Holm cautioned that the scale and composition of the proposed expert panels needed further thought: panels could conceivably be useful for many communities, making the approach difficult to bound. She urged that if community experts were asked to participate, the recommendations explicitly provide for compensation for their time, particularly given the burdens already experienced by people in overburdened communities. She also suggested that the Council's many recommendations would be more accessible if a figure organized them according to the stage of the permitting process they were intended to influence, rather than simply presenting a long enumerated list. Such a structure could show where individual recommendations might affect community identification, assessment, or action.

Chair Martien welcomed that suggestion but noted that the three-stage diagram was primarily place-based, whereas some recommendations could improve standard health risk assessments everywhere, including in communities not identified by a threshold-based map. The Council discussed a way to visually distinguish recommendations applying only within designated areas from improvements to risk assessment that could have general application. Dr. Holm suggested that the diagram could serve as a framework for understanding what each recommendation would change in the decision process without implying that every recommendation was geographically restricted.

Dr. Schmeltz recalled that changes from CalEnviroScreen 4.0 to 5.0 had prompted concerns among communities that had previously been identified as disadvantaged but were no longer included, despite their own experience of persistent burdens. Dr. Schmeltz emphasized that people generally identify with neighborhoods, not census tracts, and that neighborhood boundaries are often fluid rather than sharply delineated. Community knowledge could therefore provide an important means of ground-truthing a map, while retaining a transparent and scientifically defensible methodology. Dr. Schmeltz emphasized that especially after issues following changes in CalEnviroScreen

classifications, transparency about how the Air District uses place-based maps would be important to public trust.

Dr. Baldassare asked whether Air District data supported the three proposed rationales for community identification. In particular, Dr. Baldassare asked whether new sources continued to be sited disproportionately in areas with less ability to resist them, how large existing differences in burden were, and how well current risk assessments accounted for potentially important omitted factors. Mr. Nudd explained that a large fraction of the facilities with Air District permits were located within the comparatively small portion of Bay Area geography classified as overburdened. In response to a follow-up, he clarified that new permits were more widely dispersed, although they tended to follow existing patterns to some extent; large new industrial facilities were uncommon, while facilities such as backup generators were more widely distributed. Dr. Radhakrishna noted that historical redlining could be examined through geographic layers available both within the HPI platform and through Air District tools. He also emphasized that community feedback on facility health risk assessments, including under Regulation 11-18, often concerned their narrow scope, particularly the exclusion of background pollution and contributions from additional sources, consistent with a number of the methodological gaps that the Council was considering in its recommendations.

Invited to comment, Coline Bodenreider confirmed that historical redlining was among the HPI platform's supplementary map layers, and that historically redlined communities often overlapped areas in the lowest HPI quartile. They suggested that HPI could serve as a repository of additional information on the social determinants of health, including indicators not included in its aggregate index score. Asked whether HPI's empirical connection to life expectancy might make it more understandable to communities than some elements of CalEnviroScreen, they said that this could help: the causal and policy relevance of community conditions was often more intuitive to users, and the tool's positive framing had also resonated with communities. In response to a further question, they said that the HPI platform included the overall CalEnviroScreen index and certain components, such as an asthma indicator, as supplementary map layers, but could not confirm that every CalEnviroScreen layer was separately available within the HPI tool.

Dr. Polidori recommended flexibility in the longer-term development of mapping tools. He cautioned against becoming committed to a single tool because data, analytic methods, and opportunities could change quickly. Coline Bodenreider emphasized that no mapping tool was perfect and that ground-truthing against community experience was important.

Responding to comment by Councilmember Holm about scaffolding, Dr. Radhakrishna reported that staff had prepared a two-page preliminary organization of the Council's 26 draft recommendations, in response to the Chair's request at the October meeting. The staff summary divided recommendations into two broad tracks: identifying communities in which additional protections might apply, and mechanisms for strengthening health protections. Within each track, Dr. Radhakrishna noted how staff distinguished recommendations potentially feasible in the near term from those requiring additional data or methodological development. He indicated that the summary would be made available with the meeting materials. Dr. Radhakrishna added that the discussion of HPI was

relevant to future guidance on a Bay Area-specific tool that could bring together strengths of multiple existing tools, combining environmental and population burden and health information in a useful form.

Councilmember Colburn asked whether wildfire hazard severity or wildfire risk information was incorporated into the mapping tools. Dr. Radhakrishna indicated that the Air District's current CalEnviroScreen 4.0-based designation did not include wildfire hazard zones. Councilmember Colburn advocated for further Council consideration of wildfire risk, given longer and more frequent fire seasons and the implications for air pollution. Coline Bodenreider explained that older fire hazard severity zones were available as a supplementary layer in HPI 3.0 and that updated wildfire risk information was planned for the next version in July of 2027. They also recommended exploring the vulnerable communities' platform from Governor's Office of Land Use and Climate Innovation with the release of the 5th Climate Assessment. Councilmember Colburn suggested considering such factors within the Council's ongoing recommendations rather than necessarily as a separate agenda item.

Councilmember Holm sought confirmation that staff's two-track document was intended to map existing Council recommendations to potential paths for Air District implementation, not to replace or predetermine the Council's recommendations. Dr. Radhakrishna confirmed that it was the former and a succinct summary.

Chair Martien thanked the participants and concluded the item without formal action.

Council Action

No action taken.

OTHER BUSINESS

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

Greg Nudd, Deputy Executive Officer of Policy, reported the following:

- The Air District Board of Directors voted on November 4, 2026, to amend Rule 9-6, delaying the zero-NOx residential water heater requirement by one year and establishing exemptions for low-income property owners and for properties where electrical or space constraints make the transition especially difficult. The amendments delay the compliance date from January 2027 to January 2028 to further develop proposed exemptions.
- At the December 2, 2026, Board meeting, Air District staff will present an update regarding market status and implementation challenges for the zero-nitrogen oxides standard in Regulation 9, Rule 4: Nitrogen Oxides Emissions from Natural Gas-Fired Furnaces. The presentation and accompanying report were required as part of the Board's adoption of amendments to Rules 9-6 and 9-4 ("building

appliance rules") in March 2023. They provide an overview of status updates regarding readiness, challenges, and next steps for implementing these rules. This update focuses on Rule 9-4, which establishes a zero-NOx requirement for furnaces starting January 1, 2029. The latest information being presented was developed through the 2025-2026 multi-stakeholder engagement process of the Implementation Working Group (IWG), along with technical research studies and targeted discussions with other key stakeholders.

- Other rules under development include: refinery flaring, indirect sources/warehouses, fugitive dust, metals shredding and recycling, and backup generators at data centers.
- In February 2024, the U.S. Environmental Protection Agency strengthened the primary annual Particulate Matter $(PM)_{2.5}$ standard from 12.0 µg/m³ down to 9.0 µg/m³. The Bay Area has been designated as non-attainment for $PM_{2.5}$, at a standard between 9.2 and 9.4 µg/m³. As reduction deadlines approach, the Air District plans to come into attainment using a two-phase process.

Council Comments

Councilmember Holm asked whether Air District staff capacity and workload may be impacted by having to meet the EPA's requirements through a specific framework or approach.

Chair Martien asked whether there is overlap between the consideration of fugitive dust as a regional pollutant and its classification as a toxic air contaminant.

7. PUBLIC COMMENTS ON NON-AGENDA MATTERS

No requests received.

8. COUNCIL MEMBER COMMENTS

Dr. Schmeltz expressed a preference for receiving agenda packet materials earlier than one week before scheduled meetings.

9. TIME AND PLACE OF NEXT MEETING

At the Call of the Chair.

Adjournment
The meeting was adjourned at 12:11 p.m.

Attachments
#2 – Approval of the Draft Minutes of the Technical Advisory Council Meeting of October 5, 2026
#3 – Frameworks and Applications for Place-Based Screening Tools
#4 – Air Toxic Monitoring and Assessment in the Bay Area
#5 – Discussion of Recommendations on Cumulative Impacts

AGENDA: 26

BOARD MEETING DATE: December 2, 2026

REPORT: Policy, Grants, and Technology Committee

SYNOPSIS: The Policy, Grants, and Technology Committee (Committee) held a meeting on Wednesday, November 18, 2026. The following is a summary of the meeting.

RECOMMENDED ACTION:

This item is provided for the Board's information and awareness; no action is requested at this time.

Vicki Veenker, Chair
Policy, Grants, and Technology Committee

VV:mh

Policy, Grants, and Technology Committee (Committee) Chairperson, Vicki Veenker, called the meeting to order at 10:03 a.m.

Roll Call:

Present, In-Person (Bay Area Metro Center, 375 Beale Street, 1st Floor Board Room, San Francisco, CA, 94105): Chairperson Vicki Veenker.

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

Present, In-Person Satellite Location: (Alameda County Board of Supervisors District 3, 101 Callan Ave., Suite 103, San Leandro, CA 94577): Vice Chairperson Juan González III; and Directors Mark Salinas and Lena Tam.

Present, In-Person Satellite Location: (City of San Bruno, 567 El Camino Real, Room 138, San Bruno, CA 94066): Director Rico E. Medina.

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

Arrived After Roll Call: Director Joelle Gallagher (arrived at 10:06 a.m., at In-Person Satellite Location: Napa County Administration Building, 1195 Third Street, Suite 310, Crystal Conference Room, Napa, CA 94559)

Absent: Directors Brian Colbert and Noelia Corzo.

For additional details of the Policy, Grants, and Technology Committee Meeting, please refer to the webcast, which can be found here. Please use the webcast's index to view specific agenda items.

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

No requests received.

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

CONSENT CALENDAR

3. **APPROVAL OF THE DRAFT MINUTES OF THE POLICY, GRANTS, AND TECHNOLOGY COMMITTEE MEETING OF SEPTEMBER 16, 2026**

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Carlson made a motion, seconded by Director Medina, to **approve** the Draft Minutes of the Policy, Grants, and Technology Committee Meeting of September 16, 2026; and the motion **carried** by the following vote of the Committee:

AYES: Carlson, Gallagher, González, Medina, Mueller, Salinas, Tam, Veenker.
NOES: None.
ABSTAIN: None.,
ABSENT: Colbert, Corzo.

DISCUSSION ITEMS

4. **2027 LEGISLATIVE PLATFORM**

Viet Tran, Deputy Executive Officer of Public Affairs, gave the staff presentation *Proposed 2027 Legislative Platform,* including: abbreviations; state budget; state legislation; and federal legislation and regulatory activity.

Feedback from the Committee will be incorporated into the next iteration of the Proposed 2027 Legislative Platform, which will be presented as an action item at the first Committee meeting in 2027. At that time, the Committee will consider recommending to the Board of Directors that the Board adopt the 2027 Legislative Platform.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed whether the Air District is tracking legislation on data centers, and the suggestion that the Air District tracks this issue at the state and local levels; whether street vendors that cook with open flames, charcoal, or wood, and produce smoke, are subject to Air District regulations; the desire for local governments to play an active role in educating and supporting lower-income and disproportionately-impacted communities in efforts to reduce exposure to air pollution; whether Senate Bill 222 (Wiener 2026) "Residential Heat Pump Water Heater or Heat Pump Heating, Ventilation, and Air Conditioning Systems" was intended to unify permitting standards from jurisdiction to jurisdiction; and legislation the Air District might monitor regarding cumulative health impacts.

Committee Action

No action taken.

6. UPDATE ON VOLKSWAGEN (VW) ENVIRONMENTAL MITIGATION TRUST GRANT PROGRAM

Jessica DePrimo, Grants and Community Program Supervisor, gave the staff presentation *Update on Volkswagen Environmental Mitigation Trust Grant Program,* including: overview of VW Trust; California VW Trust fund allocation; Zero-Emission Freight and Marine (ZEFM) - program overview, project funding overview, contracted projects, statewide distribution, current status and next steps; and light-duty zero emission infrastructure.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed whether any Bay Area ferry services have received grants through the Volkswagen Environmental Mitigation Trust Program and how the funding is administered to the recipients; the reason for the disparity in cost-effectiveness between awarded project types; and whether the Air District's administrative costs are eligible for reimbursement under this program.

Committee Action

No action taken.

OTHER BUSINESS

7. COMMMITTEE MEMBER COMMENTS

Chair Veenker reported on some of the activities and key takeaways from her experience at COP31, the 2026 United Nations Climate Change Conference, which took place in Antalya, Turkey, from November 9 to 20, 2026.

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

Wednesday, December 16, 2026, at 10:00 a.m. The meeting will be held in-person at the Bay Area Metro Center and at satellite locations as may be specified on the meeting agenda using a remote teleconferencing link. Members of the Policy, Grants, and Technology Committee and the public may attend at any of those in-person locations, and members of the public may also attend virtually via webcast.

Adjournment
The meeting was adjourned at 11:00 a.m.

Attachments
#4 – Approval of the Draft Minutes of the Policy, Grants, and Technology Committee Meeting of September 16, 2026
#5 – 2017 Legislative Platform
#6 – Update on Volkswagen Environmental Mitigation Trust Grant Program

AGENDA: 27

BOARD MEETING DATE: December 2, 2026

REPORT: Community Advisory Council

SYNOPSIS: The Community Advisory Council (CAC) held a meeting on Thursday, November 19, 2026. The following is a summary of the meeting.

RECOMMENDED ACTION:

This item is provided for the Board's information and awareness; no action is requested at this time.

William Goodwin, Co-Chair
Patrick Messac, Co-Chair
Latasha Washington, Co-Chair
Community Advisory Committee

WG/PM/LW:mh

The meeting Facilitator, Randolph Belle of Randolph Belle, Artist (RBA) Creative, called the Community Advisory Council retreat to order at 6:03 p.m.

ROLL CALL:

Present, In Person: (Bay Area Metro Center 1st Floor Yerba Buena Room, 375 Beale Street, San Francisco, CA, 94105): Co-Chairs William Goodwin, Patrick Messac, Latasha Washington; and Council Members Dominique Brooks, Adriana Fernandez-Arriaga, Ms. Margaret Gordon, Arieann Harrison, Cynthia Prieto-Diaz, Harsheet Subedi, and Azjargal Tsogtsaikhan.

Arrived After Roll Call: Council Member Saidy Reyes Mazariegos (arrived at 6:13 p.m.); and Ken Szutu (arrived at 6:45 p.m.)

Participated Remotely, via Zoom via Section 54953.8.3 of the Ralph M. Brown Act Open Meeting Act (Cal. Gov't Code § 54953.8.3). Remote presence does not count for quorum, but votes are counted for all action items): Council Member Ken Szutu.

Absent: Council Members Sejal Babaria, Kevin G. Ruano Hernandez, Violet Saena, and Jeff Sanchez.

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

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

Public comments were given by Elena Cetkovsky.

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

On behalf of Dr. Philip M. Fine, Executive Officer/APCO, Viet Tran, Deputy Executive Officer of Public Affairs, reported the following:

- This is the last Council meeting that will be attended by Alexander Crockett, General Counsel, as he is retiring at the end of the year. Much gratitude for his leadership and service.
- Adriana Renteria has been appointed as the Air District's new Director of Environmental Justice, and will be starting on January 11, 2027. She brings more than a decade of environmental justice and community engagement experience. Most recently, she led the State Water Board's Office of Public Engagement, Equity, and Tribal Affairs.
- On November 4, the Board approved amendment to Rule 9-6 that will delay the zero-NOx requirement for replacement water heaters until January 2028, and add exemptions for qualifying low-income property owners and especially difficult or costly installations. On December 2, the Board will also receive an update on Rule 9-4, which sets a similar zero-NOx standard for replacement furnaces.
- The Environmental Protection Agency-funded Clean HEET program reopened on November 3. The program offers grants to help homeowners replace wood-burning stoves and fireplaces with electric heat pumps. Applications are on our website.
- On December 8, the Bayview Hunters Point/Southeast San Francisco Community Steering Committee is scheduled to vote on whether to adopt its Community Emissions Reduction Plan, or CERP. This is an important milestone after extensive work by residents, community partners, and Air District staff. The draft plan and meeting details are on our website.

Public Comments

No requests received.

Council Comments

Ms. Margaret Gordon requested that this item be written and included as part of the agenda packets.

Council Action

No action taken.

CONSENT CALENDAR

4. **APPROVAL OF THE DRAFT MINUTES OF THE COMMUNITY ADVISORY COUNCIL SPECIAL/RETREAT MEETING OF OCTOBER 29, 2026**

Public Comments

No requests received.

Council Comments

None.

Council Action

Council Member Reyes Mazariegos made a motion, seconded by Council Member Harrison, to **approve** the Draft Minutes of the Community Advisory Council Special/Retreat Meeting of October 29, 2026; and the motion **carried** by the following vote of the Council:

AYES:	Brooks, Fernandez-Arriaga, Goodwin, Gordon, Harrison, Messac, Prieto-Diaz, Reyes Mazariegos, Subedi, Tsogtsaikhan, Washington.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Babaria, Ruano Hernandez, Saena, Sanchez, Szutu.

ACTION ITEMS

5. ACTION PLAN AD HOC COMMITTEE REPORT AND RECOMMENDATIONS

Council Members Ken Szutu and Azjargal Tsogtsaikhan gave the presentation *Action Plan Ad Hoc Committee Report and Recommendations,* including: outline; recommended action; Action Plan Ad Hoc Committee overview; accountability framework: from priorities to action; 1. Methodology: CAC Member Request Analysis; 1.2 Tracker Analysis; 1.3 CAC Tracker Findings; 1.4 Tracker Analysis Accomplishments and Proposals; Council-Air District Partnership Model; 2. Future Work: CAC Priority Setting – community complaint response standard; repeat complaint escalation policy; community-triggered monitoring and sampling protocol; priority facility and area action list; Air District decision calendar and targeted staff support; Council resource commitment, compensation, and community participation support; and recommended action.

At this time, the Council members were each asked to prioritize three focus areas of future work for the Council, from the following list of options:

- Community complaint response standard
- Repeat complaint escalation policy
- Community-triggered monitoring and sampling protocol
- Priority facility and area action list
- Air District decision calendar and targeted staff support
- Council resource commitment, compensation, and community participation support

Public Comments

No requests received.

Council Comments

The Council and staff discussed the following questions regarding the six priorities:

- Community complaint response standard – the Air District's definition of "minimum staffing level"; and where ad hoc committees are already actively working on specific priorities, such as in the Open Air data dashboard working group, whether it would be appropriate to either remove those items from the list or combine priorities that overlap in scope.
- Priority facility and area action list – the suggestion of further refining or consolidating the lists on this slide to facilitate a more focused prioritization process, as there are a significant number of topics listed on this slide, and this is only one of six areas being considered for prioritization.
- Air District decision calendar and targeted staff support – the difference in objectives between this priority and the accountability tracker that was developed by the Council; whether an Air District Decision Calendar exists; and the suggestion that case studies referenced within Council meeting presentations be embedded with links to any findings.
- Council resource commitment, compensation, and community participation support – whether a program of this nature already exists that provides stipends or grant funding, and if so, how funds are administered and distributed to participating organizations or individuals; the belief that the eligible expenses listed under this priority are vague or even a liability, and that this entire item should be postponed until the Council establishes its own budget policy; whether members of the public attending Council meetings is an eligible expense; and the suggestion of using gift cards.

General questions from the Council pertaining to this item included additional items or actions that would be included in the scope of the vote, beyond the top three-identified priorities; and who will be responsible for championing and advancing the top three priorities with a suggestion to bring the items to upcoming Co-Chair meetings to determine next steps.

Council Action

Council Member Reyes Mazariegos made a motion, seconded by Council Member Fernandez-Arriaga, that the Community Advisory Council **prioritizes** the following three work focus areas presented in the Action Plan Ad Hoc Final Report:

- Repeat complaint escalation policy
- Community-triggered monitoring and sampling protocol
- Council resource commitment, compensation, and community participation support

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

AYES:	Brooks, Fernandez-Arriaga, Goodwin, Harrison, Messac, Prieto-Diaz, Reyes Mazariegos, Subedi, Szutu, Tsogtsaikhan.
NOES:	Gordon, Washington.
ABSTAIN:	None.
ABSENT:	Babaria, Ruano Hernandez, Saena, Sanchez.

THE COUNCIL RECESSED AT 7:32 P.M, AND RESUMED AT 7:45 P.M.

6. FORMATION OF A PERMITTING AND COMMUNITY PROTECTION AD HOC COMMITTEE OF THE COMMUNITY ADVISORY COUNCIL

Co-Chair Patrick Messac and Dr. Rohan Radhakrishna, Health Officer, gave the presentation *Formation of a Permitting and Community Protection Ad Hoc Committee of the Community Advisory Council,* including: recommended action; current permitting work – distinct mandates; what the ad hoc committee will examine within the permitting phase; how the work connects without merging the mandates; facility-specific case studies focused on permitting; what comes back to the Council and Board; ad hod committee meeting frequency, membership selection, sub-quorum requirements and other procedures; background on cumulative impacts; and current Council member participation.

Public Comments

Public comments were given by Liz Wong, Fremont resident.

Council Comments

The Council and staff discussed concerns regarding potential for inadvertent violations of the Ralph M. Brown Act and the Council's Charter; concerns regarding perceived challenges of the participation of current Council Members (including co-chairs) on this new ad hoc committee*;* differing interpretations of Section 1.3.1 (Duties of Leadership) of the Council's Charter; whether every ad hoc committee established under the Council consistently included participation from all designated co-chairs; the need for more Council Members to serve on the Council's ad hoc committees, consistently leading the work and carrying it out; the difference between the term "working group" and "ad hoc committee", as they pertain to the Council; and current status of the partnership between the Air District's Technical Advisory Council and the Community Advisory Council, in the pursuit of developing draft recommendations on ways to address cumulative impacts in permitting for the Board's consideration.

Council Action

Co-Chair Messac made a motion, seconded by Council Member Ms. Margaret Gordon, that the Community Advisory Council create a Permitting and Community Protection Ad Hoc Committee to examine how Air District permitting protects fenceline and overburdened communities in practice and return findings and targeted recommendations to the full CAC for consideration and possible transmittal to relevant Board and Advisory Council processes, consisting of Council Members Gordon, Szutu, Tsogtsaikhan, and Co-Chair Messac.

Co-Chair Washington made a SUBSTITUTE MOTION, seconded by Council Member Brooks, to postpone the consideration of the creation of the Permitting and Community Protection Ad Hoc Committee until March 2027.

The Council voted upon whether to allow the SUBSTITUTE MOTION to supersede the Co-Chair Messac's motion, and the motion **failed** by the following vote of the Council:

AYES:	Brooks, Goodwin, Harrison, Washington.
NOES:	Fernandez-Arriaga, Gordon, Messac, Prieto-Diaz, Reyes Mazariegos, Subedi, Szutu, Tsogtsaikhan.
ABSTAIN:	None.
ABSENT:	Babaria, Ruano Hernandez, Saena, Sanchez.

The Council did not approve to allow the SUBSTITUTE MOTION to be considered on the floor.

The Council then prepared to vote on Co-Chair Messac's motion. Before the vote, Co-Chair Goodwin made a friendly amendment, asking for consideration to allow Co-Chair Washington to sit on the proposed Permitting and Community Protection Ad Hoc Committee in the place of Council Member Szutu. The maker of the motion respectfully declined the friendly amendment.

Co-Chair Messac's original motion **failed** by the following vote of the Council:

AYES:	Fernandez-Arriaga, Gordon, Messac, Prieto-Diaz, Subedi, Szutu, Tsogtsaikhan.
NOES:	Washington.
ABSTAIN:	Brooks, Goodwin, Harrison, Reyes Mazariegos.
ABSENT:	Babaria, Ruano Hernandez, Saena, Sanchez.

THE COUNCIL RECESSED AT 9:00 P.M, AND RESUMED AT 9:17 P.M.

Mr. Crockett clarified that Section 7.8.1 (Action at a Meeting; Quorum and Required Vote) of the Council's amended Charter states, "*A quorum is required to take any official action beyond roll call and adjournment. The affirmative vote of a majority of the members* (not just those present) *of the Council shall be required for the approval of all substantive matters."* It was clarified that for the current membership of the Council of 16 members, an affirmative vote of 9 is required to approve matters.

Mr. Belle announced that because the previous two motions did not pass, the Council would move on to the next agenda item. A discussion on this same item can be agendized for the Council's meeting in January 2027. Co-Chair Messac expressed his intent to continue to investigate how Air District permitting protects fenceline and overburdened communities in practice and return findings to the Council on his own time and hopes that community voices will be uplifted between now and March 2027 to advance this initiative.

Ms. Margaret Gordon reiterated her question of the difference between the term "working group" and "ad hoc committee", as they pertain to the Council, and whether the Council would use the proposed Permitting and Community Protection Ad Hoc Committee to examine permit issues. It was determined that a working group is led by Air District staff and Council members are invited to join in sub-quorum numbers to participate, while ad hoc committees are established by the Council, and that, moving forward, the term "Working Group" will be used when referring to the Council's partnership with the Technical Advisory Council.

DISCUSSION ITEM

7. DRAFT LEGAL ENFORCEMENT POLICY

Mr. Crockett gave the staff presentation *Draft Legal Enforcement Policy,* including: abbreviations; recommended action; outline; background; recent progress – average penalties; enforcement policy development process; policy principles; penalties for air quality violations; Penalty Step 1 – determine maximum; Penalty Step 2 – apply adjustment factors; important penalty assessment principles; addressing ongoing non-compliance; other notable policy topics; accountability to communities & Board of Directors; reporting metrics; next steps; and recommended action.

Public Comments

Public comments were given by Liz Wong, Fremont resident; and Lynn Chen, Fremont resident.

Council Comments

The Council and staff discussed how a determination is made as to whether an action was willful or intentional, rather than the result of negligence; enforcement actions that may apply when a fire occurs at a facility that was operating without a required permit; the request for information on why Notices of Violation are cancelled; the anticipated release date of the first Annual Legal Enforcement Report, and whose responsibility it will be to ensure the report is given to the Board in a timely manner; measurable outcomes or improvements that will be seen over time as a result of this effort; the request that the Annual Legal Enforcement Reports show the number and age of unresolved cases, repeat violations, ongoing violations awaiting resolution, and how those burdens are distributed in overburdened communities; specific provisions in this policy that describe the Air District's authority to order a facility to cease operations; and the importance of public engagement at Council meetings.

Council Action

No action taken.

OTHER BUSINESS

8. COMMUNITY ADVISORY COUNCIL CO-CHAIRS AND ADMINISTRATIVE UPDATE

The Council received the following update from Co-Chair Messac on Council planning and administrative matters:

1. Update on CAC items in process for Board consideration:
    a. November 4 - The 2026 CAC Charter amendments passed on consent at the Board of Directors meeting.
        i. Thank you to all the Governance Ad Hoc Committee members (Jeff Sanchez, Kevin Ruano Hernandez, Cynthia Prieto-Diaz, and Saidy Reyes Mazariegos) and CAC staff for all your hard work in keeping

detailed records of all the changes and successfully shepherding these amendments to a positive outcome.
   ii. Staff will send the new version of the Charter to the CAC via email.
   iii. Staff will upload the new Charter to the CAC website.
b. December 2 - Staff responses to the CAC's 7 Compliance and Enforcement Recommendations based on the results of the Crown Hill Materials case study are slated to be on the agenda for the Dec. 2 Board of Directors meeting.

2. In early 2027, CAC Co-Chairs will begin their rotation as Board liaisons, sitting as non-voting participants in Board of Directors and Board Committee meetings.
   a. Co-Chairs will work with CAC staff to plan how to best anticipate upcoming Board agenda items and how to bring all CAC member voices from CAC public meetings to the Board via the CAC Co-Chairs' new roles in Board discussions.

3. CAC $1,000 projects opportunity and application process reminder
   a. The Fiscal Year 2026-2027 opportunity for CAC members to apply for a $1,000 project is still open and the Co-Chairs and staff are accepting applications for these special projects on a rolling basis through early 2027 without a specific deadline.
   b. Note: All time spent on $1K projects in the calendar year of 2026 needs to be submitted for stipend reimbursement by December 31 for the tax year close out.
   c. The funds are to pay for a council member's time (stipend reimbursement) on:
      i. Time spent coordinating pre-approved outreach or events in your community
         1. Note: CAC member, Cynthia Prieto-Diaz presented at the CAC Retreat on 10/29 about her CAC $1K project providing outreach on air pollution and air filtration in communities
      ii. Time spent developing or reviewing approved, project-related documents
      iii. Time spent participating in CAC, Air District, or community special projects (beyond preparing for, presenting at, and attending CAC, Board, CEHJ, and Ad Hoc meetings)
      iv. Time spent in attendance at EJ conferences *(Note: Reimbursement for conference time and travel expenses require Board of Directors' approval.)*

4. Update on the Permitting Efficiency Taskforce (PET). The full PET update will be sent via bcc email to the Council. The one item uplifted verbally in the meeting was about the PET planning for early 2027 to have more community engagement in the PET process and if these meetings have been planned and how Councilmember Sanchez has been prepared to share these findings with the Council.

9. COUNCIL MEMBER COMMENTS

None.

10. TIME AND PLACE OF NEXT MEETING

Thursday, January 21, 2027, at 6:00 p.m. The meeting will be held in-person at the Bay Area Metro Center and at satellite locations as may be specified on the meeting agenda using a remote teleconferencing link. Members of the Community Advisory Council and the public may attend at any of those in-person locations, and members of the public may also attend virtually via webcast.

Adjournment
The meeting was adjourned at 10:16 p.m.

Attachments
#4 – Approval of the Draft Minutes of the Community Advisory Council Special/Retreat Meeting of October 29, 2026
#5 – Action Plan Ad Hoc Committee Report and Recommendations
#6 – Formation of a Permitting and Community Protection Ad Hoc Committee of the Community Advisory Council
#7 – Draft Legal Enforcement Policy

BAY AREA AIR DISTRICT
Memorandum

To: Members of the Board of Directors

From: Lynda Hopkins
Board Chairperson

Date: December 2, 2026

Re: General Counsel's Employment Agreement

RECOMMENDED ACTION

Approve the Employment Agreement for General Counsel for a three-year term beginning January 5, 2027 through January 5, 2030, and authorize the Board Chairperson to execute the agreement.

BACKGROUND

In accordance with the Administrative Code Section 8.2, the Board of Directors shall appoint a General Counsel to the Air District, who shall serve at the pleasure of the Board. The General Counsel shall serve as the chief legal officer of the Air District and represent the Air District in all legal matters. Upon the announcement of retirement of the current General Counsel, Teri Black & Company, LLC, a recruiting firm, was selected to conduct an extensive recruitment and selection process.

DISCUSSION

Teri Black & Company conducted a national recruitment search. It included stakeholder meetings to gather input on recruitment materials, desired qualifications, and recruitment process. The recruitment opened for approximately five weeks and included extensive outreach. Teri Black & Company conducted screening interviews of highly qualified applicants and presented the recommended candidate pool to the Ad Hoc Committee in closed session. The candidates were invited to interview first with two panels consisting of the Ad Hoc Committee and a professional and community panel. The top finalists were then invited to interview with the full Board. Reference and background checks were performed for the selected candidate. Upon successful reference and background checks, outside counsel, Atkinson, Andelson, Loya, Ruud & Romo, prepared and negotiated the attached employment agreement.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The salary and benefits are included in the Fiscal Year 2026-2027 budget under the Legal Division. Funding for subsequent years will be incorporated into future proposed budgets for consideration by the Board.

Respectfully submitted,

Lynda Hopkins
Board Chairperson

Reviewed by: Hyacinth Hinojosa

ATTACHMENT(S):

1. Draft Employment Agreement - General Counsel

EMPLOYMENT AGREEMENT

General Counsel

This Employment Agreement ("Agreement") is made and entered into on this __ day of December, 2026 ("Effective Date"), by and between the **Bay Area Air Quality Management District** (the "Air District") and **Shannon Dilley** ("Employee") for services to be performed by Employee in the position of General Counsel. The Air District and Employee are collectively hereinafter referred to as "Parties."

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties agree as follows:

1. **Term**

   The Air District hereby employes Employee as General Counsel of the Air District and Employee hereby accepts employment for a period of three (3) years commencing on January 5, 2027, and ending on January 5, 2030 ("Termination Date"), subject to the limitations of this Agreement. The Parties may agree to extend this Agreement on or before January 5, 2030. The Parties agree to meet and confer four (4) months before the Termination Date to discuss whether to extend this Agreement, and if so on what terms.

2. **Duties**

   Employee shall serve as the General Counsel of the Air District. The General Counsel shall manage the legal affairs of the Air District under the general direction and authority of the Air District Board of Directors ("Board"), or the Executive Officer/ Air Pollution Control Officer ("APCO") of the Air District, as the Board in its discretion may elect. Typical responsibilities include those detailed in the class specification of "General Counsel" attached hereto as Exhibit A. Employee understands and agrees that these responsibilities are illustrative only and that the Air District may add, subtract, or change them in its discretion, provided notice is given to the Employee. Employee shall devote themselves on a full-time basis to fulfillment of their responsibilities and shall devote such time as may be reasonably necessary for satisfactory performance of their obligations under this Agreement. Employee shall undertake no other professional employment during the term of this Agreement. Professional employment does not include non-compensated activities such as professional speaking engagements at conferences or authoring professional articles.

3. **Work Product/Attorney-Client Privilege**

   Employee agrees that all files, notes, documents, data, specifications, correspondence, drawings, reports and other material prepared by or furnished to Employee in connection with their Air District employment shall be and remain the

sole and exclusive property of the Air District. Employee acknowledges and agrees to maintain the Air District's attorney-client confidences during and after the termination of this Agreement, in accordance with the California Rules of Professional Conduct.

4. Compensation and Benefits

a. Salary

For services rendered pursuant to this Agreement, the Air District shall pay Employee an annual base salary of four hundred eight thousand dollars ($408,000) ("Base Salary"). Said salary shall be paid on the dates and in the manner consistent with the payroll procedures of the Air District.

b. Cost of Living Adjustments

Employee shall receive an automatic cost of living adjustment to Employee's Base Salary on each July 1, commencing on July 1, 2027, during the term of employment equal to the California Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as calculated for the prior calendar year ("Annual Average") by the Department of Industrial Relations for the San Francisco Bay Area.

c. Fringe Benefits

Except as otherwise provided in this Agreement, Employee shall receive such employee benefits, including but not limited to pension, transit allowance, health insurance, life insurance, disability, and vacation benefits, as are payable to that class of Air District employees designated unrepresented Air District Executive Management Staff.

i. Retirement/Pension

Air District shall provide Employee with California Public Employees' Retirement System (CalPERS) retirement plan. Employee is a Public Employees Pension Reform Act (PEPRA) member and Employee shall make contributions of fifty percent (50%) of normal cost and the Air District shall make all other required contributions up to the maximum required by CalPERS based on the annual PEPRA compensation limit for the calendar year. Employee's eligibility and level of benefits are solely determined by CalPERS. The Parties recognize that Employee has prior service credit with CalPERS and that Air District has contracted with CalPERS for retiree health contributions for retired annuitants. Employee shall also be eligible for retiree health contributions as set

forth in Air District's Management and Confidential Benefits Program and as determined by CalPERS.

ii. Health Benefits

Air District shall provide Employee with CalPERS health benefits. Notwithstanding the health benefits otherwise provided to the non-represented Air District Executive Management Staff, Air District shall provide Employee an amount sufficient to cover the total premium cost for health insurance at each level of coverage (Employee only, Two-party, or Employee plus Two or More) for the Public Employees' Medical and Hospital Care Act (PEMHCA) Kaiser Permanente Region 1 Plan. If Employee chooses a plan with a higher premium at any level of coverage, Employee shall pay the additional premium.

iii. Dental and Vision

Air District shall provide Employee an amount sufficient to cover the total premium cost for the Dental and Vision Service Plan – Buy-Up Plan at each level of coverage (Employee only, Two-Party, or Employee plus Two or More) for the plans offered by the Air District.

iv. Life Insurance

Air District shall provide Employee with Basic Life Insurance coverage of five hundred thousand dollars ($500,000) and one hundred thousand dollars ($100,000) of Supplemental Life Insurance coverage, for a total of six hundred thousand dollars ($600,000).

v. Disability Insurance

Air District shall provide Employee with Air District paid long-term disability insurance and California State Disability Insurance.

vi. Money Purchase Pension Plan

Air District shall contribute three hundred twenty-five dollars ($325.00) per month to Employees Money Purchase Pension Plan. This monthly contribution is subject to increase annually based on whether the Board provides increases to this benefit to unrepresented management and confidential employees benefit program.

/ / /

d. 457 Deferred Compensation Match

The Air District shall contribute on a 1:1 match into Employee's 457(b) deferred compensation account up to twelve thousand seven hundred fifty dollars ($12,750) as allowed by the annually indexed Internal Revenue Service elective deferral limit for governmental 457(B) plans. The 1:1 matching contribution shall not apply to Employee's catch-up contributions. The contributions shall be made on a per pay period basis.

e. Relocation/Moving Expenses

Employee shall be reimbursed for relocation/moving expenses, including temporary lodging, as allowed and prescribed by Air District policies, up to twenty thousand dollars ($20,000). All requests for reimbursement must be submitted by January 5, 2028.

f. Transit Allowance

Employee shall receive a monthly transit allowance of five hundred dollars ($500).

g. Leaves

i. Annual Leave

Notwithstanding the annual leave provided to non-represented Air District Executive Management Staff, Employee shall be granted eleven (11) years of employment seniority for the purposes of calculating annual leave accrual as of the start date of this contract (i.e., Employee will accrue annual leave at the same rate as an eleven-year employee upon hire). In addition, the minimum of accrued annual leave required for Employee to utilize the annual leave cash out policy shall be one hundred (100) hours. Employee may cash out up to eighty (80) hours of annual leave each year. Annual leave shall otherwise be applied, earned, and administered consistent with the annual leave provided to non-represented Air District Executive Management Staff.

ii. Management Leave

Employee shall be entitled to one-hundred twenty (120) hours of management leave per fiscal year. Management leave shall otherwise be applied, earned, and administered consistent with the practices and procedures applicable to other non-represented Air District Executive Management Staff. Unused portions may be cashed out.

iii. Holiday Leave

Employee shall be entitled to fourteen (14) fixed holiday days per year and seventy-two (72) hours of floating holiday per year based upon employment date. Holiday and floating leave shall otherwise be applied, earned, and administered consistently with the practices and procedures applicable to other non-represented Air District Executive Management Staff.

iv. Sick Leave

Employee shall be entitled to three and sixty-nine hundredths (3.69) hours per pay period of paid sick leave. Paid sick leave shall otherwise be applied, earned, and administered consistently with the practices and procedures applicable to other non-represented Air District Executive Management Staff.

h. Income Tax Liabilities

Employee shall be responsible for all income tax liability assessed under law on account of their compensation under this Agreement.

5. Annual Goals

Employee shall develop an annual statement of goals and objectives and a progress report for the Air District and shall present such goals at a regularly called meeting of the Board to be selected each year by the Board Chair in coordination with General Counsel.

6. Annual Performance Evaluation

Employee shall receive annual performance evaluation where the Air District will consider a salary increase up to five percent (5%). The performance evaluations will be completed in December 2027 and each December thereafter. The Air District will consider a salary increase of up to five percent (5%) after each evaluation, to be effective on Employee's anniversary date. The Air District may, in its sole discretion, use any professional assistance in establishing standards for the performance assessment. Nothing in this section shall be construed to require the Air District to grant Employee any pay increases based on the performance standards, if any, mentioned above nor to limit in any manner the discretion of the Air District to grant or not provide pay increases. Nor shall anything in this Agreement be interpreted to require the Air District to evaluate Employee solely upon the performance standards, nor to limit the discretion of the Air District to evaluate Employee as it deems necessary in the sole discretion of the Air District.

/ / /

DRAFT

7. Termination and Severance

a. Employee's tenure as General Counsel under this Agreement is limited to the contractual term of three (3) years and Employee's employment as General Counsel will terminate on January 5, 2030, unless the Parties agree to extend this Agreement on or before that date. The Parties agree to meet and confer four (4) months before the termination date to discuss whether to extend this Agreement, and if so on what terms.

b. Due to the duties of the position and the nature of the services provided by Employee to Air District, the Employee serves at-will at the pleasure of the Board, and nothing herein shall prevent, limit, or otherwise interfere with the right of the Board to terminate Employee with or without cause. Except where the termination is for cause, the Air District will provide written notice thirty (30) calendar days before the termination date. The Air District may, at its option, relieve Employee of their duties with pay during the notice period.

c. Notwithstanding any other provision of this Agreement, and as required by Government Code sections 3511.2 and 53260, if Employee is terminated by the Air District while the Employee is still willing and able to perform the duties of the General Counsel, the Air District agrees to pay Employee a lump sum payment as follows: a cash settlement equal to Employee's monthly Base Salary, as adjusted, multiplied by the number of months left on the unexpired term of the Agreement, up to a maximum of six (6) months and a cash payment equal to six months of health insurance continuation coverage as calculated under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Payment of this cash settlement shall not affect any retirement or other post-employment benefits Employee may be entitled to under this Agreement or otherwise. Payment of this cash settlement shall not affect any retirement, or other post-employment benefits employee may be entitled to under this Agreement or otherwise from CalPERS or Air District policy.

d. Any severance payment made by the Air District under this section shall be contingent on Employee executing and delivering to the Air District a general release of claims.

e. Notwithstanding section 7(d) above, the Air District shall not be obligated to pay, and shall not pay any amounts to Employee if Employee is terminated because of:

i. The conviction or plea of nolo contendere to any felony or misdemeanor;

ii. The conviction of any felony or misdemeanor involving moral turpitude;

iii. The willful or persistent material breach of duties or inattention to duties;

iv. A violation of statute or law constituting misconduct in office; or

v. Willful misconduct, including but not limited to violations of Air District policies prohibiting harassment, discrimination, retaliation, violence in the workplace, or a violation of the Air District's code of ethics.

f. The Air District shall not be obligated to pay Employee any severance amount under this Agreement if Employee voluntarily retires or resigns in writing before termination, or if Employee is terminated at the expiration of this Agreement. In the event Employee voluntarily retires or resigns, Employee shall provide advance written notice to the Air District of at least thirty (30) calendar days.

g. This Agreement shall be immediately terminated upon Employee's death or legal incapacity (to act as General Counsel), by operation of Labor Code section 2920.

8. Indemnification and Defense

As required by law, the Air District shall indemnify, defend, and hold Employee harmless from and against all demands, claims, suits, actions, and legal proceedings brought against Employee and arising out of events within the scope of Employee's employment and performance of professional duties as Air District's General Counsel. The Air District shall not be required to indemnify, defend or hold Employee harmless to the extent that Employee's actions are the result of gross negligence, willful misconduct, fraudulent, corrupt, or made with actual malice. Employee shall cooperate in good faith with the Air District with respect to defense of such claims, demands, or legal actions. Should the need arise for defense after termination of the Agreement, the Parties agree to negotiate compensation at that time.

9. Abuse of Office

Any salary provided Employee during an investigation shall be fully reimbursed if the Employee is convicted of a crime involving an abuse of office or position, as set forth in Government Code sections 53243 and 53243.4, resulting from the investigation. Any funds for the legal criminal defense of the Employee provided by the Air District shall be fully reimbursed to the Air District if the Employee is convicted of an abuse of their office or position as set forth in Government Code sections 53243.1 and 53243.4. Further, regardless of the term of this Agreement, if this Agreement is terminated,

any cash settlement or severance related to the termination that the Employee receives from the Air District shall be fully reimbursed to the Air District if the Employee is convicted of a crime involving an abuse of their office or position, as set forth in Government Code sections 53243.2 and 53243.4.

10. Severability

If any term of this Agreement is held or determined to be illegal or void by a court having jurisdiction over the Air District and Employee, the remainder of this Agreement shall remain in full force and effect unless the term or terms held to be illegal or void are wholly inseparable from the remaining provisions of the Agreement.

11. Governing Law

This Agreement shall be governed by the laws of the State of California.

12. Counterparts

This Agreement may be executed in multiple counterparts, each of which shall constitute an original, and all of which taken together shall constitute one and the same instrument. Electronic signatures shall be considered valid signatures.

13. Entire Agreement

This Agreement is the entire agreement between the Parties regarding the Air District's employment of Employee and supersedes all prior oral or written understandings. This Agreement cannot be modified except by a written amendment signed by both Parties. **IN WITNESS WHEREOF**, the Parties have executed this Employment Agreement, which shall be effective upon the commencement date specified above.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT	**EMPLOYEE**
_____	_____
Lynda Hopkins	Shannon Dilley
Board Chair	General Counsel

DRAFT

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Staff Response to the Community Advisory Council's Compliance and Enforcement Recommendations

RECOMMENDED ACTION

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

BACKGROUND

The Community Advisory Council's (CAC) Compliance and Enforcement Ad Hoc Committee (Ad Hoc Committee) was established to identify key compliance and enforcement topics for CAC discussion, and to strengthen communication between the Air District, the CAC, and impacted communities. The Ad Hoc Committee developed seven recommendations that were adopted by the full CAC to strengthen transparency, collaboration, and continuous improvement across the Air District's compliance and enforcement programs consistent with a "One Air District" approach:

1. Implement a customer-centered complaint process that provides clear communication, feedback, and closure to complainants.
2. Adopt and implement rules that can be enforced more consistently and effectively.
3. Evaluate opportunities to incorporate modern technology for real-time evidence collection where legally and operationally appropriate.
4. Improve public access to permitting and exemption information for facilities under Air District jurisdiction by publishing facility permits and exemptions online through a community-facing dashboard.
5. Revise permitting regulations to incorporate stronger safeguards for fenceline communities by ensuring that permit and exemption determinations are based on verified equipment capacity data and enforceable operational limits.
6. Partner with overburdened communities to co-develop a "Top Community Concerns" list, by county, that combines community feedback with agency data such as complaints, inspections, emissions, health indicators, and facility operations to identify recurring air quality issues and guide proactive enforcement.

7. Institutionalize the CAC's case-study approach as a structured framework for learning, transparency, and ongoing program improvement across Air District programs, applying it to permitting in 2026.

The Community Equity, Health, and Justice Committee reviewed the CAC's recommendations on March 11, 2026, and recommended discussion of this item at a Board of Directors meeting. The Board of Directors discussed the recommendations at its meeting on April 1, 2026, and directed staff to review and analyze the CAC's recommendations, and evaluate how they align with ongoing policy, assessment, and implementation efforts. The Board directed staff to summarize how each recommendation is being addressed through actions currently underway, planned actions, or potential actions, and report back within 120 days.

DISCUSSION

The CAC's recommendations align closely with the *2024–2029 Strategic Plan* the Board of Directors adopted in 2024. Each of the seven recommendations closely aligns within one or more of the strategic plan's strategies. Importantly, the recommendations affirm the direction the Board has already set.

Based on this alignment, Air District staff are advancing the recommendations through the planned work efforts for each commitment in the *2024–2029 Strategic Plan*, rather than through a separate set of actions. For each commitment, staff are defining what will be delivered, measurable targets, who is responsible, and timelines. For example, under Strategy 2.3 (Make Data Accessible), planned work for commitment 2.03.03 includes making online complaint intake mobile friendly, with a target that online complaints rise at least 25 percent by June 2027. Planned work efforts for all 124 commitments will be defined and progress will be reported quarterly and in the annual strategic plan progress report.

The attached table (Attachment A) summarizes how each recommendation aligns with the *2024–2029 Strategic Plan*. The full text of each recommendation appears in the Background section. The sections below describe how planned work efforts advance each recommendation.

Recommendation 1: Customer-Centered Complaint Process
This recommendation lines up directly with Strategy 2.5, Air Quality Complaints, whose three commitments are to explore new ways to provide complaint information to the public; improve the transparency of complaint outcomes and follow up with community members on what the problem was and how it was resolved; and ensure responsiveness, including during nights, weekends, and holidays.

Staff are making the online complaint intake mobile friendly, with photo, video and location capture, with the updated intake live by March 2027 (2.03.03). Open Air, a mobile application that CAC members are helping design, will show complaints and their outcomes by neighborhood and by facility, with the first version expected in

summer 2027. Staff developed a complaint program questionnaire with the Environmental Justice team and the CAC to collect feedback from complainants and inform continuous improvement (2.05.02). Weekend enforcement patrols in AB 617 communities target complaint hotspots (4.05.01), and translation to help people with limited English proficiency file complaints (2.10.02).

Recommendation 2: Enforceable Rules
Commitment 4.03.01 calls for the Air District to review regulations, as they are being developed, to ensure they will be clear and enforceable when included in a permit. Strategy 1.2, Stronger Regulations, also commits the Air District to review and update regulations to ensure health protection.

Many requirements in the Air District's rules were adopted decades ago. Under the planned work for these commitments, permitting and enforcement staff will review each rule while it is being written, with that procedure in place by March 2027 (4.03.01), and every new or amended rule will launch with an implementation plan, beginning with Rule 12-17 for refinery fenceline monitoring (4.10.01). Staff updated Rule 11-18 to improve implementation and effectiveness and are developing fugitive dust rule amendments with simpler monitoring methods that operators, inspectors and potentially community observers can use. Flaring rule amendments to Rules 12-11 and 12-12 are being developed with stakeholders (1.03.01). Staff have also established a process to work with the CAC on rulemaking priorities.

Recommendation 3: Modernize Evidence Collection
This recommendation draws on several strategies in the *2024–2029 Strategic Plan*: Strategy 4.8, Air Quality Incidents; Strategy 2.7, Understand Local Air Pollution; Strategy 2.2, Collect Community Data; and Strategy 1.3, Minimize Flaring.

Flare.IQ automated flare control has been installed and commissioned at one refinery, and real-time emissions monitors are in place at multiple facilities. Staff are implementing a particle fallout sampling program near refineries, with trained community volunteers who can collect incident samples for laboratory analysis (4.08.03). Staff use fenceline, community, mobile and other available air monitoring data to guide compliance investigations (2.07.02), and the air monitoring van studies air quality in overburdened communities at locations chosen jointly by community members and staff (2.07.04). For refinery flaring, monitoring data will be built into flaring investigations, with findings shared with the public (1.03.04).

Recommendation 4: Transparent Permitting
Strategy 4.2, Transparent Permit Process, commits the Air District to user-friendly reports and publicly accessible, web-based tools for permit applications, online tracking, and information on permitted sources, permit activity, and related emissions.

Open Air, developed with Community Advisory Council members in monthly design meetings, is expected in the Apple and Google app stores by summer 2027 (2.03.03). Its permit layer will let anyone look up a facility's permits, permit application status and

refinery fenceline data, and see when to comment (4.02.02). Permits to Operate in Open Air will include their conditions, including exemptions for individual sources at permitted facilities. Staff will discuss options for sharing exemption information for facilities that are exempt from permitting altogether. Permitting notices, templates and web content are also being rewritten in plain language (4.02.03).

Recommendation 5: Protective Permit Safeguards
The narrative for Strategy 1.2, Stronger Regulations, commits the Air District to review existing regulations, including any existing exemptions, and to update those that are outdated or inappropriate. Related work sits under Strategy 4.1, Timely Permits; Strategy 4.3, Consistent Permits; and Strategy 2.11, Cumulative Health Impacts.

Strong, enforceable permits to protect fenceline communities require clear and consistent permit rules. Permit rule amendments (Regulations 2-1, 2-2 and 2-5) are underway to reduce ambiguity and inconsistency. The permit rule amendments to Regulations 2-1, 2-2 and 2-5 (4.01.01) will take a first look at basing permit exemption thresholds on maximum verified equipment capacity, such as nameplate capacity, where that change does not require an economic or socioeconomic analysis. Changes that require source-specific emissions studies will move through rule development (1.02.01). Updates to the Permit Handbook and BACT Workbook will help create consistent, enforceable permit conditions for similar operations, including enforceable limits for exempted equipment (4.03.02). Development of a formal process to incorporate cumulative impacts in permitting (2.11.02) also supports this recommendation.

Recommendation 6: Top Community Concerns Framework
Staff support this recommendation and a phased approach beginning with AB 617 communities, building on existing work. It aligns with Strategy 4.5, Improve Compliance Investigations; Strategy 2.6, Talk with Communities; Strategy 1.1, Change Approach to Air Quality, including the new Clean Air Plan; and Strategies 1.5 and 1.6 on violation investigations and the new enforcement policy.

The Air District's inspection prioritization program already ranks facilities in AB 617 communities using complaint history, community referrals, enforcement history and emissions, and schedules inspections from those rankings (4.05.01). Staff will build on AB 617 community steering committees and community emission reduction plans, and on community meetings once implemented (2.06.01), which offer another way to identify concerns in communities outside AB 617 areas, report back on agency actions, and build toward county-level priorities while minimizing duplicative outreach. Community concerns gathered for the new Clean Air Plan (1.01.02) will be shared with this effort; the Clean Air Plan complements, rather than replaces, the enforcement-focused framework the Community Advisory Council requested. The draft enforcement policy brings a harm reduction approach to enforcement (1.06.01).

Compliance and Enforcement will lead this effort, with the Environmental Justice team coordinating community engagement and Planning, Legal and other divisions

supporting. Before committing to a specific implementation plan, staff will hold a cross-divisional feasibility discussion on resources, staffing, data availability, responsibilities and milestones, and will establish a process for translating community priorities into agency action, measuring results, and reporting back to communities and the Community Advisory Council.

Recommendation 7: Strengthen Learning Through Case Studies
The cross-agency case-study review brought Air District staff and CAC members together to examine a specific enforcement challenge and identify ways to strengthen the dust rules (Regulations 6.1 and 6.6), the complaint program, and the permit exemption process. This focused approach produced concrete actions and a shared understanding of opportunities for improvement. It aligns with commitments 4.10.01 and 4.10.03 to support successful implementation of initiatives and apply best operating practices, and with the permitting taskforce's work to identify and address specific permitting issues with CAC participation (4.01.02). Staff will work with the CAC to apply principles of collective learning that support improvements across the Air District.

Next Steps
The Air District will continue to expeditiously implement the *2024-2029 Strategic Plan*, which includes many of the CAC recommendations. Through our on-going CAC coordination, we are working with the CAC to define an effective case-study approach and topics. We will report progress to the Board and CAC in the annual strategic plan report.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Christy Riviere
Reviewed by: Meredith Bauer

ATTACHMENT(S):

1. Attachment A: CAC's Compliance and Enforcement Recommendations and the 2024-2029 Strategic Plan
2. Staff Response to the Community Advisory Council's Compliance and Enforcement Recommendations Presentation

Community Advisory Council's Compliance and Enforcement Recommendations and the *2024–2029 Strategic Plan*

CAC Recommendation	*2024–2029 Strategic Plan* strategies and commitments	Fit
1. Customer-centered complaint process	**Strategy 2.5, Air Quality Complaints:** 2.05.01 explore new ways to provide complaint information to the public; 2.05.02 improve the transparency of complaint outcomes and follow up with community members; 2.05.03 ensure responsiveness, including nights, weekends and holidays Also: 2.03.03 (complaint data in Open Air); 4.05.01 (weekend patrols at complaint hotspots); 2.10.02 (language access)	**Direct**
2. Enforceable rules	**Strategy 4.3, Consistent Permits:** 4.03.01 review regulations, as they are being developed, to ensure they will be clear and enforceable when included in a permit **Strategy 1.2, Stronger Regulations:** 1.02.01 to 1.02.03 Also: 4.10.01 (implementation plans for new rules); 1.03.01 (flaring rules)	**Direct**
3. Modern technology for real-time evidence collection	**Strategy 4.8, Air Quality Incidents:** 4.08.03 community-led monitoring near facilities with recurring incidents **Strategy 2.7, Understand Local Air Pollution:** 2.07.02 and 2.07.04 community-informed monitoring Also: Strategy 2.2, Collect Community Data; 1.03.04 (inspections and monitoring where flaring occurs)	**Strong**
4. Public access to permit and exemption information	**Strategy 4.2, Transparent Permit Process:** 4.02.02 publicly accessible, web-based tools for permit applications, online tracking, and information on permitted sources, permit activity and emissions; 4.02.03 plain-language permitting information Also: 2.03.03 (data sharing customized to community needs)	**Direct**
5. Permit safeguards for fenceline communities	**Strategy 1.2, Stronger Regulations:** the strategy narrative commits to reviewing existing regulations, including any existing exemptions, and updating those that are outdated or inappropriate (1.02.01) Also: 4.01.01 (amendments to Regulations 2-1, 2-2 and 2-5); 4.03.02 (consistent, enforceable permit conditions); 2.11.02 (cumulative impacts in permitting)	**Strong**
6. Top Community Concerns list	**Strategy 4.5, Improve Compliance Investigations:** 4.05.01 target inspections and other compliance activities where they are most needed **Strategy 2.6, Talk with Communities:** 2.06.01 a structured program to meet regularly with communities on compliance and enforcement Also: 1.01.02 (partner with communities on the sources that most impact them); Strategies 1.5 and 1.6 (violation investigations and the new enforcement policy)	**Strong**
7. Case-study framework for learning and improvement	**Strategy 4.10, Ensure Success:** successful implementation of new initiatives and applying best practices (4.10.01 and 4.10.03) Also: 4.01.02 (industry and community permitting taskforce that identifies and acts on permitting issues)	**Partial**

Direct: a strategic plan commitment asks for this. Strong: a commitment or strategy narrative clearly supports it. Partial: related work exists but does not fully deliver the recommendation.

Bay Area Air District

Staff Response to Community Advisory Council's Compliance and Enforcement Recommendations

Board of Directors Meeting

December 2, 2026

Dr. Meredith Bauer, Principal Deputy Executive Officer

Latasha Washington, Community Advisory Council Co-Chair

Recommended Action

The Board will discuss this item, but no action is requested at this time.

Presentation Outline

- Recap of the Community Advisory Council's (CAC) Compliance and Enforcement recommendations
- How our Strategic Plan advances each recommendation
  - Showcase current actions on the Air District’s complaint system
- Next Steps

Recap of April 2026 CAC Recommendations

1. Implement a customer-centered complaint process that provides clear communication, feedback, and closure to complainants
2. Adopt and implement rules that can be enforced more consistently and effectively
3. Evaluate opportunities to incorporate modern technology for real-time evidence collection where legally and operationally appropriate
4. Improve public access to permitting and exemption information for facilities under Air District jurisdiction by publishing facility permits and exemptions online through a community-facing dashboard

Recap of April 2026 CAC Recommendations (cont.)

5. Revise permitting regulations to incorporate stronger safeguards for fenceline communities by ensuring that permit and exemption determinations are based on verified equipment capacity data and enforceable operational limits
6. Partner with overburdened communities to co-develop a “Top Community Concerns” list, by county, that combines community feedback with agency data such as complaints, inspections, emissions, health indicators, and facility operations to identify recurring air quality issues and guide proactive enforcement
7. Institutionalize the CAC’s case-study approach as a structured framework for learning, transparency, and ongoing program improvement across Air District programs, applying it to permitting in 2026

Alignment with the Strategic Plan

CAC Recommendation	Main Strategy	Also
1. Complaint Process	**2.5** Air Quality Complaints	2.3, 4.5, 2.10
2. Enforceable Rules	**1.2** Stronger Regulations	4.3, 4.10, 1.3
3. Evidence Collection	**4.8** Air Quality Incidents	2.7, 2.2, 1.3
4. Transparent Permitting	**4.2** Transparent Permit Process	2.3
5. Permit Safeguards	**1.2** Stronger Regulations	4.1, 4.3, 2.11
6. Community Concerns	**4.5** Improve Compliance Investigations	2.6, 1.1, 1.5, 1.6
7. Case-Study Learning	**4.10** Ensure Success	4.1

Every recommendation fits strategies the Board adopted in the *2024–2029 Strategic Plan*.

Community Advisory Council's A Call to Action

The Community Advisory Council's Environmental Justice Priorities:

1. Advance Environmental Justice
2. Provide Meaningful Agency Support to Advance Environmental Justice
3. Integrate Environmental Justice Considerations in Core Functions
4. Implement Environmental Justice Best Practices and Innovation
5. Communicate with Clarity, Transparency, and Integrity
6. Grow Capacity of Air District Staff and Board Members to Integrate Environmental Justice
7. Grow Capacity of Environmental Justice Communities and Organizations
8. Seek Appropriate Legal Remedies and Coordinate with Environmental Justice Communities
9. Provide Technical Assistance to Local Governments

Recommendation 1: Complaint Process

CAC Recommendation

Implement a customer-centered complaint process that provides clear communication, feedback, and closure to complainants

Where it fits in the *2024–2029 Strategic Plan*

- **2.5** Air Quality Complaints
- **2.3** Make Data Accessible
- **4.5** Improve Compliance Investigations
- **2.10** Civil Rights Laws

Recommendation 1: Actions in Progress

2.03.03 Mobile-friendly complaint intake with photo, video and location capture; live by March 2027; developed with input from CAC members

2.03.03 Open Air app shows complaints and their outcomes by neighborhood and facility; release in summer 2027; developed with input from CAC members

2.05.02 Complaint program questionnaire and follow-up reports to complainants; developed with the Environmental Justice team and the CAC

4.05.01 Weekend enforcement patrols in Assembly (AB) 617 communities, scheduled from facility rankings that use complaint history, community referrals, enforcement history and emissions

2.10.02 Improved language accessibility to intake mobile complaints in multiple languages

Use My Location on Complaint Intake

Confirm the Location

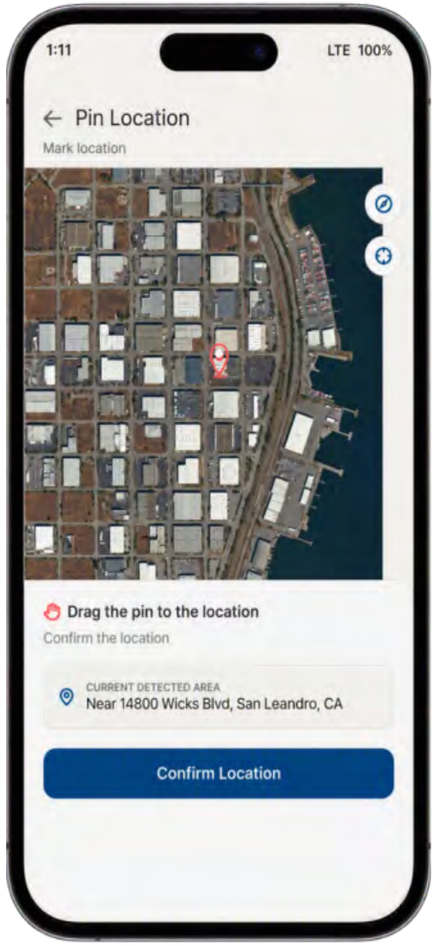
Drag the pin to the concern location, verify the detected address, and select Confirm Location.

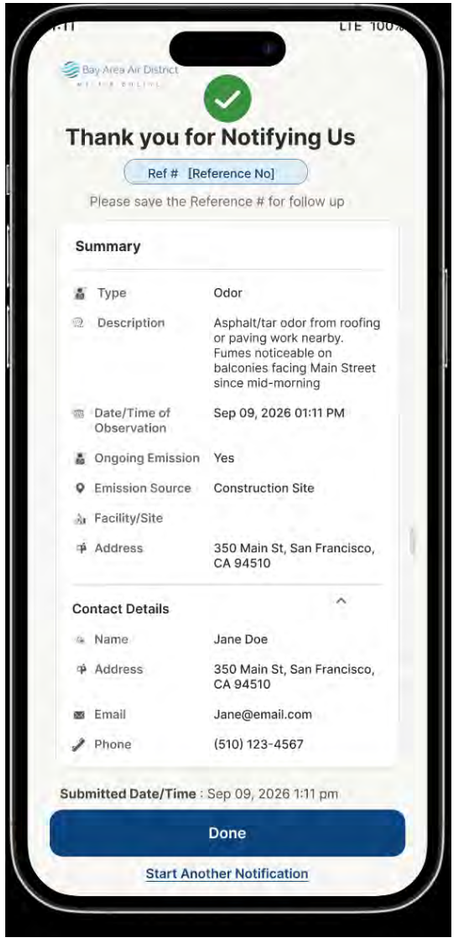
Submit

Review the complaint summary for accuracy and keep the reference number for follow-up.

Follow-Up

An Air Quality Inspector may contact if contact details are provided.





CPM: Part of the unique reference number for Air Quality Complaints

Download Complaint Information

Lasso Tool

Click the Lasso button ()

Next Step

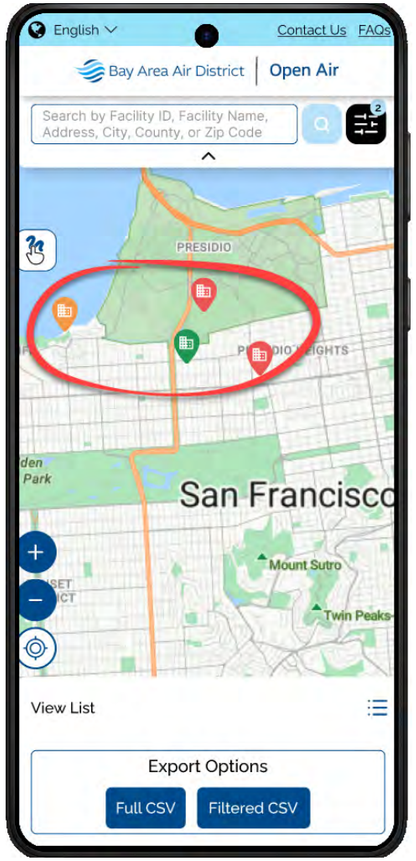
Outline an area on the map

Download

Download a list of facilities, complaints and more



CSV: Comma-separate value files allow to export of a table of data



Strategies 1.2, 4.3, 4.10, 1.3

Recommendation 2: Enforceable Rules

CAC Recommendation

Adopt and implement rules that can be enforced more consistently and effectively

Where it fits in the *2024–2029 Strategic Plan*

- **1.2** Stronger Regulations
- **4.3** Consistent Permits
- **4.10** Ensure Success
- **1.3** Minimize Flaring

Recommendation 2: Actions in Progress

4.03.01 Permitting and enforcement staff formally review each rule while it is being written, so requirements are clear and enforceable; procedure in place by March 2027

4.10.01 Every new or amended rule launches with an implementation plan; Rule 12-17 (refinery fenceline monitoring) is a pilot

1.03.01 Flaring rule amendments (Rules 12-11 and 12-12) developed with stakeholders; draft amendments by mid-2027

1.02.01 Rule 11-18 amendments adopted; fugitive dust amendments underway with simpler monitoring methods for operators, inspectors and community observers

1.02.03 A regulatory review program to set rulemaking priorities, with a process for working with the CAC

Recommendation 3: Evidence Collection

CAC Recommendation

Evaluate opportunities to incorporate modern technology for real-time evidence collection where legally and operationally appropriate

Where it fits in the *2024–2029 Strategic Plan*

- **4.8** Air Quality Incidents
- **2.7** Understand Local Air Pollution
- **2.2** Collect Community Data
- **1.3** Minimize Flaring

Recommendation 3: Actions in Progress

4.08.03 Particle fallout sampling near refineries, with trained community volunteers collecting incident samples for lab analysis

2.07.02 Using fenceline, community, mobile and other available air monitoring data to guide compliance investigations

2.07.04 Air monitoring van studies in overburdened communities, at locations chosen jointly by community members and staff

1.03.04 Monitoring data built into refinery flaring investigations, with findings shared with the public; installed and commissioned Flare.IQ automated flare control at one refinery, and real-time emissions monitors at multiple facilities

Recommendation 4: Transparent Permitting

CAC Recommendation

Improve public access to permitting and exemption information for facilities under Air District jurisdiction by publishing facility permits and exemptions online through a community-facing dashboard

Where it fits in the *2024–2029 Strategic Plan*

4.2 Transparent Permit Process

2.3 Make Data Accessible

Recommendation 4: Actions in Progress

2.03.03 and 4.02.02 Open Air app shows facility permits by neighborhood and facility; release in summer 2027; developed with input from CAC members

- Open Air permit layer: look up a facility's permits, permit application status and refinery fenceline data, and see when to comment
- Permits to Operate in Open Air include their conditions, including exemptions for individual sources at permitted facilities

4.02.03 Permitting notices, templates and web content rewritten in plain language

Recommendation 5: Permit Safeguards

CAC Recommendation

Revise permitting regulations to incorporate stronger safeguards for fenceline communities by ensuring that permit and exemption determinations are based on verified equipment capacity data and enforceable operational limits

Where it fits in the *2024–2029 Strategic Plan*

- **1.2** Stronger Regulations
- **4.1** Timely Permits
- **4.3** Consistent Permits
- **2.11** Cumulative Health Impacts

Recommendation 5: Actions in Progress

4.01.01 and 4.03.02 Permit rule amendments (Regulations 2-1, 2-2 and 2-5) are underway to reduce ambiguity and inconsistency

1.02.01 Changes that need source-specific emissions studies will move through rule development

4.03.02 Updates to the Permit Handbook and Best Available Control Technology (BACT) Workbook help create consistent, enforceable permit conditions for similar operations, including enforceable limits for exempted equipment

2.11.02 Incorporation of cumulative impacts in permitting, building on recommendations developed with the CAC

Strategies 4.5, 2.6, 1.1, 1.5, 1.6

Recommendation 6: Community Concerns

CAC Recommendation

Partner with overburdened communities to co-develop a “Top Community Concerns” list, by county, that combines community feedback with agency data such as complaints, inspections, emissions, health indicators, and facility operations to identify recurring air quality issues and guide proactive enforcement

Where it fits in the *2024–2029 Strategic Plan*

- **4.5** Improve Compliance Investigations
- **2.6** Talk with Communities
- **1.1** Change Approach to Air Quality
- **1.5** Enhance Violation Investigations
- **1.6** New Enforcement Policy

Recommendation 6: Actions in Progress

4.05.01 Inspections in AB 617 communities scheduled from facility rankings that use complaint history, community referrals, enforcement history and emissions

2.06.01 Community Meetings designed to share enforcement information and hear concerns, including outside AB 617 areas, building toward county-level priorities

1.01.02 Community concerns inform the new Clean Air Plan, sharing input and data so outreach is not duplicated

1.06.01 The draft enforcement policy brings a harm reduction approach to enforcement

Our approach Start with AB 617 steering committees and community emission reduction plans, then expand to other communities as capacity grows

Recommendation 7: Case-Study Learning

CAC Recommendation

Institutionalize the CAC's case-study approach as a structured framework for learning, transparency, and ongoing program improvement across Air District programs, applying it to permitting in 2026

Where it fits in the *2024–2029 Strategic Plan*

4.10 Ensure Success

4.1 Timely Permits

Recommendation 7: Actions in Progress

What we did: A cross-Agency deep dive with Air District staff and CAC members on a specific enforcement challenge

What we learned: Specific ways to strengthen our Dust Rules (Regulations 6.1 and 6.6), our complaint program, and our permit exemption process

Why it worked: Focusing on a specific enforcement challenge produced concrete actions and a common understanding of where effective improvements could be made

4.10.01 and 4.10.03 Apply best operating practices to Agency efforts; conduct an organizational assessment for Engineering and Compliance

4.01.02 The permitting taskforce, which includes a CAC member, identify specific permitting issues and act on what they find

Our approach Work with the CAC to apply best principles for collective learning that can create broad Agency improvement

Next Steps

- Continue expeditious implementation of the Strategic Plan
- Work with the CAC to define an effective case-study approach
- Report progress to the Board and CAC in the annual strategic plan report

Recommended Action

The Board will discuss this item, but no action is requested at this time.

Questions & Discussion

For more information:

Dr. Meredith Bauer | Principal Deputy Executive Officer | mbauer@baaqmd.gov

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Alexander Crockett
General Counsel

Date: December 2, 2026

Re: New Legal Enforcement Policy

RECOMMENDED ACTION

None. The Board will discuss this item and provide feedback and input on the draft Legal Enforcement Policy, but no formal action is requested at this time.

BACKGROUND

The Office of the General Counsel is adopting a new Policy on Legal Action to Enforce Violations of Air District Regulations ("Legal Enforcement Policy"). The Legal Enforcement Policy publicly documents how the Air District takes legal action to enforce its regulations to further the agency's mission of protecting public health and reducing historical and current environmental inequities.

The Office of the General Counsel is developing the new Legal Enforcement Policy to fulfill commitments the Air District made in Strategy 1.6 in its *2024-2029 Strategic Plan*, as well as Actions FR 3.6 and 3.8 in Path to Clean Air, the Richmond-North Richmond-San Pablo Assembly Bill (AB) 617 community emissions reduction plan.

Staff from the Air District's Legal and Compliance & Enforcement divisions developed the initial draft of the new Legal Enforcement Policy through a working group made up of community representatives. The working group included representatives from the Community Advisory Council and each of the Bay Area's four AB 617 Community Steering Committees. Over the course of the past year, this working group discussed the Air District's legal enforcement program, ways we can improve enforcement outcomes – especially in overburdened communities that have oftentimes seen lax environmental enforcement – and how we can document our commitments in a formal policy document. That work has culminated in the draft policy.

Staff then held a public comment period to solicit broader public engagement on the initial draft, which closed on November 30, 2026. Today's discussion will provide the Board of Directors with an opportunity to provide comments and feedback. The Office of General Counsel plans to finalize the policy based on all of the comments received from

the public and from the Board.

This discussion item will begin with a presentation by General Counsel Alexander Crockett. The presentation will highlight the main elements of the draft policy. Board members will then have an opportunity to discuss the draft policy and provide feedback. The Office of General Counsel will incorporate the Council's input into the final policy document.

DISCUSSION

The goal of the Legal Enforcement Policy is to achieve enforcement outcomes that hold violators accountable and make clear that air quality violations will not be tolerated in any community in the Bay Area. Success will be measured through an annual reporting mechanism, which will provide a feedback loop to track progress and improvements over time, with accountability to the Board of Directors and to the communities in which air quality violations occur.

The following discussion highlights the main elements included in the draft Legal Enforcement Policy.

Guiding Principles for Air District Legal Enforcement
The Legal Enforcement Policy sets forth the Office of the General Counsel's commitment to taking robust legal action when the Air District's regulations are violated, with a priority on violations in overburdened communities to further equity and environmental justice throughout the Air District's jurisdiction. The policy provides that the Office of the General Counsel will develop and implement legal strategies in enforcement cases guided by the following principles:

- Provide **transparency** into the legal enforcement process, without undermining the confidentiality of ongoing cases;
- Use available legal authorities effectively to **hold violators accountable** and **protect public health**, especially in the most vulnerable communities;
- Pursue effective and tailored enforcement outcomes to **deter future violations** and to **reduce and reverse the harms** resulting from a legacy of inequitable public and private development decisions;
- Use litigation tools and resources strategically where they can have the greatest **impact on changing behavior** in overburdened communities saddled with widespread non-compliance.

Legal Mechanisms to Hold Violators Accountable
The policy outlines the following legal tools the Air District uses to address air quality violations:

- **Notice of Violation:** Issued when an inspector finds a violation; identifies the violation and informs the facility operator that it is liable for penalties and other legal action.

- **Cease-and-Desist Letter:** Sent by an attorney if the facility does not come back into compliance after receiving a Notice of Violation.
- **Hearing Board Abatement Order:** An enforceable order issued by the Air District's independent Hearing Board requiring a violator to take the necessary steps to abate a continuing violation.
- **Court Order (Injunction):** An enforceable order issued in a lawsuit filed in Superior Court requiring compliance.
- **Permit Revocation or Denial:** Used when the violator demonstrates that it cannot or will not comply with the law.

Assessing Penalties for Air Quality Violations

The Air District seeks to assess a monetary penalty for every Notice of Violation. The Air District normally gives the facility operator the opportunity to pay its penalty voluntarily through a settlement agreement. If the operator does not agree, the Air District will file a lawsuit seeking a court-ordered penalty. Only a court can formally impose a penalty if the violator does not agree.

The amount of the penalty depends on the facts and circumstances of each case. The penalty in a given case is established through a two-step process set forth in California law. The ***first step*** is to determine the maximum penalty listed in the statutes for the type of violation involved. The ***second step*** is to apply a set of penalty adjustment factors to the specific facts of the case to determine where within the statutory range the penalty should fall.

The Air District applies a "top-down" approach that presumes the statutory maximum penalty is appropriate. If the violator contends that it should be less, they have the burden to provide evidence to support that contention.

Step One: Determine Statutory Maximum Penalty

California law establishes the following maximum penalties for air quality violations (per violation, per day):

Type of Violation	**Max. Penalty**
Administrative (no emissions)	$12,940*
Emissions – No evidence of negligent or intentional misconduct	$12,940*
Emissions – Negligent (i.e., operator did not take reasonable care to prevent the illegal emissions)	$32,350
Emissions - Failure to respond promptly to known emissions	$51,760
Emissions - Willful & intentional	$97,050

** Except for violations at "major" facilities, the maximum penalty for these violations is limited to $6,470 if the violator can affirmatively prove that the violation was not negligent or intentional.*

These maximum penalty values increase every year with inflation. Additionally, the maximum penalties for emissions violations at “major” facilities (the approximately 75 largest-emitting facilities in the Bay Area) are tripled for violations on or after Jan. 1, 2025. There are also heightened penalty maximums for public nuisance violations that directly cause death or serious bodily injury.

Step Two: Apply Penalty Adjustment Factors
Once the maximum penalty is established, the following factors determine whether the penalty should be at the top of the statutory range or somewhere lower:

- The extent of harm caused by the violation, including cumulative impacts in overburdened communities;
- The seriousness, persistence, and duration of the violation;
- The violator’s compliance and maintenance history;
- Whether the violation legitimately involved unproven or innovative pollution-control technology;
- Any action taken to mitigate the violation, for example by cleaning up the pollution that resulted;
- The violator’s financial resources;
- Any economic benefit gained from failing to comply;
- Any other relevant circumstances.

Not every factor applies or carries equal weight in every case. A single factor may strongly support the statutory maximum even when other factors favor a reduction.

Addressing Ongoing Non-Compliance
If a facility operator does not promptly return to compliance, the Air District may seek an order from its Hearing Board or a court requiring corrective action. Priority is based on:

- The extent of the harm to the public, including disproportionate cumulative impacts in overburdened communities;
- The violator’s willingness to comply through a legally binding commitment to correct the violation;
- Whether the violation can be readily stopped or reduced;
- How long the violation is expected to continue;
- The likelihood that the Hearing Board or court will grant the requested relief.

Ongoing violations posing the greatest harm receive the highest priority.

Partnering with Other Enforcement Agencies
To ensure appropriate resources are brought to bear for significant cases, the Air District may partner with other enforcement agencies such as the California Air Resources Board, the California Attorney General, and the local District Attorneys in the nine Bay Area counties, all of whom have enforcement authority for air quality violations.

Accountability of the Office of General Counsel's Legal Enforcement Program
The Air District is committed to holding itself accountable to the communities where violations occur for its legal actions to address those violations. The Office of the General Counsel will publish annual reports of its legal enforcement activities and the results obtained. These annual reports will include measurable indicators of success such as case resolution rates, penalties assessed per violation, and notable actions taken for major violations, along with geographical information about enforcement outcomes to document where the Air District is investing enforcement resources.

Further information is available on the Air District's web page for the Legal Enforcement Policy at www.baaqmd.gov/en/Rules-and-Compliance/Legal-Enforcement-Policy. The full draft policy document, along with a short summary highlighting its main elements, are also available there. These materials are also being included with this memo for Board members' convenience.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Alexander G. Crockett
General Counsel

Prepared by: Alexander G. Crockett

ATTACHMENT(S):

1. Enforcement Policy Short Summary
2. Enforcement Policy
3. Enforcement Policy Presentation

Office of General Counsel
Draft Enforcement Policy

The Office of the General Counsel is adopting a new **Policy on Legal Action to Enforce Violations of Air District Regulations** ("Legal Enforcement Policy"). The Legal Enforcement Policy publicly documents how the Air District takes legal action to enforce its regulations to further the agency's mission of protecting public health and reducing historical and current environmental inequities.

The goal of the Legal Enforcement Policy is to achieve enforcement outcomes that hold violators accountable and make clear that air quality violations will not be tolerated in any community in the Bay Area. Success will be measured through an annual reporting mechanism, which will provide a feedback loop to track progress and improvements over time, with accountability to the Board of Directors and to the communities in which air quality violations occur.

Guiding Principles for Air District Legal Enforcement

The Legal Enforcement Policy sets forth the Office of the General Counsel's commitment to taking robust legal action when the Air District's regulations are violated, with a priority on violations in overburdened communities to further equity and environmental justice throughout the Air District's jurisdiction. The Office of the General Counsel will develop and implement legal strategies in enforcement cases guided by the following principles:

- Provide **transparency** into the legal enforcement process, without undermining the confidentiality of ongoing cases;
- Use available legal authorities effectively to **hold violators accountable** and **protect public health,** especially in the most vulnerable communities;
- Pursue effective and tailored enforcement outcomes to **deter future violations** and to **reduce and reverse the harms** resulting from a legacy of inequitable public and private development decisions;
- Use litigation tools and resources strategically where they can have the greatest **impact on changing behavior** in overburdened communities saddled with widespread non-compliance.

Legal Mechanisms to Hold Violators Accountable

The Air District uses the following legal tools to address air quality violations:

- **Notice of Violation:** Issued when an inspector finds a violation; identifies the violation and informs the facility operator that it is liable for penalties and other legal action.
- **Cease-and-Desist Letter:** Sent by an attorney if the facility does not come back into compliance after receiving a Notice of Violation.
- **Hearing Board Abatement Order:** An enforceable order issued by the Air District's independent Hearing Board requiring a violator to take the necessary steps to abate a continuing violation.
- **Court Order (Injunction):** An enforceable order issued in a lawsuit filed in Superior Court requiring compliance.
- **Permit Revocation or Denial:** Used when the violator demonstrates that it cannot or will not comply with the law.

Assessing Penalties for Air Quality Violations

The Air District seeks to assess a monetary penalty for every Notice of Violation. The Air District normally gives the facility operator the opportunity to pay its penalty voluntarily through a settlement agreement. If the operator does not agree, the Air District will file a lawsuit seeking a court-ordered penalty. Only a court can formally impose a penalty if the violator does not agree.

The amount of the penalty depends on the facts and circumstances of each case. The penalty in a given case is establishing through a two-step process set forth in California law. The ***first step*** is to determine the maximum penalty listed in the statutes for the type of violation involved. The ***second step*** is to apply a set of penalty adjustment factors to the specific facts of the case to determine where within the statutory range the penalty should fall.

The Air District applies a "top-down" that presumes the statutory maximum penalty is appropriate. If the violator contends that it should be less, they have the burden to provide evidence to support that contention.

► Step One: Determine Statutory Maximum Penalty

California law establishes the following maximum penalties for air quality violations (per violation, per day):

Type of Violation	Maximum Penalty
Administrative (no emissions)	**$12,940***
Emissions – No evidence of negligent or intentional misconduct	**$12,940***
Emissions – Negligent (i.e., operator did not take reasonable care to prevent the illegal emissions)	**$32,350**
Emissions – Failure to respond promptly to known emissions	**$51,760**
Emissions – Willful & intentional	**$97,050**

* Except for violations at "major" facilities, the maximum penalty for these violations is limited to $6,470 if the violator can affirmatively prove that the violation was **not** negligent or intentional.

These maximum penalty values increase every year with inflation. Additionally, the maximum penalties for emissions violations at "major" facilities (the approximately 75 largest-emitting facilities in the Bay Area) are tripled for violations on or after Jan. 1, 2025. There are also heightened penalty maximums for public nuisance violations that directly cause death or serious bodily injury.

► Step Two: Apply Penalty Adjustment Factors

Once the maximum penalty is established, the following factors determine whether the penalty should be at the top of the statutory range or somewhere lower:

- **The extent of harm caused by the violation,** including cumulative impacts in overburdened communities;
- **The seriousness, persistence, and duration of the violation;**
- **The violator's compliance and maintenance history;**
- **Whether the violation legitimately involved unproven or innovative pollution-control technology;**
- **Any action taken to mitigate the violation,** for example by cleaning up the pollution that resulted;
- **The violator's financial resources;**
- **Any economic benefit gained from failing to comply;**
- **Any other relevant circumstances.**

Not every factor applies or carries equal weight in every case. A single factor may strongly support the statutory maximum even when other factors favor a reduction.

Addressing Ongoing Non-Compliance

If a facility operator does not promptly return to compliance, the Air District may seek an order from its Hearing Board or a court requiring corrective action. Priority is based on:

- **The extent of the harm to the public,** including disproportionate cumulative impacts in overburdened communities;
- **The violator's willingness to comply** through a legally binding commitment to correct the violation;
- **Whether the violation can be readily stopped or reduced;**
- **How long the violation is expected to continue;**
- **The likelihood that the Hearing Board or court will grant the requested relief.**

Ongoing violations posing the greatest harm receive the highest priority.

Partnering with Other Enforcement Agencies

To ensure appropriate resources are brought to bear for significant cases, the Air District may partner with other enforcement agencies such as the California Air Resources Board, the California Attorney General, and the local District Attorneys in the nine Bay Area counties, all of whom have enforcement authority for air quality violations.

Using Penalty Funds to Redress Harm to Communities

The Air District reinvests penalties collected from violators back into the communities where the violations occurred under the agency's Community Benefits Penalty Funds Policy. As of 2026, Air District enforcement actions have generated over $125 million for projects in eligible communities to reduce air pollution, improve public health, and build community resilience.

Accountability of the Office of General Counsel's Legal Enforcement Program

The Air District is committed to holding itself accountable to the communities where violations occur for its legal actions to address those violations. The Office of the General Counsel will publish annual reports of its legal enforcement activities and the results obtained. These annual reports will include measurable indicators of success such as case resolution rates, penalties assessed per violation, and notable actions taken for major violations, along with geographical information about enforcement outcomes to document where the Air District is investing enforcement resources.

For more information visit baaqmd.gov

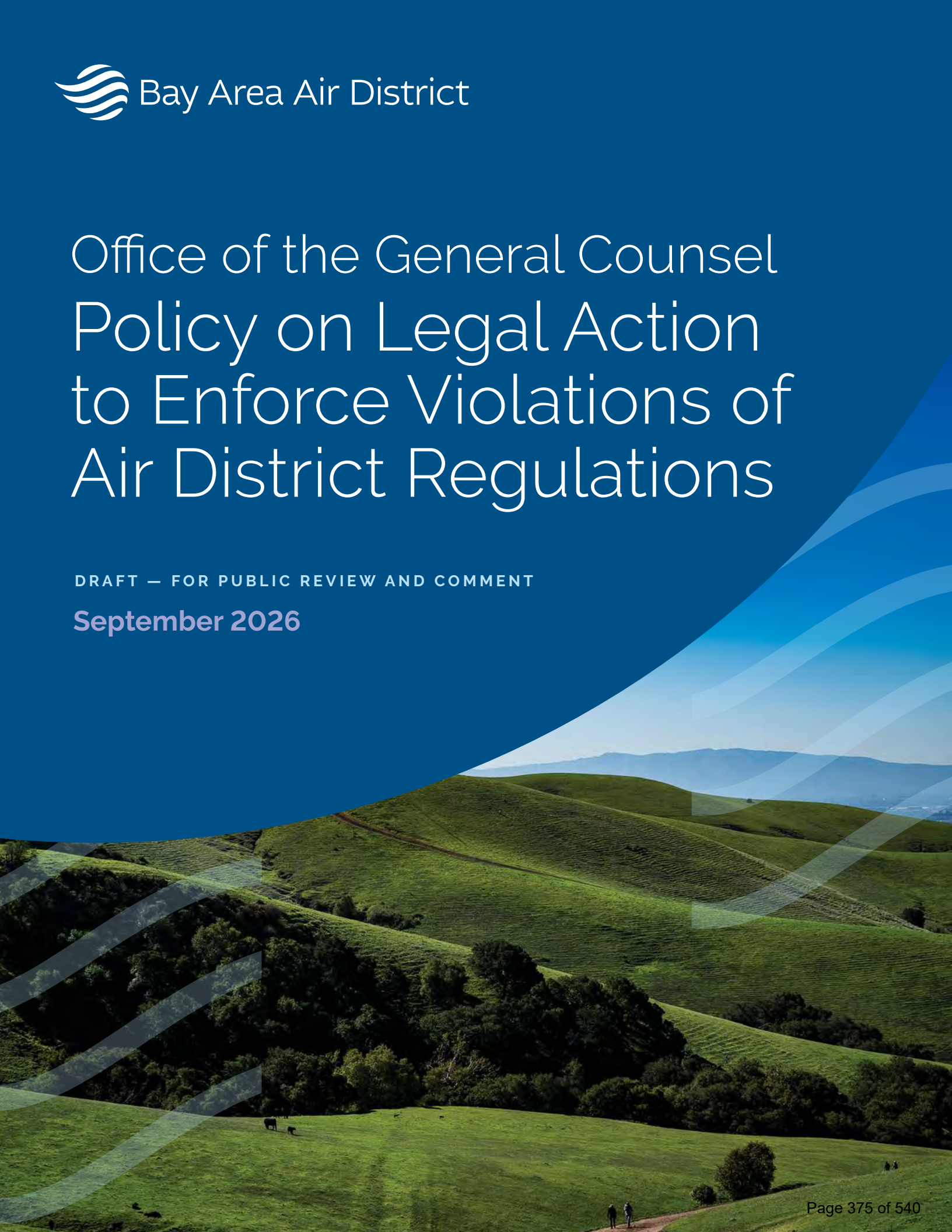
Bay Area Air District

Office of the General Counsel

Policy on Legal Action to Enforce Violations of Air District Regulations

DRAFT — FOR PUBLIC REVIEW AND COMMENT

September 2026



Contents

I. Introduction 01

II. Enforcement Tools and Processes to Address Violation of Air Quality Laws and Regulations 03

- a. Developing Enforcement Cases for Prosecution 04
- b. Legal Actions to Address Air Quality Violations 06
- c. Resolving Cases through Litigation vs. Settlment 08
- d. Expeditious Resolution of Enforcement Cases 10

III. Penalties for Air Quality Violations 12

- a. Legal Authority to Impose Penalties for Air Quality Violations 12
- b. "Top-Down" Approach to Penalty Assessment 13

IV. Legal Action to Address Ongoing Non-Compliance 22

V. Using Penalty Funds to Redress Harm to Communities Caused by Air Quality Violations 25

VI. Enhanced Compliance Measures in Settlements 26

VII. Mutual Settlement Program for Minor Violations 28

VIII. Partnering with Other Enforcement Agencies 30

IX. Accountability to Affected Communities for the Air District's Legal Enforcement Program 31

- a. Public Reporting of Air District Legal Enforcement Actions 31
- b. Engaging Community in Legal Enforcement Processes and Outcomes 34

APPENDIX – List of Potential Violations and Penalty Ranges A-1

I. Introduction

The Office of the General Counsel is adopting this **Policy on Legal Action to Enforce Violations of Air District Regulations** ("Enforcement Policy") to document publicly how the Air District takes legal action to enforce its regulations to further the agency's mission of protecting public health and reducing historical and current environmental inequities.

The burdens of air pollution in the Bay Area are not borne equally, and the public health harms arising from poor air quality fall disproportionately on communities of color and low-income communities. When polluters violate Air District regulations, the harm is greater in such areas because it exacerbates the elevated cumulative pollution burden these communities already suffer.

At the same time, the Air District has not always taken effective legal action to hold violators accountable in such areas to the full extent available under the law. Failing to provide consequences for air quality violations allows illegal operations to flourish, normalizes non-compliance, and creates a perception that it is acceptable to operate illegal, polluting businesses in already overburdened communities.

Given this reality, the Air District must use the full array of enforcement authorities provided to it by law to hold polluters accountable when they violate air quality regulations – and must focus its legal resources and efforts in particular on violations in overburdened communities, where the pollution levels are the highest, and where violators have not historically been held accountable.

In addition to effective legal enforcement of existing laws and regulations, the laws and regulations themselves must also be strengthened to reorient the system that over decades has concentrated air pollution sources in low-income communities and communities of color. Enforcement alone cannot achieve equity if the rules permit inequitable outcomes. But without effective enforcement, even the most stringent rules are meaningless – and if the Air District fails to enforce its current rules, pollution in overburdened communities will increase, worsening existing environmental injustices.



The Office of the General Counsel is therefore committed to taking robust legal action when the Air District's regulations are violated, with a priority on violations in overburdened communities to further equity and environmental justice throughout the Air District's jurisdiction. With this Enforcement Policy, the Office of the General Counsel will develop and implement legal strategies in its enforcement cases to further these goals, guided by the following principles:

- Provide **transparency** into the legal enforcement process (without undermining the confidentiality of ongoing cases and the enforcement process) so the public can understand the legal tools available to pursue enforcement action and the principles the Office of the General Counsel follows in using those tools;
- Use available legal authorities effectively to **hold violators accountable** and **protect public health,** especially in the most vulnerable communities suffering the heaviest cumulative burdens of air pollution and other types of environmental degradation;
- Pursue effective and tailored enforcement outcomes to **deter future violations** and to **reduce and reverse the harms** that have resulted from decades of public and private decisions that, by design, have unfairly afflicted some communities with a disproportionate share of the region's pollution burdens;
- Use litigation tools and resources strategically where they can have the greatest **impact on changing behavior** in overburdened communities saddled with widespread non-compliance – through deterrence, incentivizing compliance, and getting regulated entities to recognize the need to prevent violations if they want to do business in the Bay Area.

The Office of the General Counsel is further committed to holding itself accountable to the communities where the violations occur. The Office of the General Counsel will publish annual reports of the legal actions it has taken, and the results obtained, to demonstrate how it is following through on the commitments made in this Policy. These annual reports will include measurable indicators of success such as case resolution rates, penalties assessed per violation, and notable actions taken for major violations, along with geographical information about enforcement outcomes to document where the Air



District is investing enforcement resources. In addition to publishing this report annually, the Air District will also undertake regular outreach to overburdened communities to discuss enforcement in those communities through its Facilities, Oversight, Community Updates, and Shared Dialogue (FOCUS) Community Meetings Policy being adopted concurrently with this document – along with other avenues to engage with the public on enforcement outcomes and the legal enforcement process.

Effective implementation of this Policy is intended to ensure that the Office of the General Counsel faithfully applies the Air District's legal authorities to enforce against air quality violations, with a focus on communities where the harm is most severe and effective enforcement is most needed to address historical and current injustices. This goal will be achieved when these efforts produce enforcement outcomes that hold violators accountable and make clear that air quality violations will not be tolerated in any community in the Bay Area. Success will be measured through the annual reporting mechanism, which will provide a feedback loop to track progress and improvements over time, with accountability to the Board of Directors and to the communities in which air quality violations occur.

II. Enforcement Tools and Processes to Address Violations of Air Quality Laws and Regulations

The Office of the General Counsel will implement this Enforcement Policy using the tools provided to it by state law. The law empowers the Air District to prosecute civil enforcement cases on behalf of the People of the State of California, meaning it can go to court to seek monetary penalties and court orders forcing a violator to comply.[1] The Office of the General Counsel has a team of attorneys and non-attorney staff who use this legal authority to prosecute enforcement cases. As of 2026, there are 11 attorneys and 3 non-attorney case resolution specialists assigned to these cases, handling a caseload that generally runs in the range of several hundred to over a thousand violations each year. This legal enforcement team exercises the Air District's legal enforcement authority through the following process.

[1] The Air District is not empowered to prosecute cases criminally (i.e., to seek jail time or other criminal sanctions for violations), although it does refer cases to criminal prosecutors for especially egregious violations.

a. Developing Enforcement Cases for Prosecution

Enforcement cases are initially developed by Air District inspectors. The Air District may discover violations through routine inspections or other site visits, through air quality complaints received from the public, or via mandatory reporting by regulated facilities, among other means. When an inspector identifies a potential violation, they investigate the situation, interview facility staff and other witnesses as appropriate, examine relevant data, test results and other documentation, and determine whether or not a violation has occurred. If so, they issue a Notice of Violation and document their findings and supporting evidence in a detailed investigation report.[2]

When the investigation is completed and fully documented, the case is referred to the Office of the General Counsel and assigned to an attorney or (for smaller cases) a non-attorney staff specialist for legal enforcement action. The Air District's attorneys may also be involved at the investigation stage to address any legal issues that come up and to help develop a robust enforcement case. After referral for legal enforcement action, the inspector also continues to be closely involved in order to provide factual support regarding the substance of the investigation, and to testify in any ensuing legal case if needed. In addition, the enforcement team often involves the facility's permit engineer, source testing staff, and staff from other Air District divisions, depending on whether their expertise is needed.



Facility inspections are informed by the Air District's Inspection Prioritization Policy, which prioritizes inspection resources towards achieving the greatest emissions reductions and meaningful air quality improvements, particularly in overburdened and disproportionately impacted communities. The Inspection Prioritization Policy is driven by two core objectives:

[2] In certain cases involving minor violations with no more than a *de minimis* level of emissions, the inspector may issue a Notice to Comply in accordance with Air District Regulation 1, Rule 2. The Notice to Comply requires the violator to fix the problem within a specified time period; if it does not, the Air District will issue a Notice of Violation pursuant to Regulation 1-2-304. In addition, in cases where the Air District's Hearing Board has issued a variance for a particular violation under Div. 26, Pt. 4, Ch. 4, Arts. 2-2.5 of the Health & Safety Code (§§ 42350-42372), the Air District is legally prohibited from issuing a Notice of Violation or taking other enforcement action.

- **Advancing Health Equity:** The Inspection Prioritization Policy focuses on prioritizing overburdened communities by leveraging their lived experiences and knowledge, which can provide insights into identifying local air quality concerns. Prioritizing inspections and aligning enforcement in these communities reduces harm and focuses on improving air quality and health outcomes where the need is greatest.
- **Information-Driven Approach to Prioritization:** The Inspection Prioritization Policy establishes a data-driven framework for prioritizing facility inspections. Inspection prioritization decisions are informed by a comprehensive analysis of enforcement records (including violation and prior inspection history), air quality complaint trends, and data about facility emissions and associated health risks. The Policy also integrates inter- and intra-agency referrals that help pinpoint areas and facilities that require inspections and additional resources to investigate, and it incorporates local community knowledge and input about air quality concerns and potential violations that community members observe in their neighborhoods.

An **"Overburdened Community"** is one that experiences disproportionate environmental harms and risks due to the cumulative effects of environmental pollution and/or greater vulnerability to environmental hazards. This increased vulnerability can result from an accumulation of negative – and lack of positive – environmental, health, economic, or social conditions. Air District regulations specifically define Overburdened Community as any area in, or within 1,000 feet of, a census tract having an overall CalEnviroScreen 4.0 score at or above the 70th percentile. This Policy uses the term Overburdened Community generally to refer to any community that suffers disproportionate environmental harm, including but not limited to those falling within that definition.

Community members can also identify violations proactively by submitting an air quality complaint. The Air District's complaint webpage provides information on how to submit complaints electronically or by calling the Air District's 24-hour toll-free hotline. The Air District also publishes a summary of all air quality complaints received through its Air Quality Complaint Search Tool. This service provides increased accessibility and transparency by allowing members of the public to search complaint records by complaint type, alleged source, date range, city, county, and ZIP code.

The Air District aims to respond to all complaints within 30 minutes during working hours. To enhance responsiveness, the Air District has also established new protocols for weekend enforcement. The Air District will launch quarterly weekend enforcement in select communities in 2026 and work closely with regulatory partners to target compliance concerns. The agency has committed in its 2024-2029 Strategic Plan to improve the complaint process to ensure that it is effective and transparent (see Strategy 2.5).

The Air District is updating complaint reporting formats and evaluating additional platforms to streamline how community members track and view complaint outcomes as part of its implementation of this Strategic Plan strategy.

b. Legal Actions to Address Air Quality Violations

Once a violation is discovered, the first priority is stopping the violation and getting the facility back into compliance. The violator must be held accountable and pay a penalty, but first it must be brought into compliance as quickly as possible. The Air District has an array of enforcement responses at its disposal to achieve compliance in such situations:

- **Notice of Violation:** As noted above, the first step when a violation is discovered is to issue a Notice of Violation (or in some cases a Notice to Comply). The Notice of Violation clearly identifies the violation and informs the facility operator[3] that it is liable for penalties and other legal action. In most cases, this is sufficient to compel the facility operator to take the necessary steps to stop the violation (to the extent the violation is not already back in compliance).[4]
- **Cease-and-Desist Letter:** If the Notice of Violation is not sufficient to compel the facility to get back into compliance, the assigned Air District attorney may issue a Cease-and-Desist Letter demanding that the facility operator address the violation and informing the operator that the Air District will pursue legal action if it does not do so. This is a common initial step the Office of the General Counsel often uses for ongoing violations referred to it by the Air District's inspectors.



[3] In general, both the owner and the operator of a regulated facility are liable for air quality violations at the facility. This document uses the term "facility operator" to encompass both the owner and the operator.

[4] A Notice of Violation is not a legal pre-requisite for taking legal action for a violation. The Air District's normal administrative practice is to issue a Notice of Violation, however, because it clearly identifies the fact of the violation to the facility operator (to the extent it was not aware of the violation already) and allows the Air District to track the violation and subsequent enforcement efforts administratively.

- **Hearing Board Abatement Order:** If the facility operator does not heed the Cease-and-Desist Letter, the attorney may file a Petition with the Air District's Hearing Board seeking an abatement order. This is a legally binding order directing the facility operator to take specific actions to come into compliance. Upon receiving a Petition, the Hearing Board will hold a public hearing and review evidence and testimony regarding the alleged violation – including comments from affected members of the public. If the Hearing Board concludes that action is required to stop the violation, it will issue an abatement order requiring the facility operator to take such action. Compliance is mandatory. If the facility operator does not comply, it will be subject to monetary penalties and can be ordered to comply by the Superior Court.

> The **Hearing Board** is an independent body of five members who are not Air District employees. It is a quasi-judicial tribunal created by California law to adjudicate disputes between the Air District and regulated facilities. In addition to having the power to issue mandatory orders to comply with Air District regulations, it can also grant variances allowing facilities to operate out of compliance for a limited period of time under certain circumstances. It also hears permit appeals. Hearing Board hearings are formal, trial-like proceedings and are open to the public. Further information is available on the Hearing Board's web page.

- **Superior Court Injunction (Court Order):** The Air District may also file a lawsuit in Superior Court seeking a court order (called an injunction) requiring the violator to come into compliance. Filing a lawsuit to obtain an injunction may be necessary if the facility operator refuses to comply with a Hearing Board abatement order, as noted above. Alternatively, there may be situations that call for filing a lawsuit in Superior Court immediately, without seeking an abatement order first.

- **Permit Revocation or Denial:** Finally, the Air District may petition the Hearing Board to revoke a facility's permit if the facility is violating air quality requirements and/or has failed to correct any conditions necessary to achieve compliance.[5] If a facility has had emissions or permitting violations in the previous three years that demonstrate a recurring pattern of noncompliance or pose a significant risk to public health or safety or to the environment, the Air District also has the authority to refuse to renew a permit or specify additional permit conditions to ensure compliance.[6] In extreme cases where the permit-holder has demonstrated that it cannot or will not operate in compliance, the Air District will use these tools to revoke the facility's permit and force it to shut down. Where the facility can take steps to come into compliance, the most appropriate action

[5] The Air District's authority to seek permit revocation comes from Health & Safety Code section 42307. Section 42304 also provides for permits to be suspended if the permitholder refuses to provide certain required information, but the Air District must reinstate the suspended permit once the information is provided.

[6] This authority comes from Health & Safety Code section 42333. There are multiple prerequisites for refusing to grant or renew a permit or imposing additional permit conditions, as set forth in sections 42331 through 42333.

may be to compel the violator to implement those measures and operate legally – for example by seeking a court order requiring it to comply.

The Office of the General Counsel uses these escalating legal actions to address air quality violations, with a priority on stopping ongoing emissions that harm public health and exacerbate existing disparities in exposure to air pollution. Depending on the case, the Air District may use some or all of these legal actions, and may use them in a different order than presented here. For example, in a case with significant ongoing harm to public health requiring immediate action, the circumstances may call for immediately filing for an abatement order or a court injunction. The Office of the General Counsel evaluates each case individually to determine the most appropriate course of action to bring the facility back into compliance and protect public health.

In addition to ensuring the facility addresses the violation and returns to compliance, the Air District also seeks to assess a monetary penalty for each Notice of Violation in accordance with the penalty provisions of the Health & Safety Code. These statutory penalty provisions are discussed in detail below in Section III. In order to send a clear signal that air quality violations are unacceptable, and to incentivize regulated entities to be proactive in ensuring compliance, the Air District is committed to assessing materially impactful penalties when it issues a Notice of Violation. The Air District also takes cumulative impacts into account to seek heightened penalties where violations contribute to existing environmental injustices under Health & Safety Code section 42403(b), as the harm from illegal air pollution is increased where it contributes to existing pollution from other sources in overburdened communities.

c. Resolving Cases through Litigation vs. Settlement

In addition to litigating enforcement cases, the Office of the General Counsel uses settlements as a tool to achieve effective enforcement results. Settlement is when the violator agrees to take the necessary steps to come into compliance and pay the fine without the need for litigation. The violator's commitment to do so is made legally enforceable through a binding settlement agreement; through a stipulated Hearing Board abatement order; or through a judicial "consent judgment," in which a lawsuit is filed but the violator agrees to have a judgment entered against it without a trial.

Resolving violations through settlement has several advantages over litigation. Settlements allow the Air District to obtain results more quickly and efficiently than taking each case to court, and they avoid the risk that litigating a case will not be fully successful in achieving the desired enforcement outcome. If the violator agrees to come into compliance and pay its penalty, a settlement allows the Air District to achieve an appropriate enforcement resolution without having to devote the resources to litigating the case – resources that could be better spent addressing other important enforcement work. A settlement can



also be a vehicle to get the violator to commit to go beyond simply coming into compliance, and to implement proactive measures to prevent violations or improve processes going forward, which would not be available in a lawsuit. (See also Section VI. below.)

Settlement is only possible where the violator agrees, however. The Office of the General Counsel is prepared to litigate when necessary, and it has resources available to call on to ensure that it can do, so regardless of the size of the case. If the violator resists the Air District's enforcement efforts and will not agree to appropriate terms to get back into compliance and pay the penalty, the Air District will not hesitate to take the case to court.

The Office of the General Counsel has a staff of experienced attorneys who work on enforcement cases. In addition, it can partner with other enforcement agencies where appropriate. (Joint prosecutions with partner enforcement agencies is discussed below in Section VIII.) The Office of the General Counsel also has a pre-qualified a bench of outside law firms with extensive litigation experience and attorney resources to provide additional capacity for larger cases where the Air District's attorneys may require outside assistance.

Considerations regarding whether to litigate a case or resolve it through settlement involve multiple factors, including the strengths and weaknesses of the case; the time and resources necessary to take the case to court; the enforcement outcome that can be obtained immediately through settlement as compared to the potential that a judge would award a stronger outcome if we take the case to trial; and the risk that the case may not be fully successful and the court may side with the violator on some issues. The Office of the General Counsel considers all the facts and circumstances for each violation on a case-by-case basis to determine whether to settle the violation or initiate legal action.

The Office of the General Counsel will also consider the broader impact of litigating enforcement cases publicly. Taking violators to court or to the Hearing Board sends a powerful, visible signal to the violators – and to everyone else in the surrounding community, including similarly-situated facility operators and the public at large – that air quality violations will not be tolerated and that the Air District will take action to stop them. Litigating such cases can therefore have a broader deterrence effect that benefits overall compliance, especially

Commitment to Publicize Enforcement Actions: Informing the public of legal enforcement actions is essential to effective deterrence and a strong enforcement program. Publicizing enforcement actions shows other facility operators that there are consequences for failing to comply with air quality requirements, and it assures the community that the Air District is holding violators accountable for the harm they cause. The Office of the General Counsel is committed to publicizing its legal enforcement actions, both while they are occurring so the public can track the proceedings and observe and participate, and after they are resolved so the public can see the enforcement outcomes achieved. These outreach efforts are discussed in further detail in Section IX.

in overburdened communities where enforcement has historically been lax. The Office of the General Counsel will take into account the potential for such additional beneficial impacts on reducing air quality violations and improving compliance rates when making strategic decisions about what cases to settle and what cases to litigate.

d. Expeditious Resolution of Enforcement Cases

The Air District strives to resolve all enforcement cases as expeditiously as possible. The process of developing a case and resolving it with an appropriate penalty takes time, however. Investigating a violation and working up the case for prosecution is highly time-intensive, and the inspectors, attorneys and others involved must juggle each case with the hundreds of others the Air District pursues each year. Penalty cases cannot realistically be resolved within a few weeks or a few months after the violation is discovered and a Notice of Violation is issued. Especially if litigation is involved, it is not uncommon for final resolution to take several years.

The Air District nevertheless recognizes that it can be frustrating for members of the community affected by the violation if the enforcement process remains unresolved for an inordinate amount of time. It undermines confidence in the Air District's enforcement function if there is no accountability for an extended period after the violation occurs.

The Office of the General Counsel is therefore committed to reducing the time to resolve Notices of Violation from the date it is referred for prosecution to final resolution and closure of the case as much as possible. The Office of the General Counsel will aim to meet the following goals for the time taken to resolve penalty enforcement cases:

50% of Notices of Violation resolved within one year of referral
75% of Notices of Violation resolved within two years of referral
90+% of Notices of Violation resolved within three years of referral[7]

[7] The Office of the General Counsel generally expects to resolve all cases within three years. Some cases may take longer, however, especially if they are complex or involve a large number of violations. In addition, given the time involved in litigating enforcement cases, it is unlikely that the Office of the General counsel will be able to resolve violations on this timeline where it has to litigate them through trial.

The Office of the General Counsel will work to achieve these targets, but will not treat them as mandatory requirements to the extent it would undermine the agency's enforcement program. The Office of the General will not cut corners and compromise its enforcement actions just to close cases quickly. It would be easy to resolve a large volume of cases quickly by offering a low penalty to induce the violator to agree to settle immediately. But doing so would dilute the deterrent effect of the penalty and would not make for effective enforcement. The Air District will take the time necessary to develop strong enforcement cases and recover appropriate penalties – either through settlement or litigation – even if it means that a case takes longer to resolve than the targets outlined above.

The Air District will of course always prioritize cases with ongoing violations. As noted below in Section IV, where a violator is continuing to operate out of compliance, the Air District will take immediate action as necessary to stop the violation. It is never appropriate to wait years to address an ongoing violation, especially where it involves illegal emissions that may be impacting public health. The timelines outlined above are for violations where the violator has come back into compliance and the only outstanding issue is to assess a penalty.



III. Penalties for Air Quality Violations

The Air District seeks to assess a monetary penalty for every Notice of Violation it issues. Assessing penalties when regulated entities violate air quality regulations is fundamentally important to the entire system of air quality regulation. If violators do not feel a financial impact when the violate air quality regulations, they will have no incentive to take those regulations seriously and do what is necessary to ensure compliance. The Office of the General Counsel is committed to utilizing the deterrent effect of monetary penalties as a central element of its legal enforcement program. The Office of the General Counsel does so using the penalty assessment process set forth in the California Health & Safety Code, as outlined below.

a. Legal Authority to Impose Penalties for Air Quality Violations

The Air District does not have the power to unilaterally require violators to pay a penalty. By law, only a court can do that. The Air District has the power to take cases to court and present the evidence on which the court can order the violator to pay the penalty, however. By extension, the Air District also has the power to demand that the violator pay the penalty voluntarily and make clear that if the violator does not agree to do so, the Air District will take them to court to force them to pay. The Air District's authority to take polluters to court is a powerful tool, and in most cases it is sufficient to convince the violator to pay the penalty through a settlement agreement. As noted above, the Air District is prepared to litigate if the violator does not.

The Health & Safety Code specifies the rules that govern how a court must evaluate penalty cases and determine the amount of the penalty for a particular violation. The Air District is also required to follow these rules in considering settlement of air quality violations.

These rules provide a two-step process to evaluate the appropriate penalty for a given violation. The ***first step*** is to determine the maximum penalty listed in the statutes for that type of violation. Once that maximum value is determined, the ***second step*** is to apply a set of penalty adjustment factors to the specific facts of the case, which consider how much harm the violation caused, how egregious the misconduct was, and other relevant facts and circumstances such as ability to pay. These penalty adjustment factors determine where within the statutory range the penalty should fall for that violation – which could be the full statutory maximum for a serious violation, or could be smaller for a more minor violation.

The two-step statutory process does not provide any specific formula for calculating the penalty in a particular case, however. All the relevant facts and circumstances must be

weighed in each case, and a court has wide discretion to issue a higher or lower penalty depending on the judge's overall sense of the seriousness of the violation. The Air District's attorneys use their best judgment, based on experience, to assess each case through this process. They are guided, ultimately, by what penalty a judge would likely award if they took the case to court. This is the process required by the Health & Safety Code; the statutes do not provide any more precise methodology for calculating the penalty value in a particular case.

How much do polluters pay for air quality violations in your community? Members of the public can look up the penalty assessed for an air quality violation using the Air District's Notice of Violation web tool. The web tool provides a searchable database of all Notices of Violation issued in the past five years, along with the status of the enforcement case and the amount of the penalty once the case is resolved. Violation and penalty history can be searched based on ZIP code, facility name, or other relevant attributes.

b. "Top-Down" Approach to Penalty Assessment

In applying this two-step approach to evaluating penalties, the Air District starts from a presumption that the statutory maximum penalty is appropriate for the violation, and then puts the burden of proof on the violator to establish that the penalty should be anything less than the maximum, if the violator contends that it should be less. The burden is not on the Air District to prove that a large penalty is warranted for a given violation. The burden is on the violator to prove that a large penalty is *not* warranted, if the violator believes it has evidence to support that assertion. The Air District relies on the authority granted under the Health and Safety Code, as established in cases such as *People v. Wilmshurst* (1999) 68 Cal. App.4th 1332, to place the burden on the violator in this manner.

This does not mean that the Air District will necessarily collect the maximum penalty in all cases, because not every case will warrant the maximum penalty under the statutory penalty adjustment factors referred to above (Step 2). Nor does it necessarily mean that the Air District will demand the maximum penalty in all cases in its settlement demands. There may be cases where the Air District's investigation uncovers clear evidence that indicates the penalty should not be at the full statutory maximum level. By law, the Air District cannot ignore such evidence in evaluating penalty cases. In those situations, the Air District will account for that evidence in assessing the amount of the penalty it will seek in settlement, as it is required to do under Health & Safety Code section 42403(b).

But in cases where there is not any such mitigating evidence, the Air District will resolve any uncertainties in favor of assessing the full penalty. It will not give the violator the benefit of the doubt. For example, if a violator claims it has limited financial resources and lacks the ability to pay a major penalty – which would be relevant to the size of the penalty under the



"financial burden" adjustment factor in Health & Safety Code section 42403(b)(3) – the Air District will not credit such a claim unless the violator backs it up with verified tax returns and/or financial statements that would constitute legally admissible proof in court.

The Air District applies this top-down approach to the two-step statutory penalty analysis framework as follows:

► Step One: Determine Statutory Maximum Penalty

The maximum penalty a court can award for a given violation depends primarily on (i) the violator's "state of mind"[8] (i.e., the extent to which it acted intentionally or negligently); and (ii) whether the violation involved illegal air emissions (as opposed to a violation that did not directly cause illegal emissions, such as a recordkeeping violation). The statutory maximum penalties for each type of violation, which increase each year with inflation, are as follows:

- **No Emissions/No Evidence of Negligence or Intent:** The lowest penalties are reserved for violations (i) that do not involve emissions in violation of any rules or regulations, and/or (ii) that were not intentional or negligent – i.e., do not involve any culpability on the part of the violator. Even where there is no evidence that the violator acted intentionally or negligently, the Health & Safety Code still subjects the violation to a penalty. These violations are subject to penalties of up to **$12,940** per violation per day, or up to **$6,470** per violation per day if the violator can provide evidence to prove affirmatively that it did *not* act intentionally or negligently.[9] These penalties are provided for in Health & Safety Code section 42402.

- **Negligent Emissions Violations:** For cases where the violator negligently emitted air pollution in violation of a rule or regulation, the violation is subject to penalties of up to **$32,350** per violation per day. Negligence means that the violator did not intend to cause the illegal emissions, but it failed to act with reasonable care to prevent the emissions from occurring. Negligence may involve failing to properly maintain equipment to keep it from breaking down, failing to operate the equipment properly, or failure to train employees on how to operate the equipment, among other scenarios. These penalties are provided for in Health & Safety Code section 42402.1.

[8] "State of mind" refers to the violator's level of intent in committing the violation. The legal profession often refers to the violator's state of mind using the Latin term *"mens rea,"* meaning "guilty mind." The relevant levels of *mens rea* (guilty state of mind) are outlined in the bullets below.

[9] The lower $6,470 penalty maximum does not apply for violations of federally enforceable requirements at Title V "major" facilities. Violations of federally enforceable regulations at major facilities are subject to penalties up to $12,940 per violation per day, even if the violator can prove that it did not act intentionally or negligently. (The lower maximum is similarly inapplicable for violations of an emissions cap established pursuant to a market-based incentive program, but the Air District does not have any such programs.) See generally Health & Safety Code § 42402(b)(2)(B)-(C).

- **Failure to Abate Known Emissions Within a Reasonable Time Period:** For violations where the violator knew it was emitting air pollution in violation of a rule or regulation and failed to take corrective action within a reasonable period of time under the circumstances, the violation is subject to penalties of up to **$51,760** per violation per day. These penalties are provided for in Health & Safety Code section 42402.2.
- **Willful and Intentional Emissions Violations:** For violations where the violator willfully and intentionally emitted air pollution in violation of a rule or regulation, the violation is subject to penalties of up to **$97,050** per violation per day. Ignorance of the law is not an excuse, and there is no requirement that the violator knew of the rule or regulation at issue and specifically intended to violate it. It is a willful and intentional violation if the violator willfully intended to cause the emissions – regardless of whether or not it was aware of the rule or regulation that was violated. These penalties are provided for in Health & Safety Code section 42402.3.

The maximum penalty amounts listed here are for 2026; they will be adjusted in future years based on the California Consumer Price Index as compiled and reported by the California Department of Industrial Relations.

The Health & Safety Code also provides elevated penalties for public nuisance emissions violations that directly cause death or serious injury. These statutory maximum penalty levels are presented in Table A-2 in Appendix A, and they range up to a maximum of $1.3 million per violation per day for willful and intentional emissions by a corporation that cause death or great bodily injury.[10]

Finally, for emissions violations at "major facilities" occurring on or after January 1, 2025, the statutory maximum penalty levels outlined above are tripled. A "major facility" is defined in Air District regulations and includes the approximately 75 largest-emitting facilities in the Bay Area, such as refineries, large power plants, major landfills, and other very large emitters.[11]

[10] Most air pollution violations cause harm by adding to the cumulative public health impacts caused by pollution from many sources. They do not directly cause the harm all by themselves. The cumulative impact of those combined emissions can cause additional deaths and serious bodily harm in exposed communities, but in such cases the individual violation by itself does not, so they do not implicate these heightened penalty provisions. The penalty statutes do not hold one individual contributor liable for the entirety of that harm where it is caused by the cumulative effect of multiple, separate sources.

Cases where an individual violation directly causes death or serious injury can arise, though, and when the Air District has evidence to tie a death or serious injury to an emissions violation, the Office of the General Counsel will assess the violation at those higher penalty levels. In appropriate cases, the Office of the General Counsel will also consider referring such cases for criminal prosecution.

Addressing the full scale of the harm arising from cumulative impacts requires regulatory action beyond the scope of enforcement of individual violations of existing regulations. Stronger regulations will require all sources that contribute to the cumulative harm to reduce their individual contributions. The Air District has committed to enhancing its regulations to address cumulative impacts in its 2024-2029 Strategic Plan. See Strategy 1.2 (Stronger Regulations) and Strategy 2.11 (Cumulative Health Impacts).

[11] Air District Regulation 2-6-212 defines a "major facility" as one that has the potential to emit 100 tons per year or more of any regulated air pollutant; or 10 tons per year or more of any single hazardous air pollutant or 25 tons per year or more of a combination of hazardous air pollutants.

These penalty levels are also summarized in Tables A-1 and A-2 in the Appendix the end of this document; please refer to that Appendix for more information.

► Step Two: Apply Applicable Penalty Adjustment Factors

Once the applicable penalty range is determined at step one, the second step is to determine where within that range the particular violation should fall. A serious violation may warrant a penalty at the top of the applicable range, whereas a very minor violation may warrant a smaller penalty towards the bottom of the range. The relevant ***penalty adjustment factors*** that determine how large or small a penalty should be within the given statutory range, which are set forth in Section 42403(b) of the Health & Safety Code, are outlined below.

A **Public Nuisance** is defined by statute as an emission that harms or otherwise impacts a "considerable" number of persons or the public, or damages business or property. A public nuisance may result when emissions cause health impacts like headaches or nausea, or when schools have to close or people to have to stay indoors.

These penalty adjustment factors are necessarily somewhat general in nature, as they need to be flexible enough to encompass the very wide range of types of violations that may arise. How they apply to a given violation will depend on all the facts and circumstances surrounding the violation, and the following descriptions are not intended to be prescriptive or to rule out additional considerations not expressly articulated here where they are relevant to the appropriate size of the penalty.

As noted above, the Office of the General Counsel applies a "top-down" approach that starts with a presumption that the maximum penalty should be applied and places the burden of proof on the violator to demonstrate that any lower penalty may be warranted, if it has evidence to that effect. As required by California law, however, the Office of the General Counsel takes into account the following factors when evaluating the penalty appropriate for a particular violation, to the extent supported by the evidence.

- **The extent of harm caused by the violation.** The extent of the harm caused by the violation is an important factor in determining the seriousness of the violation and how significant the penalty must be. Where a violation causes a large amount of illegal air pollution, for example, a higher penalty is warranted – and especially where the illegal air pollution exposes people to increased pollution levels in the air they breathe. Air pollutant emissions are only one type of harm that can result from violations of Air District regulations, however, and the agency takes all forms of harm to the public welfare into account under this adjustment factor.

  In applying this factor, the Air District will take into account available evidence of how the violation harmed the community where it occurred. For example, the violation may

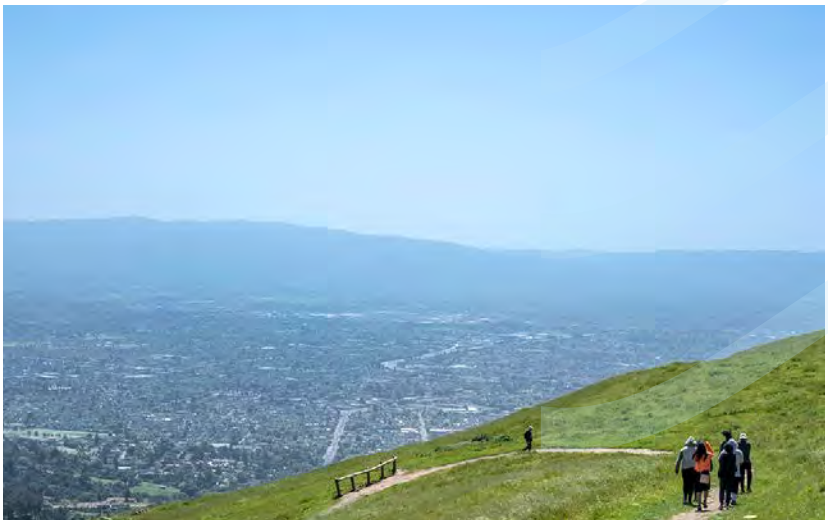
have required neighboring residents to stay indoors or exposed them to noxious odors, or the emissions may have caused schools or businesses to have to close. The violation may have caused elevated readings on air pollution monitors downwind of the site. In extreme cases, there may even be evidence that emissions from a violation have required people to seek medical treatment. The Air District will collect such information where available and will use it to assert higher penalties.

In many cases, the emissions resulting from a violation may not, by themselves, have a direct, measurable impact on pollution levels detected at an official monitoring site. These violations still cause harm because they contribute to the ***cumulative impact*** resulting from the combination of the illegal emissions that are the subject of the violation and all the other sources of emissions that affect the affected community. Air pollution is largely a cumulative problem, so even individually minor amounts of illegal air pollution need to be prevented and deterred. Where those emissions violate applicable regulatory limits, they cause harm by exacerbating the overall cumulative problem.

"Cumulative impact" means the totality of exposures to combinations of chemical and nonchemical stressors and their effects on health, well-being, and quality of life outcomes. Cumulative impacts result from the combined effect of multiple emissions that may individually be relatively small, but taken together have a significant public health impact.

In evaluating the cumulative impacts from a violation, the Air District takes into account the extent to which the affected community already suffers from an elevated air pollution burden. Adding even more pollution on top of that existing burden makes the harm from the violation even worse, as compared to the same emissions in an area that does not suffer from such a high existing burden. Penalties should necessarily be higher for violations in such overburdened areas based on the increased harm that results from a given amount of additional pollution in those areas. The Air District will use tools such as CalEnviroScreen (among others) to assess the extent of the existing cumulative burden and how it informs the analysis of the harm from a violation under this penalty adjustment factor.

Finally, as noted above, there are other forms of harm beyond just illegal air emissions. Violations of air quality regulations impact the Bay Area's ability to achieve clean and healthy air even where they do not directly result in illegal emissions. Where a violator fails to properly monitor its emissions, for example, or to conduct periodic inspections to ensure equipment is not leaking, it exacerbates the risk that illegal emissions will go undetected and unaddressed. These types of violations harm the breathing public by increasing the risk that illegal emissions will occur and/or will continue for longer than necessary before being detected and remedied. The Air District includes all such harm to the integrity of its regulatory program in evaluating the extent of the harm under this penalty adjustment factor.



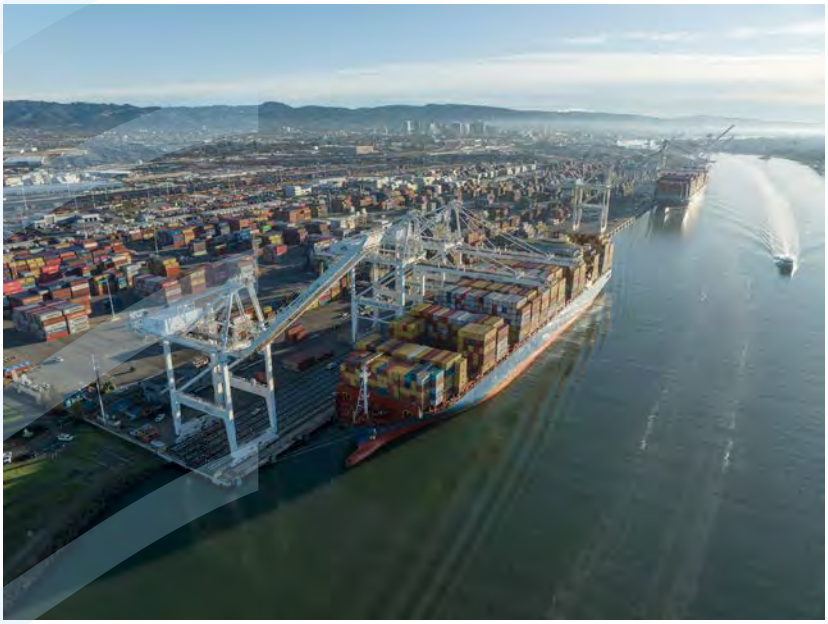
- **The nature and persistence of the violation.** The Health & Safety Code requires consideration of this very general penalty adjustment factor, and the Air District looks to the facts and circumstances of each individual case to determine how to apply it. Where the nature of the violator's actions evidence a higher level of culpability for the violation that occurred, the Air District will seek a higher penalty. Similarly, where the violator's misconduct persisted for an extended period of time, the Air District will seek a higher penalty.
- **The length of time over which the violation occurs.** The Air District will take into account how quickly the violation was remedied in evaluating the extent of the appropriate penalty. If the violation went on for a long time, that is more serious and warrants a higher penalty (all other things being equal), as compared to a violation that only lasted a short period of time.
- **The frequency of past violations.** The Air District will seek higher penalties if the facility has had frequent violations in the past. If the facility operator is continuing to have additional violations, that is a signal that it is not taking effective steps to remedy a recurring problem, and a stronger deterrent is needed. This factor applies in cases where the same type of violation involving the same underlying problem frequently recurs. It also applies where a pattern of recurring violations of different types shows that the facility operator has been negligent or is not giving sufficient focus and resources to its environmental compliance responsibilities.
- **The record of maintenance.** The Air District will take into account the violator's record of maintenance of any equipment involved in the violation. If the facility operator failed to maintain its equipment properly, the penalty must be higher to have an appropriate deterrent effect. A higher penalty will send a clear message to the facility operator and other similar entities that they must take their maintenance responsibilities seriously. Conversely, if the facility operator has properly maintained all equipment in good working order, the Health & Safety Code requires that fact to be taken into account in considering whether a less severe penalty is warranted.

- **The unproven or innovative nature of the control equipment.** The Air District supports innovation in finding more effective ways to control air pollution. If the cause of a violation is legitimately related to the unproven or innovative nature of a new technology with demonstrated potential for improved pollution control, the Air District is required to take that into account in considering whether a reduced penalty may be warranted. The extent of any such reduction will be evaluated in the context of the overall severity of the violation and the other adjustment factors.
- **Any action taken to mitigate the violation, including the nature, extent, and time of response of the cleanup and construction undertaken.** "Mitigate" means to make something (such as damage or loss) less severe, harmful, or extensive. This factor applies in situations where the violator has taken steps to make the harm from the violation less severe, harmful or extensive, for example by cleaning up the pollution that resulted from the violation. If a violation involved sooty particulate matter falling out onto neighboring properties, mitigating that harm might include paying to wash down vehicles or the exterior of houses, or even removing contaminated soil. Mitigating the harm from air pollution is often difficult, however, since the pollution usually mixes rapidly into the surrounding ambient air.

  Efforts by the violator simply to stop the violation and come back into compliance are not encompassed within this penalty adjustment factor. A facility operator has a legal duty to comply with the law by stopping the violation immediately, and compliance with that duty does not warrant a reduced penalty under this factor. Certainly, if the facility operator fails to comply and the violation continues, it will be subject to a *higher* penalty under the "length of time" and "nature and persistence" factors discussed above, and also because the number of days of violation and the associated statutory maximum penalty may increase. But the facility operator cannot claim any additional *reduction* in penalty under this factor just because it took action to stop the violation after it was discovered.

  Similarly, this factor does not encompass simply taking steps to avoid violations in the future. Regulated entities have a legal duty to prevent violations and comply with the law. Just doing





what they are required to do to stay in compliance does not mitigate the harm from their past violations. Again, if facility operator does *not* take those steps to stay in compliance, it will pay additional penalties when it has violations in the future (which may also be escalated under the "frequency of past violations" factor discussed above). But any such future-facing compliance measures – which the facility operator should have been implementing all along – do not mitigate the harm from its past violations, which is what this adjustment factor addresses.

- **The financial burden to the defendant.** The Air District is required to take into account the financial resources of the violator in determining what penalty should apply for the violation. A penalty must be more substantial for a large company with extensive financial resources in order to have the necessary deterrent effect as compared to the penalty for a small "mom-and-pop"-type business. Not every violation is severe, of course, and a penalty at the very top of the scale may not be warranted even for the biggest company when all the relevant penalty adjustment factors are taken into account; and by the same token, a very serious violation may warrant a substantial penalty even for a small company. But generally, the Air District will aim to tailor the penalty in each case to the financial resources of the defendant (within the penalty range established by the Health & Safety code), as it is legally required to do.

- **Removing any economic benefit from the violation.** Penalties must also ensure that the violator does not reap any economic benefit from the violation. If the facility operator avoided certain costs of compliance, the penalty must be at least as much as those avoided costs to prevent the operator from gaining a competitive advantage by violating the law. If the penalty does not at least equal the amount the facility saved by not complying with the law, then it will create a perverse incentive for the facility operator to continue to violate and just pay the penalty, as opposed to spending the money to comply.

  The penalty must also include an additional amount, on top of the economic benefit component. It is not sufficient just to put the violator back on an equal footing with those who incurred the costs to comply. To have the necessary deterrent effect, the penalty

must ensure that the facility operator ends up in a worse position financially than if it had spent the money to comply.

- **Any other relevant circumstances.** Finally, the Health & Safety Code also provides for the consideration of "all relevant circumstances," in addition to the factors outlined above.[12] The Air District will use this catch-all provision to take into account any other facts or circumstances bearing on the severity of the violation and the magnitude of the associated penalty.

These penalty adjustment factors are set forth in Health & Safety Code section 42403(b). That provision requires the courts to use this process to determine the amount of the penalty for an air quality violation. It also directs the Air District to apply these factors when evaluating cases for settlement. Where warranted, the Air District will seek the maximum penalty provided for by statute. In cases where the violator can point to facts and circumstances that suggest a judge would impose a lower penalty under section 42403(b), the Air District will seek to resolve the case at a lower level, as required by the Health & Safety Code.

It is also important to note that not every adjustment factor will be relevant in every case. Moreover, not every factor will carry equal weight in each case. For example, if the evidence under one factor strongly supports the statutory maximum penalty for a violation, the maximum may still be appropriate even if there is countervailing evidence under another factor(s). The appropriate penalty for each case will always depend on the particular facts and circumstances of that case.



[12] For the triple penalties for emissions violations at Major Facilities under Health & Safety Code section 42402.6, the statute provides that the penalty level shall take into account "health impacts, the timeliness and accuracy of the notifications from the violator, and other circumstances related to the violation … pursuant to Section 42403." This clarification does not materially change the penalty adjustment analysis applicable for Major Facility emissions violations, as these enumerated factors are already encompassed under Section 42403, as the statutory language notes.

IV. Legal Action to Address Ongoing Non-Compliance



The Air District and the breathing public in the Bay Area cannot tolerate violations of air quality regulations. Where the Air District discovers a violation, the first priority is to ensure that the violator takes steps immediately to bring the violation back into compliance. This is especially important in overburdened communities that already suffer from an elevated cumulative pollution burden, as any ongoing violations will add to the existing risk of harm to public health from historical and current pollution sources.

The Air District will legal take action to address ongoing violations in these communities, and all communities within the Bay Area, to ensure that the violator comes back into compliance.

For most Notices of Violation the Air District issues, the violation is already back in compliance by the time the Notice is issued, or the violator addresses it shortly after receiving the Notice and promptly achieves compliance. In those cases, the only remaining legal action needed to resolve the violation is to assess a penalty for the violation.

In some cases, however, the violator does not promptly address the problem and the violation continues after the Notice of Violation is issued. Those cases require an escalated legal response, using the tools outlined in Section II above. The Air District will take action to address all such cases, but it must necessarily prioritize cases based on available enforcement resources, focusing first on ongoing violations with the greatest impact – and especially those in overburdened communities, where ongoing violations may have a greater effect on public health because of existing cumulative pollution impacts. The Air District will prioritize cases for immediate legal action based on the following factors, as well as any other relevant facts and circumstances.

- **Extent of Harm to the Public**



The Air District will prioritize cases where there are ongoing air pollution emissions exceeding applicable regulatory limits that are exacerbating public health impacts. Cases will be prioritized by the extent of the harm resulting from the illegal emissions, with the highest priority given to cases causing the greatest harm. The Air District will pursue all cases of ongoing non-compliance to ensure that compliance is achieved and the violation ceases, but its first priority will always focus on cases where excessive emissions exceeding regulatory standards are endangering public health.

- **Impacts in Overburdened Communities**

The Air District will similarly prioritize cases with ongoing violations that have impacts in overburdened communities. Overburdened communities suffer higher levels of air pollution and resulting harm to public health, so there is a heightened need to address ongoing violations in those areas. Moreover, overburdened communities have often lacked effective enforcement historically, which has contributed to higher cumulative public health impacts in those areas. The Air District will therefore prioritize cases in these areas to send a strong and visible deterrent message to the violator, to other similarly situated businesses, and to the community, that air quality violations will not be tolerated.

- **Violator's Willingness to Comply**

The Air District will also take into account whether the facility operator is willing make an enforceable commitment to come back into compliance (e.g., through a stipulated abatement order or similar mechanism). The Air District will prioritize cases where the facility operator continues to flout air quality requirements and operate in violation, as compared to cases where the operator agrees to fix the problem expeditiously, to implement measures to minimize the extent of the harm while doing so, and to pay their penalty for the violations that have occurred. Compliance is never voluntary, and the Air District will not accept promises to comply without an enforceable mechanism to hold the facility operator to its commitments. But cases where the facility operator agrees to enforceable commitments to come into compliance will be a lower priority for formal enforcement action, as compared to cases with recalcitrant violators who refuse to do so.

- **Ease or Difficulty of Achieving Immediate Compliance**

  The Air District will give higher priority to ongoing violations where the violator can easily curtail its operations to stop or limit the violation. There is no excuse for failing to do so under such circumstances, and taking formal enforcement action can be useful to send a strong deterrent message.

- **Anticipated Length of Time Out of Compliance**

  The Air District will prioritize cases where it appears that the violation could continue for a significant period of time, as compared with violations that may be remedied within a few days or a few weeks. More serious action is warranted in situations where the violation will extend for a longer period of time if it is not addressed through enforceable injunctive measures.

- **Likelihood of Success in Obtaining Injunctive Order**

  The Air District's Hearing Board and the California courts are required to balance the equities of a given situation in considering whether and how to grant injunctive relief regarding an ongoing violation. The Air District will give priority to cases where the agency has a higher likelihood of obtaining effective injunctive relief based on all the facts and circumstances, as compared to cases where the Air District has a lower likelihood of obtaining a meaningful order.

The Air District is committed to keeping the affected community informed about and involved in such actions. As discussed further in Section IX.b. below, the Office of the General Counsel will conduct outreach to inform the public in the affected area when such cases are filed, including opportunities for public participation and public comment where applicable, and will follow up about case resolutions and enforcement outcomes.





V. Using Penalty Funds to Redress Harm to Communities Caused by Air Quality Violations

The Air District is committed to enforcement outcomes that will reduce and reverse the harm that air quality violations cause to the surrounding community. One element of that commitment involves reinvesting penalties from those violations back into the communities where the violations occurred to help redress the harm the violations caused. The Air District has adopted a Community Benefits Penalty Funds Policy that directs how these funds will be reinvested in those communities.

The Air District has created a Community Investments Office to oversee the process for distributing those funds for projects in eligible communities that will reduce air pollution, improve public health, and build community resilience. As of 2026, Air District enforcement actions have generated over $125 million for such projects. The Community Investments Office administers these funds through the Bay REPAIR (Reinvesting Penalties for Air Improvement and Resilience) program.

VI. Enhanced Compliance Measures in Settlements

The ultimate goal of the Air District's enforcement program is to prevent violations from occurring, especially in overburdened communities – not just to assess penalties for past environmental harm. To further that goal, the Office of the General Counsel looks for opportunities to use settlement agreements to obtain commitments by violators to implement proactive measures to improve compliance in the future, above and beyond what is required by law.

The substance of such commitments will vary depending on the nature and circumstances of each particular case. But they could include (for example) third-party audits to identify potential compliance weak points, training programs to ensure facility staff are aware of environmental requirements and what they need to do to comply, enhanced monitoring or inspection frequency, increased public transparency regarding the facility's operations, or other appropriate measures.

Proactive commitments to improve compliance will provide the most value where they address potential violations of greatest community concern. Where feasible, the Air District seeks to identify community concerns and incorporate them into settlement approaches, consistent with the need to maintain confidentiality and evidentiary privileges. Community concerns may be identified (for example) by the Air District's AB 617 Community Steering Committees, through FOCUS community meetings, or through other community outreach efforts.

AB 617 is a state law that requires all major air districts in California to partner with communities to develop plans to reduce air pollution. Communities selected for the AB 617 program have relatively higher levels of air pollution than average, along with health vulnerabilities such as higher asthma rates, cardiovascular disease, and cancer risk. There are four AB 617 communities in the Bay Area: Richmond-North Richmond-San Pablo; West Oakland; East Oakland; and Bayview Hunters Point/Southeast San Francisco.

The Air District will consider such commitments only if they go over and above current regulatory requirements. Compliance with all laws and regulations is the basic minimum, and the Air District will not credit a facility operator simply for doing what is legally required. In addition, the Air District will consider including such commitments only where there will be a potential future benefit to public health or improved compliance that warrants the additional oversight required to ensure the facility operator actually implements the conditions as agreed to. The Air District will not include measures that are merely performative, are not worth the agency staff resources needed to oversee them, or are something the company



would likely do anyway for its own business purposes. But where measures will be effective to enhance compliance and provide real environmental benefits beyond what would otherwise occur, the Air District may explore ways to incorporate them into settlements.

The Air District will include such measures in settlements only where they are readily enforceable as a practical matter. Compliance measures can be made enforceable by including them in a formal court order signed by a judge (called a "consent judgment"), which makes the facility operator subject to contempt of court – including fines and potentially even jail time – if it does not comply. Alternatively, a settlement agreement can include additional penalties that automatically kick in if the facility operator does not comply. These measures provide clear consequences if the facility operator does not follow through on the commitments it made in the settlement, providing additional assurances that the operator will comply, and giving the Air District additional legal tools if it has to go to court to force the operator to do so.

The Air District generally disfavors Supplemental Environmental Projects, or "SEPs," in settlements agreements.[13] Some agencies use SEPs as a way to divert penalty funds to projects that will benefit the communities in which the violations occurred. The Air District does not need to use SEPs for that purpose, however, as it already has a policy in place to reinvest penalty funds back into the affected communities. (See discussion of the Community Benefits Penalty Funds Policy in Section V. above.) In most cases, allocating funds to affected communities under that approach is preferable to including a SEP in a settlement agreement. The Air District will use SEPs only in exceptional cases where the particular facts and circumstances of the case warrant it.

[13] A SEP is when the violator agrees to undertake or fund a project to provide tangible environmental or public health benefits to the affected community or the environment as a means to mitigate the harm from the violation.

VII. Mutual Settlement Program for Minor Violations



The Air District is mindful that some violations may involve smaller businesses or individuals with limited financial resources. Where such entities have relatively minor violations that do not cause extensive emissions or public health impacts, and they respond proactively to achieve compliance and take steps to ensure such violations do not recur, the Air District will appropriately consider a smaller penalty. The Air District is legally required to consider reduced penalties in such cases under the penalty adjustment factors in Health & Safety Code section 42403(b), including the "nature and persistence" factor and the "financial burden" factor.

The Air District will ensure that violators pay appropriate penalties in all such cases, however. Although the penalty may be relatively smaller for such violations, the Air District must still incentivize proactive environmental compliance and make it clear that businesses that ignore their responsibility to protect air quality will be worse off financially than those who take the necessary actions to comply. The same principles of deterrence apply for smaller businesses as they do for large companies, just on a smaller scale.

The Air District has created a Mutual Settlement Program to handle such situations. The Mutual Settlement Program consists of experienced non-attorney enforcement case specialists who resolve smaller cases that do not require direct attorney involvement. These case specialists handle penalty cases referred to them in the same way as the attorneys do, except that their legal enforcement mechanism when the violator refuses to pay their penalty is through small claims court. The small claims courts in the nine Bay Area counties provide a faster and more efficient process to assess penalties up to $6,250 for air quality violations, and they do not require an attorney to file or prosecute them.

The Mutual Settlement Program resolves hundreds of violations every year and is an essential element of the Air District's overall enforcement function. Although the types of businesses the Mutual Settlement Program deals with are individually small, there are

a large number of them throughout the Bay Area. Without a high compliance rate and an effective deterrent to violations, the collective emissions from violations by such businesses could be very significant. The Mutual Settlement Program provides the enforcement mechanism to incentivize compliance for these entities.

Small Claims Court is a division of the Superior Court where limited disputes can be resolved quickly and inexpensively, with simpler rules and a less formal process. The defendant may not be represented by an attorney, and the Air District can usually obtain a judgment within a matter of months.

Violations are not assigned to the Mutual Settlement Program where there is ongoing non-compliance that the violator refuses to address; where the violation caused significant emissions or harm to public health; where the violator's misconduct was intentional or egregious; where there is a history or pattern of non-compliance demonstrating that the violator is not taking its compliance responsibilities seriously enough; or where other circumstances suggest that a minor penalty will not achieve the necessary deterrent effect. Such cases warrant a more significant penalty, even if the violator is a small business. The Air District assigns attorneys to handle such cases to ensure that the enforcement response is adequately tailored to the seriousness of the violation.



VIII. Partnering with Other Enforcement Agencies

The Air District will partner with other enforcement agencies where appropriate to ensure that the right enforcement resources are brought to bear on environmental violations. Partner agencies can include the California Air Resources Board, the California Attorney General, and the local District Attorneys in the nine Bay Area counties, all of whom have enforcement authority for air quality violations. Enforcement parters may also include other agencies in cases involving violations of other environmental laws, as well as private enforcers who may have claims under so-called "citizen suit" provisions.

There are pros and cons to joining with other enforcement partners with respect to violations of Air District regulations. The Air District will evaluate the benefits of doing so on a case-by-case basis.

Joint enforcement can be beneficial for very large cases that call for a significant investment of investigatory and legal resources. In those cases, it can be helpful to have multiple agencies involved to share the workload. Joint prosecution may also be warranted where a single incident causes environmental harm in other areas in addition to air quality violations, such as water pollution, hazardous waste releases, or worker safety violations. Consolidating all those violations in a single multi-agency prosecution may be the best way to achieve the most powerful enforcement response to the totality of the environmental harm.

Partner Enforcement Agencies that can enforce air pollution laws include:

- California Air Resources Board (CARB)
- California Attorney General
- U.S. Environmental Protection Agency
- County District Attorneys

Joint enforcement requires coordination among multiple different agencies, however, which can complicate the process and slow down the ultimate resolution. For cases that involve only air quality violations and where the Air District has adequate resources to prosecute the case itself (with its own attorneys and/or with assistance from an outside law firm), partnering with another agency may not provide a significant benefit in terms of the overall enforcement outcome. Moreover, partnering with other agencies may mean sharing the penalties collected as a result of the enforcement action. This may reduce the amount of penalty funds that get directed back to communities impacted by the violations under the Air District's Community Benefits Penalty Funds Policy. The Office of the General Counsel will therefore evaluate each case carefully to ensure that there will be an overall benefit from joint prosecution.

IX. Accountability to Affected Communities for the Air District's Legal Enforcement Program

The Air District has been entrusted with the authority and responsibility to hold regulated entities accountable when they violate air quality regulations. To faithfully fulfill this mandate, the Air District must also hold itself and its enforcement program accountable to the public and to the communities affected by those violations. The Office of the General Counsel is committed to doing so by transparently and publicly reporting on the legal actions it takes to address air quality violations – and how it is implementing the principles outlined in this Policy.

a. Public Reporting of Legal Enforcement Actions

The Air District publicly reports on its website all Notices of Violation (NOVs) it has issued in the past five years, including the name and address of the violator, the regulation violated, and the date the Notice of Violation was issued. The website database also indicates whether the Air District has resolved the enforcement case with a penalty or whether the case is still ongoing (indicated by a "pending" status). Where the enforcement case has been resolved, the database also indicates the date it was resolved and the amount of the penalty.

The Air District also publishes a list of all Notices of Violations issued each month, and all penalty settlements for $10,000 or more reached each month, in its monthly Board of Directors meeting materials. It also publishes press releases to publicize major cases and provides the case resolution documents on its penalties and settlements webpage, and members of



the public can sign up to receive email notifications of all penalty resolutions of $100,000 or more.

To provide further transparency, the Office of the General Counsel will publish an annual enforcement report each year documenting its enforcement cases for the previous year. The report will provide information on all the cases resolved during the year, along with information for previous years to identify trends and track progress. The report will provide information on the Office's staffing levels and caseload, and will include (at a minimum) data on each of the metrics listed in the table below.

In addition to average and median penalties per violation, the report will also document the distribution of penalty sizes to show the proportion of violations that are resolved at various penalty levels, from small to large. The report will also include sub-metrics for ZIP codes in AB 617 communities to evaluate how penalties are being assessed in those overburdened communities. The report will also identify the regulations that are most often violated, which may be useful to inform future rulemaking and enforcement prioritization. Finally, the report will summarize the penalties collected and allocated under the Air District's Community Benefit Penalty Funds Policy through the Bay REPAIR Program (see Section V above).

ANNUAL REPORTING METRICS

- # of NOVs Issued
- # of NOVs Resolved with Penalty
- # of NOVs Resolved by Attorneys
- # of NOVs Resolved by Mutual Settlement Program
- # of NOVs Resolved as "No Further Action"
- # of NOVs Canceled
- Average Penalty per Violation Resolved
- Median Penalty per Violation Resolved
- Average Penalty per Violation Resolved by Attorneys
- Average Penalty per Violation Resolved by Attorneys at Major Facilities
- Average Penalty per Violation Resolved by Mutual Settlement Program
- Median Penalty per Violation Resolved by Attorneys
- Median Penalty per Violation Resolved by Attorneys at Major Facilities
- Median Penalty per Violation Resolved by Mutual Settlement Program



The Office of the General Counsel will evaluate these metrics and will adjust or add new metrics based on experience in implementing this Policy and feedback it receives on the annual report each year.

To track the time it takes from issuance of a Notice of Violation to final resolution, the report will also list how many of the Notices of Violation issued in each of the previous five years have been resolved and how many are still unresolved. The report will also provide information on how long cases took to resolve from initial referral to the Office of the General Counsel through to final resolution by settlement or litigation. This metric will provide data to assess progress towards the Air District's goals for expeditious resolution of enforcement cases as outlined in Section II.d. above.

The report will also list all of Hearing Board abatement order cases, Superior Court enforcement lawsuits (including both attorney cases and mutual settlement cases), and permit revocation cases. To track where the Air District is prioritizing enforcement resources for these cases, the list will also identify the location of the violations addressed in each case and whether they are in an AB 617 community or other overburdened community as defined in Air District Regulation 2, Rule 1.

Each annual report will summarize data from prior years to build an ongoing database of baseline conditions, trends, and progress in achieving the goals of this Policy. Tracking progress over time will provide visibility into the performance of the Office of the General Counsel in effective legal enforcement, and will help identify areas of success as well as opportunities for further improvement. Transparently reporting actions to implement this Policy will provide accountability to the public and to the Air District's Board of Directors that the Office of the General Counsel is following through on the commitments made herein.

The Office of the General Counsel will also continue to assess and consider adjustments to this Policy as it gains experience in implementing it. This Policy is intended to be an evergreen document that will be revised and improved upon over time. The Office of the General Counsel will document lessons learned through implementation of the Policy in its annual report, and will update the Policy as appropriate based on this experience and on feedback received through other channels (e.g., community feedback received in FOCUS community meetings, input from the Community Advisory Council, etc.).

b. Engaging Community in Legal Enforcement Processes and Outcomes

In addition to publishing its annual enforcement report, the Office of the General Counsel is also committed to proactively engaging affected communities to provide information on its legal enforcement activities.

The Air District will engage specific communities where there are notable legal developments related to enforcement cases in that community. For facilities or violations for which there is significant public interest, the Office of the General Counsel will engage with community partners regarding enforcement approaches, activities, and outcomes. Where feasible, the Air District seeks to identify community concerns and incorporate them into case resolution strategies, as noted in Section VI above. The Air District will also conduct outreach to inform the neighboring community when Hearing Board cases or lawsuits are filed, including opportunities for public participation and public comment. In cases where community members have information about a particular violation, the Air District's attorneys may call them as witnesses to support formal legal action. The Office of the General Counsel will also follow up with information about case resolutions and enforcement outcomes in significant cases, including the amount of the penalty assessed and how the facility has been brought back into compliance. The Air District will leverage its community connections through the Community Advisory Council, the Bay Area's four AB 617 Community Steering Committees, the Air District's "EJ Navigators" program, and related community partners to provide this information as widely as possible within the area affected by the violation.

The Air District will similarly engage the public with broad outreach on the Office of the General Counsel's annual enforcement report. In addition to making the information and reporting generally available, the Office of the General Counsel will undertake targeted efforts to bring the information to those in communities most affected by air quality violations, including the Bay Area's AB 617 communities and other environmental justice communities throughout the region.



Reporting on legal enforcement activities and outcomes will be a central part of the town hall meetings the Air District will hold through the FOCUS Community Meetings Policy. The Office of the General Counsel will also provide briefings for the Community Advisory Council and the AB 617 Community Steering Committees, to the extent those bodies would like to consider this information at their meetings.

Through these initiatives, the Office of the General Counsel seeks to provide structured opportunities for community input on and evaluation of its legal enforcement program. Implementation of this Policy is envisioned as an iterative feedback loop, where the Office of the General Counsel informs and engages with the community on enforcement actions and outcomes, and the community provides input in assessing outcomes and identifying areas for further improvement. Success will be achieved through an open and transparent partnership where community voices are identified, informed, and engaged, and where community feedback ensures that the Air District's legal enforcement efforts are targeted to community priorities and accountable to community interests.



Appendix – List of Potential Violations and Penalty Ranges

The California Health & Safety Code requires the Air District to publish a list of violations subject to penalties. The list must also include the minimum and maximum penalties for each violation that may be assessed by the Air District.

The list of violations subject to penalties is defined by the regulatory requirements in the Air District's current rules and regulations, which are listed on the Air District's Current Rules webpage (containing all of the rules in the Air District's regulations, Regulation 1 through Regulation 14, inclusive); and by the requirements of the rules, regulations and orders of the California Air Resources Board (CARB), which are listed on the CARB Laws and Regulations webpage. Violations of Air District permit conditions (including requirements in Title V permits) are subject to penalties pursuant to Air District Regulations 2-1-307 and 2-6-307. Violations of hearing board abatement orders are also subject to penalties; abatement orders of the Air District's Hearing Board are listed on the Hearing Board *Agendas, Reports and Orders* webpage. Emissions that cause a public nuisance in violation of Health & Safety Code Section 41700 or that violate the opacity standards in Health & Safety Code Section 41701 are also subject to penalties, as are violations of all other requirements specified in Part 4 of Division 26 of the Health & Safety Code.

The penalties applicable for such violations range from a nominal penalty as the minimum (e.g., $1) up to the statutory maximum penalties listed in Tables A-1 and A-2 below based on the type of violation. The statutory maximum penalties increase annually for inflation based on the California Consumer Price Index as reported by the California Department of Industrial Relations. The maximum penalty values provided in this document are for 2026, and they will increase with inflation in future years.

In addition, violations of the air toxics inventory reporting requirements in the Air Toxics "Hot Spots" Information and Assessment Act of 1987 (a/k/a "AB 2588," Part 6 of Division 26 of the Health & Safety Code), and violations of any permit, rule, regulation or requirement adopted to implement that Act, are subject to penalties from a minimum of $500 per violation per day up to a maximum of $10,000 per violation per day. Any person who knowingly submits any false statement or representation filed, maintained or used for purposes of compliance with that Act is subject to penalties from a minimum of $1,000 per violation per day up to a maximum of $25,000 per violation per day. (See Health & Safety Code § 44381.)

Table A-1 below lists the basic statutory maximum penalties applicable for air quality violations under the Health & Safety Code sections 42402 through 42411. The maximum penalty values listed are for 2026 and will increase each year with inflation.

TABLE A-1 – Penalty Ranges for Air Quality Violations Under Health & Safety Code Sections 42402 through 42411

	Violator Proves No Intent/ Negligence	No Evidence of Negligence/ Intentional	Negligence	Known Emissions, Failed to Correct	Willful & Intentional
No Emissions	$6,470[a]	$12,940	$12,940	n/a	$12,940
Emissions – Non-Major Facility	$6,470[a]	$12,940	$32,350	$51,760	$97,050
Emissions – Major Facility[b]	$38,820	$38,820	$97,050	$155,280	$291,150

NOTES:

[a] The lower $6,470 penalty maximum does not apply for violations of federally enforceable requirements at Title V "major" facilities. Violations of federally enforceable requirements at major facilities are subject to penalties up to $12,940 per violation per day, even if the violator can prove that it did not act intentionally or negligently. (The lower maximum is similarly inapplicable for violations of an emissions cap established pursuant to a market-based incentive program, but the Air District does not have any such programs.) See generally Health & Safety Code § 42402(b)(2)(B)-(C).

[b] The tripled penalty maximums applicable for emissions violations at Title V "major facilities" apply for violations on or after January 1, 2025.

In addition to the basic maximum penalty levels outlined in Table A-1, higher maximums apply for public nuisance violations that cause actual injury or death. These special, heightened maximum penalty levels depend on the violator's level of intent and the extent of the harm, as set forth in Table A-2 below. In addition, and as noted above, these maximum penalty levels are tripled for emissions violations at Title V "major facilities" that occur on or after January 1, 2025.

TABLE A-2 – Higher Penalty Ranges for Public Nuisance Violations that Cause Actual Injury or Death

Level of Intent	Resulting Harm	Maximum Penalty
Any	Actual injury to a considerable number of people requiring (in the opinion of a licensed physician and surgeon) medical treatment involving more than a physical examination	$19,410
Negligence	Death or great bodily injury to any person	$129,400
Knowing of the emission but failing to take corrective action w/ in a reasonable time	Death or great bodily injury to any person	$323,500
Willful & intentional, or with reckless disregard of the risk	Unreasonable risk of death or great bodily injury to any person	$161,750 ($647,000 if the violator is a corporation)
Willful & intentional, or with reckless disregard of the risk	Death or great bodily injury to any person	$323,500 ($1,294,000 if the violator is a corporation)

NOTES:

"Great bodily injury" is defined as a significant or substantial physical injury.

For more information visit **baaqmd.gov**

Bay Area Air District

Bay Area Air District

New Legal Enforcement Policy

Board of Directors Meeting

December 2, 2026

Alexander “Sandy” Crockett
General Counsel

Abbreviations

AB 617: Assembly Bill 617

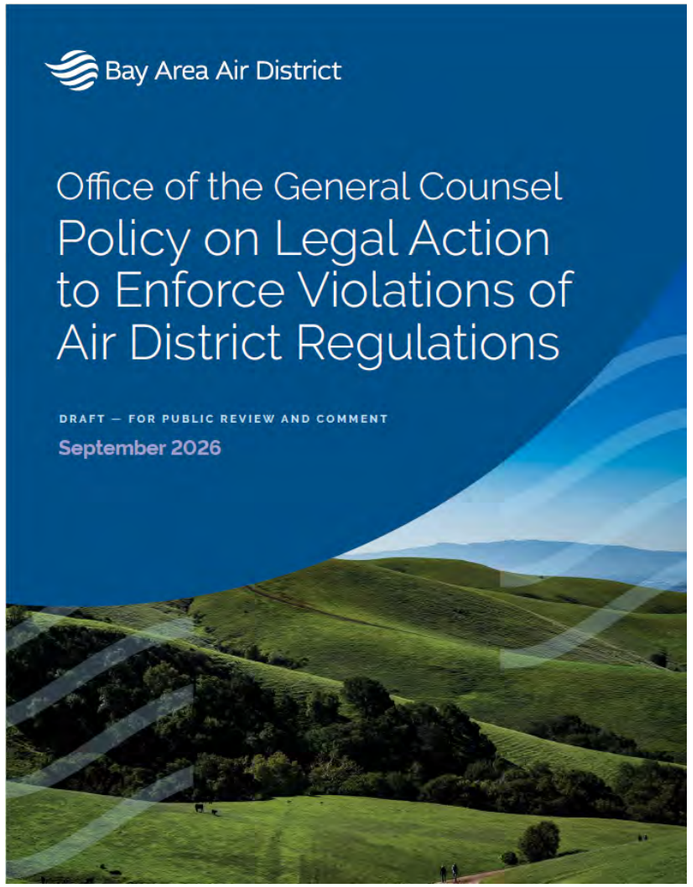
NOV: Notice of Violation

Recommended Action

Discussion item; no Board action required

Presentation Outline

- Background
- Legal Enforcement Policy Principles
- Policy Topics
  - Penalties
  - Addressing Ongoing Non-Compliance
  - Other Topics
- Legal Enforcement Accountability
- Next Steps

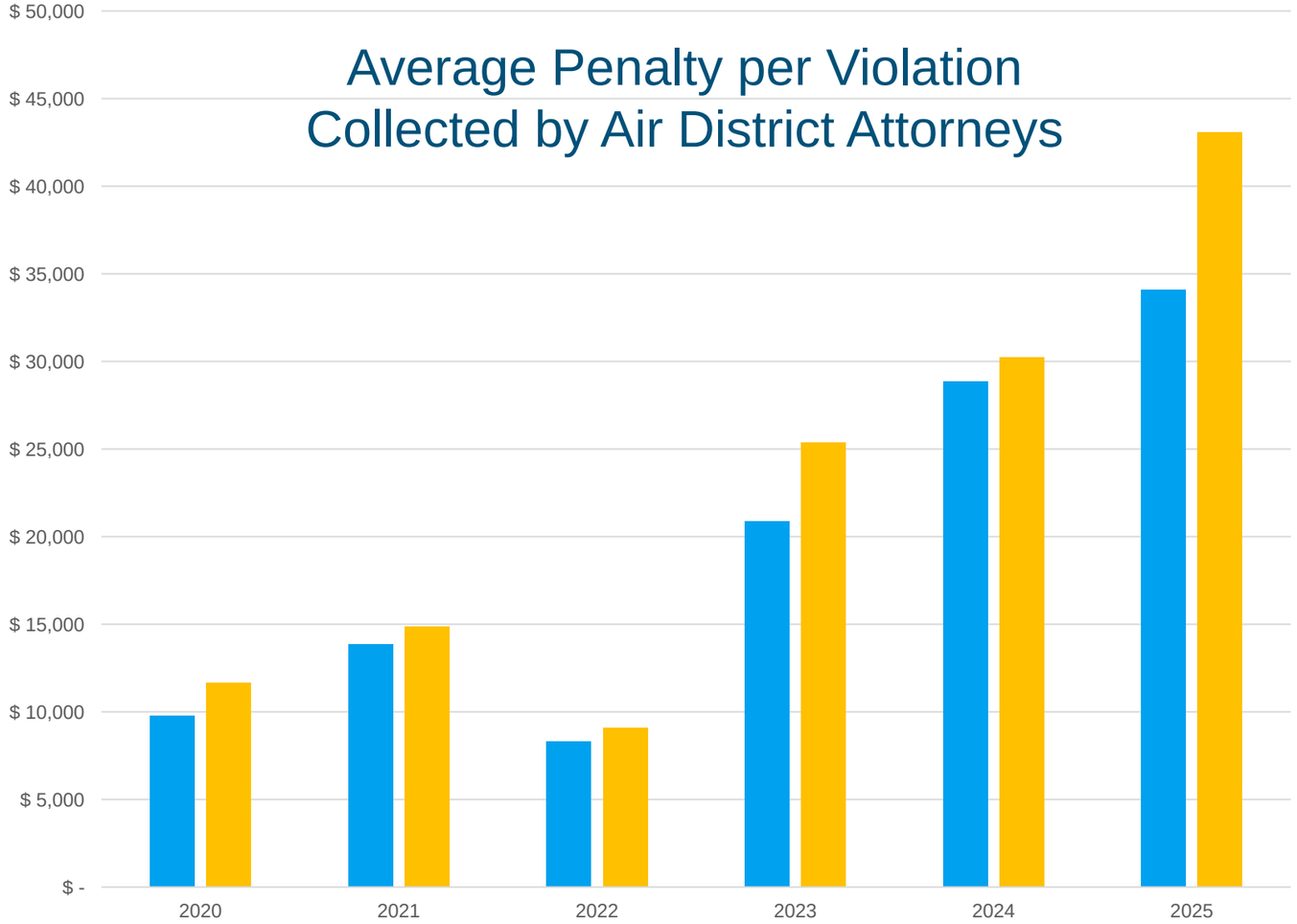


Background

- Historical Concerns About Legal Enforcement
  - Ineffective enforcement outcomes
  - Low penalties
  - Community criticism
- Current Management Implementing Changes
  - Increased penalties
  - Partnering with other enforcement agencies
  - Addressing backlog of older cases
- Recent Commitments re Legal Enforcement
  - Strategic Plan Strategy 1.6 (New Enforcement Policy)
  - Path to Clean Air Plan Actions FR 3.6 & 3.8



Recent Progress – Average Penalties



All attorney cases

"Major" Facilities (~75 largest-emitting facilities)

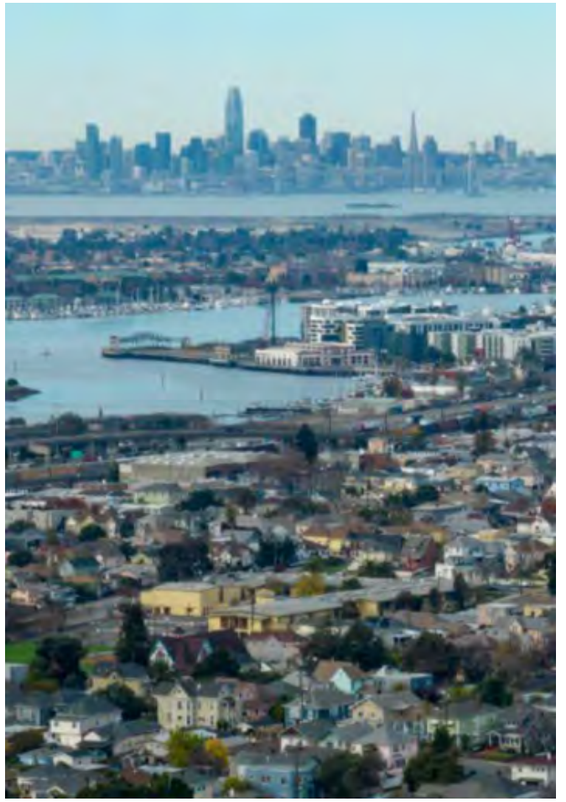
2024 average excludes $82 million Valero penalty

With Valero, 2024 average is $105,000 per violation

Enforcement Policy Development Process

- Small Working Group Developed Initial Draft
  - Air District Legal and Enforcement Staff
  - Representatives from the Community Advisory Council and AB 617 Steering Committees
- Public Comment Process for Draft Policy

Date	Milestone
October 13, 2026	Draft Legal Enforcement Policy published
November 16, 2026	Public Workshop
November 19, 2026	CAC Presentation & Discussion
November 30, 2026	Public Comment Deadline
Today → December 3, 2026	Board of Directors Presentation
December 2026	Finalize Policy based on comments received



Policy Principles

- Provide **transparency** into the legal enforcement process, without undermining the confidentiality of ongoing cases
- Use legal authorities effectively to **hold violators accountable** and **protect public health**, especially in the most vulnerable communities
- Pursue effective and tailored enforcement outcomes to **deter future violations** and to **reduce and reverse the harms** resulting from a legacy of inequitable public and private development decisions
- Use litigation tools and resources strategically where they can have the greatest **impact on changing behavior** in overburdened communities saddled with widespread non-compliance

Penalties for Air Quality Violations

- Penalties are Key to Effective Deterrence
- Penalty Assessment Governed by Statute
  - Judges Required to Apply Statutory Process in Court
  - Air District Required to do so in Settlements
- Two-Step Process to Determine Penalty
  - Step 1: Determine **Maximum Penalty**
  - Step 2: Apply **Penalty Adjustment Factors**



Penalty Step 1: Determine Maximum

Statutes provide penalty maximum (per violation, per day) based on:

- Whether violation was administrative or involved emissions
- Whether violation was negligent/intentional

Maximum Penalty Levels Authorized by Statute (2026)

	Violator Proves No Intent/Negligence	No Evidence of Negligence/ Intentional	Negligence	Known Emissions, Failed to Correct	Willful & Intentional
No Emissions	$6,470	$12,940	$12,940	-	$12,940
Emissions – Minor Facility	$6,470	$12,940	$32,350	$51,760	$97,050
Emissions – Major Facility	$38,820	$38,820	$97,050	$155,280	$291,150

Penalty Step 2: Apply Adjustment Factors

Assess appropriate penalty within the statutory range based on:

- The **extent of harm** caused by the violation
- The **nature** and **persistence** of the violation
- The **length of time** over which the violation occurs
- The **frequency of past violations**
- The **record of maintenance**
- The **unproven** or **innovative** nature of the **control equipment**
- Any **action** taken **to mitigate** the violation
- The **financial burden** to the defendant
- Any other relevant circumstances

Important Penalty Assessment Principles

- Apply a “Top-Down” Approach to Penalty Valuations
  - Presumption that the Statutory Maximum Penalty is Appropriate
- Center Community Harm and Cumulative Impacts
- Remove Any Economic Benefit From Non-Compliance



Addressing Ongoing Non-Compliance

- All Violations Must Be Brought Back Into Compliance
- Air District Will Take Legal Action If Violator Does Not Proactively Take Steps to Come Into Compliance
- Prioritize Cases Based On:
  - Extent of Harm to the Public
  - Impacts in Overburdened Communities
  - Violator's Willingness to Comply
  - Anticipated Length of Time Out of Compliance
  - Likelihood of Success in Obtaining Injunctive Order

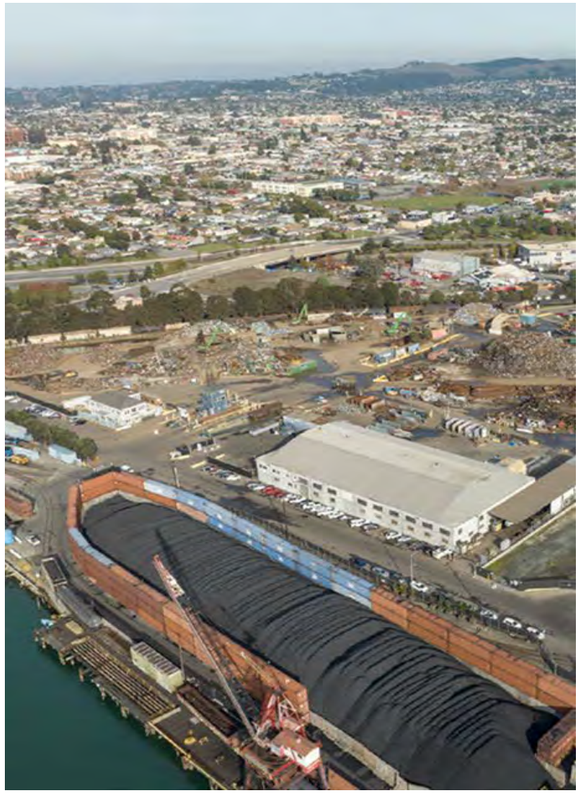
Other Notable Policy Topics

- Creative Use of Settlement Agreements as Alternative to Litigation
- Reinvesting Penalty Funds Back Into Affected Communities
- Partnering with Other Enforcement Agencies
- Small Claims Court Enforcement for More Minor Violations



Accountability to Communities & Board of Directors

- Annual Legal Enforcement Report
  - Penalties Collected
  - Case Resolution Rates
  - Sub-Metrics for AB 617/Overburdened Communities
  - Summaries of Significant Cases
- Outreach to Affected Communities



Reporting Metrics

Annual Reporting Metrics

- # of NOVs Issued
- # of NOVs Resolved with Penalty
- # of NOVs Resolved by Attorneys
- # of NOVs Resolved by Mutual Settlement Program
- # of NOVs Resolved as "No Further Action"
- # of NOVs Canceled
- Average Penalty per Violation Resolved
- Median Penalty per Violation Resolved
- Average Penalty per Violation Resolved by Attorneys
- Average Penalty per Violation Resolved by Attorneys at Major Facilities
- Average Penalty per Violation Resolved by Mutual Settlement Program
- Median Penalty per Violation Resolved by Attorneys
- Median Penalty per Violation Resolved by Attorneys at Major Facilities
- Median Penalty per Violation Resolved by Mutual Settlement Program

Recommended Action

Discussion item; no Board action required

Questions & Discussion

For more information:

Alexander “Sandy” Crockett | General Counsel | acrockett@baaqmd.gov

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: December 2, 2026

Re: Zero NOx Readiness Report for Regulation 9, Rule 4: Nitrogen Oxides from Natural Gas-Fired Furnaces

RECOMMENDED ACTION

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

BACKGROUND

In March 2023, the Air District Board of Directors adopted amendments to Regulation 9, Rule 4 and Regulation 9, Rule 6 ("building appliance rules") which included zero nitrogen oxides (NOx) emissions standards starting the first of January for 2029, 2027 and 2031, for residential and commercial furnaces, small water heaters and large water heaters, respectively. In November 2026, the Board adopted new exemptions and changed the compliance dates for Rule 9-6 from 2027 to 2028, and from 2031 to 2033.

The 2023 amendments were adopted because water heaters and furnaces represent one of the largest remaining sources of NOx emissions in the Bay Area within the Air District's regulatory authority. NOx emissions contribute to the formation of ozone and fine particulate matter, both of which are associated with adverse public health impacts, including respiratory and cardiovascular illness. Continued reductions in NOx emissions are necessary for the region to attain and maintain federal and state health-based air quality standards and to protect public health, particularly in communities disproportionately impacted by air pollution. The amendments to the rules are intended to achieve long-term emissions reductions by transitioning the market toward zero-NOx technologies while delivering significant air quality, climate, and public health benefits.

Given the only zero-NOx space and water heating appliances currently available are electric, rule implementation presents specific challenges regarding switching from natural gas to electric appliances. As part of 2023 rule amendment adoption, the Air District Board of Directors required a staff update two years prior to each compliance date regarding implementation challenges, especially focused on those raised by stakeholders during rulemaking, such as costs, workforce, market development, and equity issues. With this direction, Air District staff coordinated and led a multi-

stakeholder Implementation Working Group (IWG) from October 2025 through August 2026 to guide further research and facilitate public conversations regarding concerns and topics related to Rule 9-4.

DISCUSSION

This update will provide an overview of Air District staff understanding of the implementation readiness of the 2023 amendments to Rule 9-4 gathered through work with the IWG and other stakeholders. The IWG process included extensive stakeholder discussions and focused technical research regarding issues of public concern, challenges and market developments. Key topics explored through the IWG that will be covered in this informational item include:

- Evaluation of the number and types of buildings that are covered by Rule 9-4 across single-family, multi-family and small commercial buildings
- Updated sales trends and public policies pushing market development of heat pump heating ventilation and air conditioning systems (HP HVAC)
- HP HVAC cost updates for median upfront costs as well as operational on-bill costs
- Evaluation of HP HVAC incentive and financing programs
- Evaluation of challenging installation types
- Potential impacts on renters
- Evaluation of temporary heating loss when switching from gas furnaces to HP HVAC

Next steps to prepare for the January 2029 implementation date of Rule 9-4, including potential rule amendments, will also be discussed.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Amy Dao
Reviewed by: Richard Chien and Woody Goodfriend

ATTACHMENT(S):

1. Staff Report Information Update Regarding Regulation 9, Rule 4
2. Dec 2026 BOD 9-4 Readiness Update Presentation

STAFF REPORT: INFORMATION UPDATE REGARDING REGULATION 9, RULE 4

DECEMBER 2026
Bay Area Air District
IMPLEMENTATION WORKING GROUP

PRIMARY AUTHORS

Amy Dao, Senior Advanced Project Advisor, Planning and Climate Protection Division

Monte DiPalma, Senior Air Quality Engineer, Planning and Climate Protection Division

Sally Newman, Senior Air Quality Specialist, Planning and Climate Protection

Richard Chien, Manager, Planning and Climate Protection

Jennifer Lam, Manager, Rules and Strategic Policy Division

CONTRIBUTED BY

Arsenio Mataka, Deputy Executive Officer, Equity & Community Programs

Carrie Schilling, Senior Assistant Counsel, Legal Division

Gregory H. Nudd, Deputy Executive Officer, Policy

Kristina Chu, Manager, Communications

Kristine Roselius, Director, Communications

Victor Douglas, Director, Regulatory Development Division

Viet Tran, Deputy Executive Officer, Public Affairs

Wendy Goodfriend, Director, Planning and Climate Protection Division

EXTERNAL CONTRIBUTIONS BY

Allison Hyatt, CARB

Awoe Mauna-Woanya, CARB

Amy Dryden, Association for Energy Affordability

Angela Evans, Menlo Spark

Blake Herrschaft, WestLight Energy

California Air Resources Board (everyone who helped rush/publish the research)

Members of the **2025-2026 Implementation Working Group**

Table of Contents

Abbreviations and Acronyms 8

I. Executive Summary 9

II. Background 14

A. Purpose 14

B. Scope 15

C. Implementation Working Group 17

III. Benefit of the Rules 18

IV. Market Assessment for Zero-NOx Furnaces 19

A. Market Saturation and Sales 20

B. Product Offerings 21

C. Policies Moving the HP HVAC Market 23

1. Building Code Updates 23

2. Building Energy Performance Standards 25

3. CARB Clean Space and Water Heater Standards Development 25

V. Typical Costs 26

A. Operational Costs 26

1. Residential Bill Impacts 26

2. Nonresidential/Commercial Bill Impacts 28

B. Upfront Purchase and Installation Costs 29

1. Single-Family Median and Incremental Costs 29

2. Multifamily Median Upfront Costs 31

3. Nonresidential/Commercial Upfront Costs 32

C. Options to Support Costs: Programs, Incentives, and Financing 35

1. Residential Incentives and Programs 35

2. Residential Financing 35

3. Commercial Funding and Financing Options 37

VI. Challenging Scenarios and Installation Complexity 38

A. Cost Drivers in Single-Family and Residential 39

1. System Capacity and Oversizing 39
2. Installation Time and Scope 40
Ductwork 40
Electrical work 41
Other Factors Increasing Scope and Labor 44
B. Large Multifamily Considerations 44
1. Building Stock Variety and Age 45
2. Condenser Placement and Space Constraints 46
3. Shared and Master-Metered Ownership 46
4. Electrical Service and Utility Infrastructure 46
5. Replacement on Failure and Tenant Impacts 47
6. Economies of Scale in Whole Building Electrification Projects 48
7. Potential Solutions: Electrification Readiness and Funding 49
C. Nonresidential and Commercial Buildings Considerations 50
1. CARB Building Retrofit Level Categorization 50
2. Data, Participation, and Engagement Gaps 51
3. Ongoing and Upcoming Research 52
VII. Potential Renter Impacts 52
A. Bay Area Renter Protections 53
1. Pass-Through Costs 53
2. Eviction Protections 53
3. Risk of Renter Impacts 54
B. Potential Strategies and Path Forward 54
VIII. Temporary Heating Loss 55
A. Heating Needs in the Bay Area 55
B. Quantifying Potential Heating Loss with Fuel Switching 56
C. Temporary Space Heating Options 56
IX. State or Regional Updates on Grid, Workforce and Permitting 59
A. Grid Capacity, Reliability and Timing 59

1. Increasing Grid Capacity 59
2. Reliability 59
3. Site-Level Service Upsizing 59
B. Workforce 60
C. Permitting 62
X. Next Steps 62
A. Air District Outreach and Communications 62
B. Non-Regulatory Actions 63
C. Possible Rule Changes 65
Appendices 66

Abbreviations and Acronyms

Acronym	Full Name
Air District	Bay Area Air Quality Management District
BayREN	Bay Area Regional Energy Network
BTU	British Thermal Unit; measures heat and energy
CARB	California Air Resources Board
CBO	Community Based Organization
CCA	Community Choice Aggregator
CEC	California Energy Commission
CEUS	Commercial End Use Survey (CEC)
CPUC	California Public Utilities Commission
DOE	U.S. Department of Energy
EPA	U.S. Environmental Protection Agency
FSSAT	Fuel Substitution Scenario Analysis Tool (CEC)
HP HVAC	Heat Pump Heating, Ventilation, and Air Conditioning
HPWH	Heat Pump Water Heater
IRA	Inflation Reduction Act
IWG	Implementation Working Group
LIWP	Low-Income Weatherization Program
MCE	Marin Community Choice Energy
MF or MF Res	Multifamily Residential
NREL	National Renewable Energy Laboratory
PACE	Property Assessed Clean Energy
PCE	Peninsula Clean Energy
PG&E	Pacific Gas & Electric
PSPS	Public Safety Power Shutoff
SF or SF res	Single-Family Residential
SIP	State Implementation Plan
SVCE	Silicon Valley Clean Energy
TECH	TECH Clean California

I. Executive Summary

Background and Purpose

In March 2023, the Bay Area Air Quality Management District (Air District) Board of Directors (Board) adopted amendments to Regulation 9, Rule 4 and Regulation 9, Rule 6 ("building appliance rules," or "rules"), which included zero nitrogen oxides (NOx) emissions standards for natural gas-fired furnaces and water heaters. Given that the only zero-NOx space heating appliances currently available are electric, rule implementation presents specific challenges regarding switching from natural gas to electric appliances. Thus, the Board required that two years prior to each compliance date, Air District Staff (staff) report on compliant technology options, costs and incentives available to reduce costs, and other issues impacting equity and readiness, leaving time for a rule amendment process if the Board determines it is necessary.

This informational update report is focused on the January 2029 implementation date for natural gas-fired furnaces less than 175,000 BTU/hr under Regulation 9, Rule 4 (Rule 9-4).

Beginning in October 2025, staff convened an Implementation Working Group (IWG) of over 40 members in nine subcommittee and plenary meetings. IWG discussions, previous research (Appendices A through E) together with newly contracted research on space heating (Appendices F through K), informed this report. Below are summaries and key takeaways of the primary topic areas impacting implementation readiness and a discussion of next steps for potential future rule changes.

Market Development

There are over two million residential and commercial buildings in the Bay Area with space heating, and approximately 72% of them have fossil fuel furnaces covered by Rule 9-4. Detached single-family (SF) homes make up the large majority of these buildings (82%), followed by small multi-family (MF) buildings of two-to-four units (8%), commercial buildings (7%), and large MF buildings of five or more units (4%). Within the commercial sector, mercantile/retail, office, and warehouse/storage are the most prevalent building types that would need to comply.

Electric air-source heat pump heating, ventilation, and air conditioning systems (referred to as HP HVAC, or simply "heat pumps" in this report) are the most energy efficient, cost-effective, and commercially available zero-NOx option for space heating in the Bay Area,

with a wide range of ducted, ductless, window, packaged, and hydronic products available to fit different building configurations. Nationally, HP HVAC sales surpassed natural gas furnace sales in 2020–2021 and were 32% higher by 2024.

Policy developments since the 2023 rule amendments are further expanding the market. The 2025 Title 24 Building Energy Efficiency Standards (energy code), which took effect January 1, 2026, require HP HVAC for space conditioning replacements in specified commercial buildings in all Bay Area climate zones and strongly encourage HP HVAC for residential retrofits. The first three years of energy code implementation are expected to result in the installation of 500,000 HP HVAC units statewide. As of September 2026, twenty-one Bay Area jurisdictions have adopted local policies requiring or encouraging HP HVAC. At the state level, the California Energy Commission (CEC) released a draft building performance standards framework for large commercial and MF buildings in July 2026, and the California Air Resources Board (CARB) is developing zero-emission space and water heater standards, with implementation proposed to start in 2030.

Costs

Operational Costs. Bill impact studies indicate that most households will see utility bill savings when switching from a gas furnace to a HP HVAC. A 2025 study by Silicon Valley Clean Energy and Peninsula Clean Energy (now WestLight Energy) covering three Bay Area climate zones found first-year savings of $167 to $474 for minimum efficiency HP HVAC and $364 to $733 for more efficient variable capacity heat pumps, with the highest savings for homes with existing air conditioning (AC) and for early replacement of older furnaces. Homes adding air conditioning for the first time may see bills increase due to summer cooling, though efficient equipment and electrification-friendly rates can minimize these impacts. For the most prevalent commercial building types, consultant utility bill modeling found mostly neutral bill impacts, with savings of about $1 per month for warehouses; approximately $30 per month for offices; and $39 to $198 for mercantile buildings depending on size. These small bill savings were found even though there is currently no commercial electric rate designed to support electrification.

Upfront Costs. Based on data from over 14,000 Bay Area SF projects, the median upfront cost of HP HVAC is approximately $21,000. Compared with a new NOx-emitting gas furnace, the estimated incremental cost is $12,526. However, because HP HVAC provides both heating and cooling, the incremental cost falls to $2,095 when compared with replacing both a gas furnace and central air conditioning, which approximately 60% of Bay Area homes already have.

More limited MF data (207 Bay Area projects) indicate a median cost of approximately $10,240 per unit, with ductless systems costing less than ducted systems (see *Section IV.*

Market Assessment for a full discussion of the different types of HP HVAC). Real-world cost data for commercial buildings are scarce, and modeled estimates vary widely by tool, building type, and system type; for example, retrofit estimates for a typical 5,750 square foot Bay Area office range from $117,000 to $213,000.

Funding and financing. The funding landscape has changed significantly over the last two years. Federal incentives for residential HP HVAC have decreased, and state rebates through TECH Clean California were fully subscribed as of September 2026. Most local programs offer incentives of $1,000 to $3,000.

Financing research found that publicly supported loans, such as GoGreen Home Financing, offer a promising pathway, with below-market interest rates (0–9%), no upfront collateral required and fast approval. Credit cards (18–29% interest) and property-secured loans are either costly or too slow for emergency replacements but may be practical in limited scenarios as a bridge loan or for pre-planned replacements, respectively. Commercial owners have additional options, including PG&E On-Bill Financing, Commercial Property Assessed Clean Energy (C-PACE), and Energy Savings Performance Contracts.

Challenging Installation Cases

Real-world Bay Area heat pump projects have a wide range of costs. According to TECH Clean California June 2026 data, HP HVAC purchase and installation costs in the nine-county Bay Area range from $3,500 to $70,000 per SF home or MF unit. The leading cost drivers identified through data analysis are 1) floor area and 2) system heating and cooling capacity. Installation time is another major driver: since HP HVAC supplies cooling and space heating, it can replace the old furnace and the air conditioning (AC) unit. Installing HP HVAC in homes with existing AC that already have electrical wiring, an outdoor condenser pad, and matching indoor evaporator coil setup typically takes one to two days. Projects requiring new ductwork, electrical work, or highly customized design can take a week or more. Long refrigerant line-sets, asbestos abatement in older homes, and carpentry or structural work can further increase scope and cost.

Electrical panel and service upgrades can cost from a couple thousand dollars and in extreme cases, up to more than $20,000, and also extend timelines, but few homes are expected to need them: approximately 3% of SF and 10% of MF homes in California have panels so small to likely require upsizing for full electrification. For the 32% of SF and 59% of MF homes with intermediate-sized panels (100—199 amps and >60 amps respectively), power efficiency and panel optimization (“watt diet”) strategies can enable electrification. In WestLight Energy’s low-income whole-home electrification program, post-installation monitoring showed that homes on 100-amp panels mostly peaked below 42 amps and no home reached 100 amps of peak load.

Large MF buildings face additional challenges due to the variety and age of the building stock; limited space for outdoor equipment; shared ownership and metering arrangements; limited electrical capacity at the building and utility service levels; and the need to keep tenants and residents housed and heated. Whole-building appliance electrification projects offer economies of scale; for a typical 34-unit Bay Area mid-rise, zero-NOx heat pump systems were estimated at $240,000 to $300,000, compared to about $270,000 for a central gas furnace with air conditioning. Such whole-building projects however are atypical, making electrification readiness (i.e. completing enabling work such as adding electrical wiring in advance so a future failed furnace can be more quickly replaced with a heat pump) an important strategy. Programs such as the CEC's $494 million Equitable Building Decarbonization Program, launched June 2026 in the Bay Area, will provide more data and best practices on electrifying heat pumps in MF buildings in the coming years.

Understanding of the nonresidential sector remains limited. Building modeling estimates suggest most Bay Area commercial buildings are outside the scope of Rule 9-4 due to capacity thresholds (Btu per hour) or existing fuel type, and that only about 2 to 3% of commercial buildings would need extensive electrical or physical space retrofits. However, real-world commercial electrification projects are few, statewide commercial incentive program participation has dropped dramatically since 2020, and commercial building owners have been difficult to engage. It is expected that CARB-commissioned research will help fill in information gaps in the next few years.

Potential Renter Impacts

Research on renter protections confirmed that implementation of the building appliance rules poses potential risks to tenants. Compliance costs can be passed through, and if installation requires significant building modifications, landlords could use "substantial repair" provisions to temporarily evict tenants. State protections under the Tenant Protection Act of 2019 (AB 1482) apply only to buildings at least 15 years or older and are scheduled to expire on January 1, 2030. Sixteen Bay Area cities have local ordinances with varying pass-through limits and eviction protections. Because enforcement is largely complaint-based, it is difficult to assess how frequently tenants' rights are violated.

Strategies identified with the IWG include amending AB 1482 to limit appliance-related pass-throughs; increasing enforcement and data collection; sharing model local ordinances; and expanding legal support for tenants. Menlo Park's May 2026 Anti-Displacement Plan, which clarifies that routine electrification work does not on its own qualify as a substantial repair, offers one model for other jurisdictions.

Temporary Heating Loss

Although the Bay Area climate is mild, loss of heating during furnace replacement is a concern. Research found that a gas furnace-to-HP HVAC replacement typically takes about 19 days, two days longer than a gas-to-gas replacement. Approximately 3% of homes with limited panel capacity that may require a utility service upgrade could require a month or longer for replacement, potentially requiring temporary heating. A 2026 Air District survey found that almost two-thirds of households already own a temporary heating device. Portable electric heaters, electric blankets, and minor repairs to the existing furnace can temporarily bridge most gaps. Potential solutions to expand access to temporary heating devices and decrease HP HVAC installation times include heater lending programs and expanded pre-wiring and electrification readiness programs, respectively.

Other Issues: State and Regional Updates

Grid and Reliability Impacts. Previous Air District grid research showed new electrical loads from the building appliance rules will add approximately 3% to grid load. 2026 PG&E forecasts show that overall electrification investments could decrease distribution rates by up to 25% by 2040, as fixed grid costs are spread across more electricity usage. Most power outages are caused by storm or wind events, not insufficient electricity supply. Most gas furnaces (except wall furnaces) rely on electricity for the circulating fans, and like HP HVACs, cannot operate in power outages. The primary grid-related challenge for HP HVAC is site-level service upsizing. November 2025 PG&E data show average completion times and costs of more than 300 days and $3,000—$11,000 for SF homes, and more than 500 days and almost $30,000 for multi-unit apartment buildings. Recent California Public Utilities Commission (CPUC) decisions, including a pilot providing up to $10,000 per qualifying SF service upsizing project, and a requirements for Flexible Service Connections (whereby PG&E must offer partial power immediately while upgrades are completed over longer timelines), can help mitigate some of these challenges.

Workforce. Air District workforce research from 2024 showed positive signs for contractor availability and readiness, with the Bay Area having levels of relevant contractors equivalent to national averages. Since then, the State has expanded funding for heat pump workforce training, including $40 million for the CPUC's TECH Clean California initiative and $9.3 million from the CEC, of which $5 million supports heat pump training through 57 local union apprenticeship programs. Local CCAs and program administrators continue to offer contractor training and incentives, and manufacturers and distributors remain the most common sources of heat pump training for contractors. The Air District began contractor-targeted outreach and education in 2026.

Permitting. Air District research from 2024 found that most of the 11 surveyed Bay Area jurisdictions issue electric appliance permits the same day or within two to three days. In

September 2026, Air District co-sponsored Senate Bill 222, the Heat Pump Access Act, was signed into law and will standardize permitting best practices across the state, including the Bay Area. SB 222 requires local jurisdictions to offer remote inspections by July 1, 2027, and to implement online automated permitting for residential heat pump projects that do not require new electrical panels or major structural work by July 1, 2028. It also prohibits permit or inspection requirements for certain 120-volt plug-in window heat pumps.

Conclusion and Next Steps

Section X.B includes recommendations for the equitable and smooth implementation of Rule 9-4, including outreach and education, monitoring of incentives and financing, further research on commercial building retrofits, support for SB 222 implementation, coordination with state agencies, and further engagement with MF building owners and contractors.

Section X.C touches broadly on potential upcoming rule changes. Potential changes to support rule implementation would necessitate further rulemaking, and could focus on aligning with CARB and the CEC; flexibility for commercial buildings that Title 24 does not require to switch to HP HVAC and reconsidering commercial building applicability, given costs and market challenges; flexibility for challenging installation cases, such as those that require upsizing electric service, new ductwork, or additional sub-labor; flexibility for buildings without existing central AC and for multifamily buildings to support whole-building planning.

II. Background

A. Purpose

In March 2023, the Bay Area Air District Board of Directors adopted amendments to Regulation 9, Rule 4 and Rule 6, which include zero-NOx requirements for furnaces and water heaters installed in buildings. These rules will be referred to as “Rule 9-4” and “Rule 9-6”, individually, and as the “building appliance rules”, collectively, throughout the body of this report. The building appliance rules only apply to natural gas-fired water heaters and furnaces. They do not apply to other gas appliances such as stoves and dryers, appliances that use a fuel other than natural gas, such as propane, or to mobile homes.

The 2023 rule amendments include three different compliance dates after which newly manufactured, natural gas-fired, NOx-emitting water heaters and furnaces may not be sold nor installed in the Bay Area. The compliance date depend on the type and size of appliance.

This timeline is as follows:

- January 1, 2028[1]: water heaters less than 75,000 BTU/hr
- January 1, 2029: all applicable furnaces
- January 1, 2033[2]: water heaters between 75,000 BTU/hr and less than 2 million BTU/hr

This report focuses on natural gas-fired furnaces, defined in the 2023 amendments to Rule 9-4 as a furnace that utilizes single-phase, three-phase, or direct current in conjunction with natural gas. Previous standards in Rule 9-4 applied to natural gas-fired fan type central furnaces with a heat input rate of less than 175,000 BTU/hr, (Btu/hr), including combination heating/cooling units with natural gas heating and an electric cooling rate less than 65,000 BTU/hr. The 2023 updated definition of natural gas-fired furnaces in Rule 9-4 for the zero-NOx standard expanded this definition to capture in-wall furnaces and roof tops units (RTUs) however, the threshold of 175,000 Btu/hr still applies regardless of type.

The 2023 amendments included a requirement for staff to report back to the Board of Directors two years prior to each zero-NOx compliance date. Section 9-4-405 requires the report to include information learned about the compliant technology options available and projected to be sold, installed, or offered for sale, the projected costs of purchase and installation of such technologies, including applicable ancillary costs, incentive programs available to reduce these costs, and infrastructure readiness associated with rule compliance. The reporting requirement was set for two years prior to the implementation dates to leave time for a rule amendment process if the Board of Directors determines it is necessary based on the information presented.

For topics touching both rules (See Section IX.), this report adds to the information provided in the December 2024 Staff Report[3] with a primary focus on furnaces used for space heating as regulated under Rule 9-4.

B. Scope

This report focuses on the implementation of the zero-NOx standard specifically for furnaces that, due to the heating capacity threshold of less than 175,000 btu/hr specified in Rule 9-4, are typically found in residential and smaller commercial settings.

---

[1] Original compliance date adopted in March 2023 was January 1, 2027. Amendments delay this date to January 1, 2028, as adopted November 2026.

[2] Original compliance date adopted in March 2023 was January 1, 2031. Amendments delay this date to January 1, 2033, as adopted November 2026.

[3] Bay Area Air Quality Management District, Informational Update Regarding Regulation 9, Rule 6. December 2024. https://www.baaqmd.gov/~/media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20241127_board-report-dec-2024-pdf.pdf?rev=f9b89cc7ceb54588b5c505d6f20635e3&sc_lang=en

The body of this report compiles data, research, and other learnings gained since the publication of the March 2023 Staff Report[4] on the building appliance rule amendments that supported the adoption of zero-NOx emissions standards.

This report includes the following contracted research conducted between March 2023 and October 2024 on smaller water heaters that included topics relevant to space heating:

- Grid Related Impacts on the Implementation of Rules 9-4 and 9-6, Appendix A
- Renter Protections Policy Landscape Summary and Recommendations, Appendix B
- Workforce Challenges for Zero-NOx Requirements, Appendix C
- Permitting Requirements for Zero-NOx Appliances, Appendix D
- Installation Costs for Zero-NOx Space and Water Heating Appliances 2024, Appendix E

This report also includes the following contracted research conducted between September 2025 and September 2026 specifically focused on space heaters:

- Zero-NOx Space Heating Single-Family and Multifamily Technologies Market Assessment, Appendix F
- Zero-NOx Space Heating Financing Options, Appendix G
- Potential Temporary Loss of Space Heating, Appendix H
- Bay Area Small Furnace Study, Appendix I
- Zero-NOx Space Heating Considerations for Large Multifamily and Non-Residential Buildings, Appendix J
- Installation and Operational Costs for Zero-NOx Space Heating Appliances, Appendix K

This report was additionally informed by discussions of the Implementation Working Group (IWG) convened by the Air District. The IWG members are key stakeholders and partners in this process, informing staff's knowledge of the issues presented in this report. This report represents the Air District's current understanding of relevant issues based on the contracted research and discussions with IWG and other stakeholders. The IWG did not co-author or review this report. Further information about the IWG process is contained in the next section.

[4]Bay Area Air Quality Management District, Final Staff Report Proposed Amendments to Building Appliance Rules - Regulation 9, Rule 4. https://www.baaqmd.gov/~/media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20230307_fsr_rules0904and0906-pdf.pdf?rev=100de6caff2342e6b095b59acf2321d0&sc_lang=en

Following the publishing and presentation of this report and feedback from the community and Board of Directors, staff will consider next steps, which include consideration of further amendments to Rule 9-4 that would follow a separate public rule development process.

C. Implementation Working Group

The Implementation Working Group (IWG) for Rule 9-4 Furnaces began meeting in October 2025 to provide the Air District with information, insights, and strategies to support a smooth, accessible, and equitable technology transition and implementation for zero-NOx space heaters.

The IWG was comprised of over 40 invited members representing a variety of stakeholder segments including community-based organizations (CBOs), subject matter experts in building energy, affordable housing providers, manufacturers, local and regional government, labor and trade organizations, relevant state agencies, utilities, and community choice aggregators (CCAs). The full list of IWG members can be found at the Air District IWG website.[5]

To account for the varying building and owner types covered by Rule 9-4, the IWG included a small residential subcommittee and a large multifamily and nonresidential subcommittee. There were also general plenary meetings where members from both subcommittees met together to discuss shared interest topics. Note that despite invitations to trade associations and business groups, there was a lack of membership representing the nonresidential sector and commercial building owners. Challenges to engaging and understanding this sector are discussed in subsequent sections of this report.

Over the course of nine meetings (three for each of the subcommittees and three general plenary meetings), the IWG considered a variety of topics, largely based on concerns and questions raised during the rule amendment public comment process, including:

- Infrastructure readiness associated with rule compliance at the building and grid levels
- Market availability of zero-NOx appliances
- Costs of purchase and installation of zero-NOx compliant appliances
- Financing programs for zero-NOx appliances available to members of the Bay Area community, especially lower income households

[5] More information at the Air District's Implementation Working Group webpage: https://www.baaqmd.gov/community-health/building-appliances-rule-implementation/building-appliances-implementation-working-group

- Disparate impacts to different stakeholder groups (e.g., renters, homeowners, affordable housing, etc.)
- Emergency replacements and temporary loss of heating that could result from heating system replacement
- Potential challenges and opportunities to equitably implement the rule amendments

The Air District is committed to thoroughly consider input and feedback in developing the building appliance rules implementation process and in its periodic reports to the Board of Directors. Many of the referenced information sources came directly from IWG discussions and consideration. As outlined in the IWG charter, the Air District retains its independent decision-making role in the rule implementation process.

III. Benefit of the Rules

The zero-NOx appliance rules are expected to significantly reduce NOx emissions. The baseline NOx emissions from appliances covered by the rules currently are greater than those from passenger vehicles in the Bay Area. Nitrogen oxides are considered "criteria air pollutants" that contribute to the formation of other air pollutants such as fine particulate matter ($PM_{2.5}$) and ozone (O_3). Nitrogen oxides are formed during combustion processes. Nitrogen and oxygen present in the ambient air react at the high temperatures of combustion to form nitric oxide (NO) and nitrogen dioxide (NO_2), collectively referred to as NOx. These compounds can further react in the ambient air with other compounds in the presence of sunlight to form other air pollutants. Nitrogen oxides can form fine particulate matter when reacting with either ammonia to form ammonium nitrate (NH_4NO_3) or with sulfur dioxide to form ammonium sulfate ($(NH_4)_2SO_4$), referred to as secondary particulate matter. Nitrogen oxides can also react with reactive organic gases (ROG) in the atmosphere to form ozone, a main component of smog.

Through the NOx reductions expected to be achieved through implementation of the zero-NOx requirements, the Bay Area will also experience ozone and secondary particulate matter formation reductions. These pollution reductions will assist in achieving ambient air quality standards and provide vital health benefits. Exposure to fine particulate matter and ozone contributes to respiratory illness such as asthma, bronchitis, and emphysema, as well as cardiovascular events, including heart attacks. A growing body of research also links air pollution exposure to diabetes and dementia. Assuming electric appliances will be installed, implementation of the zero-NOx requirements will indirectly achieve greenhouse gas and primary particulate matter reduction as well.

For more details on the benefits of the zero-NOx Appliance Rules, see Assessing Ambient Air Quality and Health Impact from Natural Gas Building Appliances in the Bay Area, the health impact analysis prepared for the 2023 amendments to Rules 9-4 and 9-6.[6]

IV. Market Assessment for Zero-NOx Furnaces

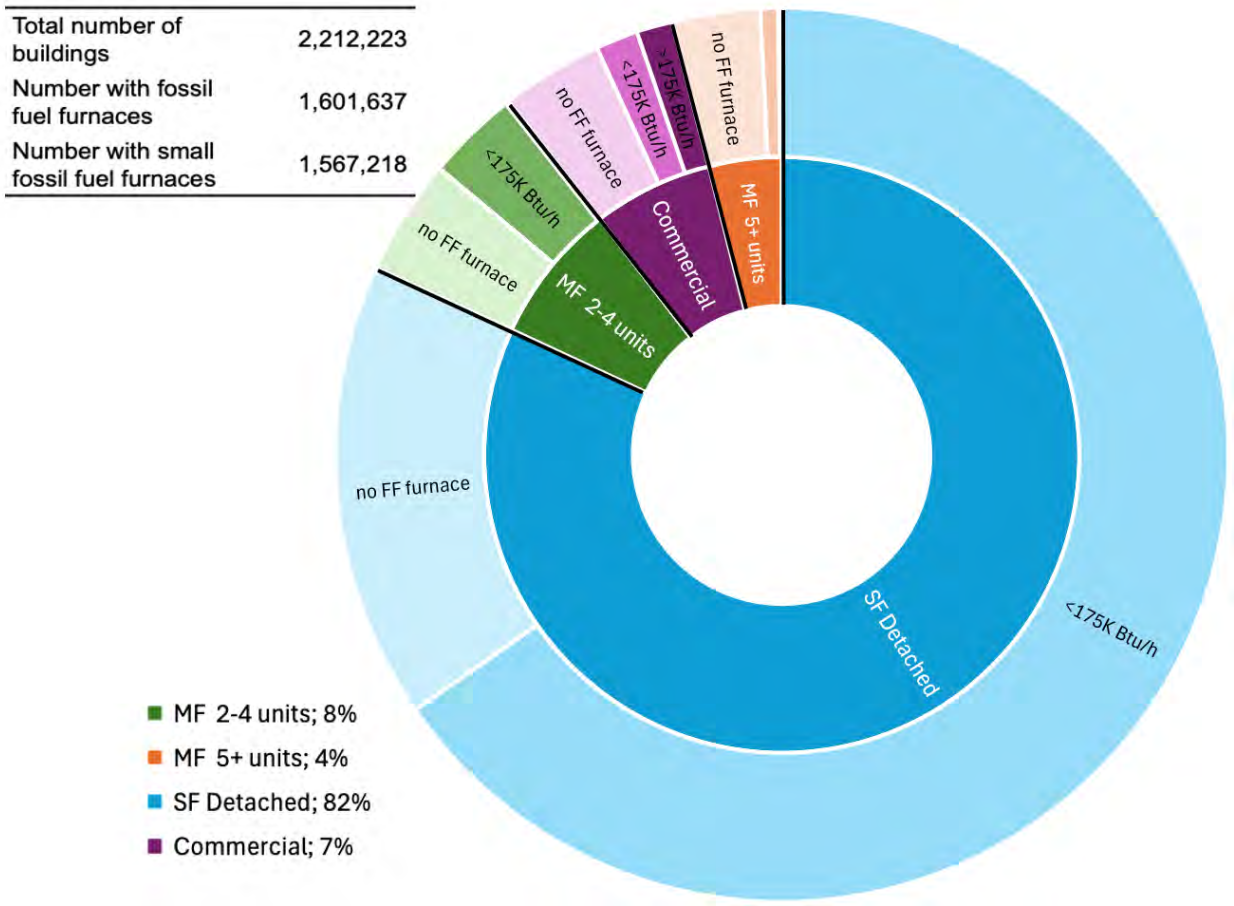


Figure 1. Residential and Commercial Buildings and Fossil Fuel Furnaces in the Bay Area.

To understand the scope of buildings that will be affected by Rule 9-4, staff contracted with Arup Americas, Inc. to study the inventory of different types of buildings in the Bay Area

[6] Bay Area Air Quality Management District, Assessing Ambient Air Quality and Health Impacts from Natural Gas Building Appliances in the Bay Area: Supplemental Information for Proposed Amendments to Regulation 9, Rule 4 and Rule 6, Appendix E, December 2022.https://www.baaqmd.gov/~/media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20221220_sr_appe_rg09040906-pdf.pdf?rev=d4b056153496491fad817c6d4a87df78&sc_lang=en

(Appendix I). Arup used building information from county assessors' offices, the Lawrence Berkeley National Laboratory, ResStock Version 2025.1.[7] ComStock Version 2025.2,[8] and the 2025 ReGrid database[9] refined by the Metropolitan Transportation Commission.[10] These data were combined with weather data and standard engineering calculation methodologies to estimate heating loads and develop estimates of prevalence of space heating by fuel, building type, and county. Rincon Consultants (Appendix F) and New Building Institute (Appendix J) investigated the market saturation of different types of furnaces in the small residential (single-family and multifamily 2-4 units) and large residential/nonresidential (multifamily 5+ units and commercial) spaces.

The overall finding is that there are over two million buildings in the residential and commercial sectors requiring space heating in the Bay Area. These buildings are dominantly detached single-family residences (82%) followed by small multifamily buildings (2-4 units; 8%), commercial buildings (7%), and large multifamily buildings (5 or more units; 4%). The dominant nonresidential/commercial uses in the Bay Area that would need to comply with 9-4 are Mercantile/Retail, Office, and Warehouse/Storage buildings. Within all categories of buildings, most have fossil fuel furnaces (72%) and are covered by Rule 9-4. Because residential buildings dominate the inventory and there is much more data for them than for commercial buildings, most of the following discussion focuses on this sector.

Figure 1 shows that there are significant numbers of buildings with no fossil fuel furnaces, amounting to 28% of all buildings and 57% of commercial buildings, as indicated by the areas with the lightest shading. Large multifamily buildings have the largest percentage of non-fossil fuel heaters – 80%. These buildings almost all have electric heating.

A. Market Saturation and Sales

Electric air-source heat pump heating, ventilation, and air conditioning (HP HVAC) technologies represent the most energy efficient, cost-effective, and commercially available zero-NOx compliant option for residential space heating in the Bay Area (Appendix F). An Opinion Dynamics report with data from 2021[11] shows that 52% of California homeowners had natural gas furnaces, 31% had electric, with 12% of these using heat pump technology, and the balance were propane, wood/pellet stoves, other, or unknown. In 2020-2021 sales

[7] National Laboratory of the Rockies, ResStock 2025 Release 1. https://resstock.nlr.gov/datasets
[8] National Laboratory of the Rockies, ComStock. https://comstock.nlr.gov/page/datasets
[9] Regrid Data, Accessed 2025. https://regrid.com/data-store

[10] BayREN, Existing Building Study. 2025. https://www.bayren.org/existing-buildings-study
[11] Opinion Dynamics, Technology and Equipment for Clean Heating (TECH) Initiative. July 2022. https://pda.energydataweb.com/api/view/2658/TECH%20Baseline%20Market%20Assessment%20Report_Revised_Final.pdf

of HP HVAC systems surpassed those of natural gas furnaces and were 32% higher by 2024 (Figure 2).

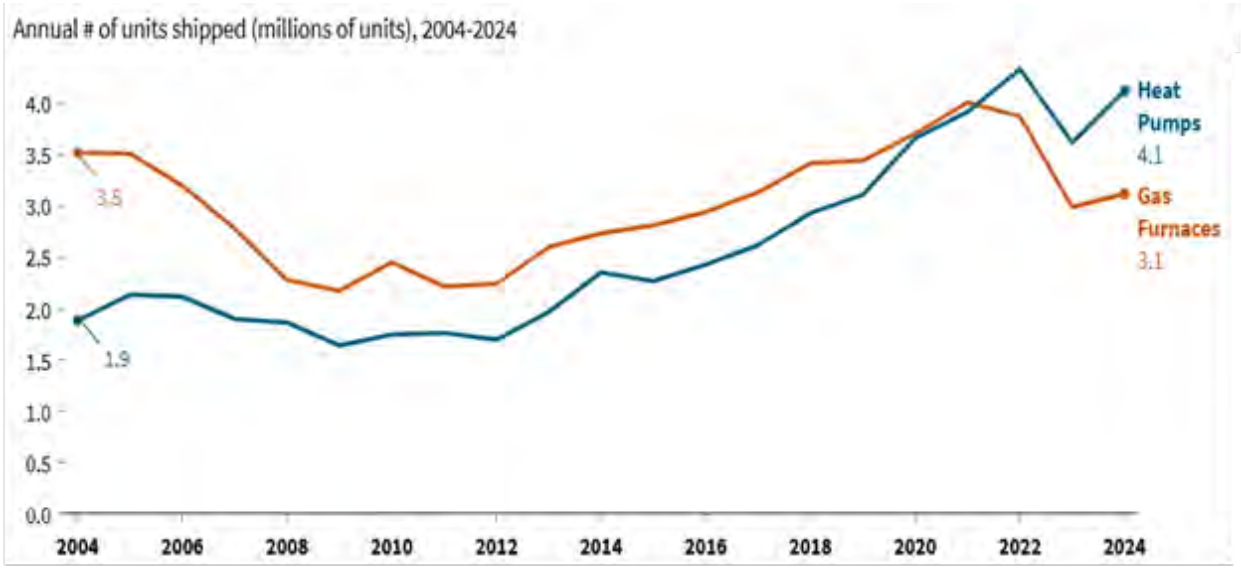


Figure 2. National Heat Pump Sales Compared to Gas Furnaces, 2004-2024. Source: Rocky Mountain Institute, as reported in Appendix F.

B. Product Offerings

Many heat pump products are available that fit different building configurations and heating needs. General types of HP HVAC systems relevant to the Bay Area include ducted (use fixed ductwork to heat and cool spaces) and ductless (use fixed connections other than ductwork to heat and cool spaces), non-permanent (use non-fixed connections, such as window and portable heat pumps), and air-to-water systems (hydronic systems) that provide both heat and domestic hot water and can come in both ducted and ductless configurations. These systems are all used in single-family and small multifamily buildings.

Table 1. Summary of Heat Pump Technologies

Heat Pump Technology Name	Ideal Applications	Benefits	Drawbacks
Variable Refrigerant Flow	Commercial buildings with zonal heating and cooling loads e.g., large offices and hospitals	Precise zonal control; simultaneous heating and cooling (with heat recovery)	Installation cost and complexity; potential refrigerant leakage
Single-Zone Ducted	SF and small MF; light commercial buildings with existing ductwork e.g., retail, offices, and clinics	Low volume (isolated compressor); minimal wall footprint	Existing ducts may be undersized; heating and cooling limited to one zone
Hydronic/Air-to-water	SF and MF buildings with existing hydronic distribution	Simultaneous heating and domestic hot water; repurposes existing hydronic piping and (sometimes) fan-coil units	High installation cost; Cannot always replace high-temp gas hydronic systems
Ductless Mini-Splits	SF and small MF; light commercial buildings without existing ducts, especially those requiring zonal control e.g., salons, offices, and small medical buildings	Modular installation; zone-by-zone temperature control; excellent efficiency	Visible cassettes/heads in each zone; separate ventilation requirements
Packaged Terminal Heat Pumps	Hotels and MF with existing packaged terminal air conditioners	Easy replacement and fast installation; standard wall sleeve sizing	Lower efficiency than other heat pump types; higher noise; thermal losses though building envelope
Packaged Rooftop Units	SF and small MF; commercial buildings with gas rooftop heaters, such as grocery stores, retail, and light industrial facilities	Like-for-like replacement with gas RTUs; economizers for “free” shoulder season heating and cooling	Potential for thermal losses unless ducts are well-sealed; sitting water and salt exposure
Window Heat Pumps	SF and small MF; affordable housing and any small apartments	Most units are inexpensive; simple and fast installation	Not compatible with all window types; thermal losses from improper window fit

There are a few larger types of systems for large MF and commercial buildings, including variable refrigerant flow (VRF; variable speed outdoor compressors allowing modulation of the amount of refrigerant flowing through the system) heat pumps, packaged terminal heat pumps, and packaged rooftop units (RTUs; ducted heat pumps that can have "economizers" that allow cooler outdoor air to enter the building for free cooling during long spring and autumn shoulder seasons and significant nighttime cooldowns).

Table 1 summarizes technologies, including their advantages and disadvantages. They are also described in more detail in Appendix F and Appendix J.

C. Policies Moving the HP HVAC Market

The following section discusses recently adopted and upcoming policies further expanding the HP HVAC market in the Bay Area and statewide. This includes local and state building codes, energy benchmarking standards, and statewide emission standards for space heating.

1. Building Code Updates

On January 1, 2026 the updated 2025 Title 24, Part 6 Building Energy Efficiency Standards went into effect. New requirements for specified commercial buildings (retail, schools, libraries, offices) require replacements of space conditioning units be HP HVAC in most climate zones, including all Bay Area climate zones.[12] Code updates for residential retrofits also highly encourage the installation of HP HVAC through the "prescriptive" (or "checklist") compliance pathway. For homeowners that choose to replace an old gas furnace with a new gas furnace, that homeowner will likely need to hire an energy consultant to perform required complex "performance pathway" calculations to prove the rest of the home is efficient enough to remain within the given energy and carbon budget; those projects would also be required to install electrification readiness measures, including reserving open space on the main electrical panel, running dedicated electrical conduit and pre-wiring for a future HP HVAC. The first three years of code adoption are expected to drive the installation of 500,000 heat pumps statewide.[13]

Additionally, many local governments in the Bay Area have also passed ordinances requiring or encouraging HP HVAC at time of replacement or building renovation. Examples of these

[12] California Energy Commission, 2025 Building Energy Efficiency Standards. https://www.energy.ca.gov/programs-and-topics/programs/building-energy-efficiency-standards/2025-building-energy-efficiency

[13] California Energy Commission, Restructured 2025 Energy Code. https://www.energy.ca.gov/programs-and-topics/programs/building-energy-efficiency-standards/2025-building-energy-efficiency

local policies include: requiring two-way heat pumps at time of replacement or purchase of new AC ("AC to Heat Pump"); providing the choice of additional efficiency or electrification requirements beyond Title 24 during renovations ("Flexpath"); for renovations, requiring the installation of circuits/and or conduits for future electrification ("Electric Readiness"); for buildings undergoing substantial renovations, requiring mechanical systems to be all-electric systems ("All electric major renovation"); and finally, requiring high-performance standards for new construction using energy modeling metrics (EDR/Source Energy) to strongly incentivize all-electric designs ("Incentivize all electric new construction").[14] For a full list of Bay Area jurisdictions with adopted local building policies as of September 2026, please see Table 2 below.

Table 2. Bay Area Local Building Policies Adopted[15]

City	AC to Heat Pump Residential	Flexpath	Electric Readiness	AC to Heat Pump-NonRes	All electric major renovation	Incentivize all electric new construction
Alameda	x		x			
City of San Mateo	x	x	x	x		
Corte Madera		x				
East Palo Alto	x	x	x	x		
Fairfax		x				
Los Altos	x		x			
Los Altos Hills	x		x			
Los Gatos	x		x			
Marin County		x				
Menlo Park	x	x	x			
Oakland			x			x
Palo Alto	x	x	x			x
Portola Valley	x		x			
Piedmont		x				
San Anselmo		x				
San Francisco					x	
San Rafael		x				

[14] EnergyCode Ace, 2025 Title 24, Part 6. Single-family Buildings: What's New. https://energycodeace.com/download/254681/file_path/fieldList/ECA%2BSF%2BWhats%2BNew%2BFact%2BSheet%2BWEB_1925.pdf

[15] BDC, California Policy Call slides. Accessed September 2026. https://buildingdecarb.org/resource/california-policy-calls

Saratoga	x		x			
Sausalito		x				
Sunnyvale	x		x			
Tiburon		x				

Source: BDC.

2. Building Energy Performance Standards

In In July 2026, the CEC released its Draft California Building Energy Performance Strategy Report: SB 48 Implementation.[16] The report provides recommendations and a framework for future building performance standards (BPS) that would cover commercial and multifamily buildings over 50,000 square feet, with 5-year compliance periods out to final 2045 standards. Buildings would be required to track and comply with energy use and carbon emissions intensity targets, based on each building's initial baseline. Since heating and cooling account for a significant share of commercial and multifamily energy use, switching from gas furnaces to HP HVAC systems would be a key strategy to reduce energy usage as well as carbon emissions for many buildings. The report also discusses alternative compliance options, including Building Performance Action Plans (BPAP) to enable customized, phased compliance that can accommodate extenuating circumstances. BPAPs typically include an energy audit report, proposed energy conservation measures, or capital improvements with a detailed implementation timeline, resulting in flexibility with an extended deadline or adjusted performance requirement.

3. CARB Clean Space and Water Heater Standards Development

Since late 2022, CARB staff have engaged with interested stakeholders, conducting technical analysis, engaging with subject matter experts and community members, and working with partner agencies to develop statewide zero-emissions space and water heating rules.[17] The most recent proposal was presented at a December 11, 2025 public workshop[18], and encompasses a sales target that uses emissive sales limits combined with a credit

[16] California Energy Commission, Draft California Building Energy Performance Strategy Report Senate Bill 48 Implementation Report. July 2026. https://www.energy.ca.gov/sites/default/files/2026-08/CEC-400-2026-007-CMD.pdf

[17] California Air Resource Board, Clean Space and Water Heater Standards. https://ww2.arb.ca.gov/our-work/programs/clean-space-and-water-heater-standards

[18] California Air Resource Board, Zero - Emission Space and Water Heater Standards Public Workshop slides. December 2025. https://ww2.arb.ca.gov/sites/default/files/2025-12/December_2025_Workshop_Slides_ADA.pdf

system. This proposal would give flexibility to address manufacturer and consumer challenges, with proposed implementation currently proposed to start in 2030.

V. Typical Costs

The only compliant technologies with zero-NOx emissions standards for space heating that are currently available in the market are electric. This section provides an updated understanding of the average and median costs and, where available, price differential or incremental cost. Brief summaries on options to ease upfront cost challenges, such as incentives and financing, are included. The section also discusses expected impacts on utility bills. For further details, please see Appendix K. Installation Costs for Zero-NOx Space Heating Appliances.

For a discussion on cost drivers, or factors that would likely push higher cost projects, please see Section VI. Challenging Scenarios and Installation Complexity of this report.

A. Operational Costs

1. Residential Bill Impacts

In 2025 Silicon Valley Clean Energy (SVCE) and Peninsula Clean Energy (PCE; now WestLight Energy) released a study to understand on-bill impacts of installing HP HVAC in existing homes across the Bay Area Region.[19] Climate zones 2 (North Bay), 3 ("Central Bay" including San Mateo and Oakland) and 4 (South Bay) were all evaluated separately in the analysis, in addition to two zones outside of the Air District's jurisdiction.[20] Modeling scenarios were further differentiated through calculation of existing air conditioning versus no existing cooling; early replacement of older and less efficient gas furnaces versus end-of-life replacement of newer more efficient gas equipment; and choosing a minimum efficiency HP HVAC versus a more efficient variable capacity HP HVAC (VHP).

Using SVCE/PCE single-family meter data, December 2024 PG&E electric rates (E-TOU-C baseline; E-ELEC post electrification), calendar year 2024 natural gas rates (G-1), and market ready equipment, simulations found that the majority of homes would see bill savings with a replacement of a gas furnace with a HP HVAC. First year savings for minimum efficiency HP HVACs ranged from $167 to $474 as shown in Table 3. First year savings for variable capacity HP HVACs (VHP) are higher and ranged from $364 to $733. Overall, higher bill

[19] WestLight Energy, Bill Impacts of Home Electrification Across the Bay Area. Accessed September 2026. https://svcleanenergy.org/wp-content/uploads/Bill-Impacts-of-Home-Electrification-Across-the-Bay-Area.pdf

[20] Climate zone 1 encompasses the Sonoma Coast; Climate Zone 12 encompasses the Central Valley.

savings were found for projects with existing air conditioning, and early replacement of older and less efficient gas furnaces.

Table 3. Minimum Efficiency HP HVAC Bill Impacts for Climate Zones 02-North Bay, 03-Central Bay and 04-South Bay[19]

Baseline Cooling	Replacement Scenario	Climate Zone	First Year Gas Savings ($)	First Year Electricity Savings ($)	First Year Total Savings ($)
Cooling	Early Replacement	CZ01	$828	-$126	$702
		CZ02	$552	-$78	$474
		CZ03	$377	$13	$390
		CZ04	$374	$3	$377
		CZ12	$320	-$41	$279
	End of Life	CZ01	$666	-$126	$539
		CZ02	$439	-$87	$352
		CZ03	$299	$10	$308
		CZ04	$297	-$7	$290
		CZ12	$254	-$61	$193
No Cooling	Early Replacement	CZ01	$828	-$128	$701
		CZ02	$546	-$180	$366
		CZ03	$373	-$30	$343
		CZ04	$368	-$124	$244
		CZ12	$317	-$317	$0
	End of Life	CZ01	$666	-$128	$538
		CZ02	$434	-$180	$254
		CZ03	$296	-$30	$266
		CZ04	$292	-$124	$167
		CZ12	$251	-$317	-$65

Source: Bill Impacts of Home Electrification Across the Bay Area. Silicon Valley Clean Energy.

Though homes adding air conditioning for the first time may see bills increase due to usage of cooling and increased summer electricity consumption, the study found those impacts can be minimized by installing a VHP system which is more efficient than non-variable (single-stage or fixed-capacity) HP HVAC models. Further recommendations to minimize bills and maximize savings include signing up for electrification friendly rate such as E-ELEC; installing a compatible thermostat to communicate with the VHP and enable full energy savings capabilities; and programing the heat pump to align with time of use electric rates.

Overall, bill impacts will vary based on a household's location or climate zone, energy usage, current rates, and other factors. To calculate personalized costs and savings estimates,

households can now access PG&E's "Clean Energy Calculator."[21] Households can view gas and electric bill impacts with a zero-NOx HP HVAC based on the household's past 12 months of energy usage. The calculator also provides rate plan recommendations to maximize savings, product comparisons, and next step recommendations such as contractor search links.

2. Nonresidential/Commercial Bill Impacts

The Air District commissioned analyses from E3 to understand bill impacts from switching to HP HVAC for commercial buildings covered by Rule 9-4 (see Appendix K). Using NREL's Comstock dataset in alignment with ARUP's Bay Area Furnace Study (Appendix I), the study looked at the Bay Area buildings most likely impacted by Rule 9-4 based on building size and gas furnace prevalence. E3 then modeled bill impacts for the top three most prevalent building types or subsectors as seen below—Mercantile, Office, and Warehouses.

Table 4. Most Prevalent Sectors or Building types Covered by Rule 9-4

Building Typology	# Bldgs that must comply with Zero NOx Standard	ComStock Models
Mercantile	9,855	49
Office	5,877	404
Warehouse & Storage	3,851	115
Education***	999	-
Lodging	267	-
Healthcare	127	-
Food Service	111	-

****Did not evaluate education prototype due to lack of ComStock samples that met selection criteria. Source: Appendix K.*

Using hourly load profiles generated for each building type or subsectors, 2025 PG&E rates G-NR1 tariff for gas and B6 TOU for electricity, simulations found mostly neutral bill impacts, with a likelihood for minimal bill savings but the potential for minimal increases. For Warehouses, savings were projected to be $1 per month; for Office, savings were projected to be approximately $30 per month; and for Mercantile, savings varied based on energy consumption or building size, from $39 to $198 in bill savings for low vs. higher energy users respectively. Overall, bill savings were mainly driven by added efficiency in cooling.

[21] PG&E, Clean Energy Calculator. https://www.pge.com/en/clean-energy/clean-energy-calculator.html

In comparison with the residential sector and PG&E's E-ELEC rate, there is currently no commercial electric billing tariff specifically for electrification. E3 found that improving bill impacts would require reforming electric rates to better incentivize electrification.

B. Upfront Purchase and Installation Costs

1. Single-Family Median and Incremental Costs

The Air District commissioned an updated study (Appendix K) to analyze upfront purchase and installation costs for Bay Area HP HVAC using incentive data from programs and administrators across the region. Data for over 14,000 Bay Area HP HVAC projects were analyzed, as shown in Table 5.

Table 5. Upfront Costs for Zero-NOx HP HVAC in Single-Family Homes (2022-2025)

Data Source	Number of Projects	Median Upfront Cost
Peninsula Clean Energy[22]	2,235	$18,683
TECH Clean California (Single-Family)[23]	11,781	$21,647
Weighted Average[24]		$21,130

Since the data only include space cooling/heating appliances installed in single-family buildings, it is assumed all included projects are covered by Air District Ruling 9-4. Source: Appendix K.

[22] Peninsula Clean Energy data were filtered to only include central ducted and ductless mini-split heat pump installation projects. Combination system and ducted mini-split heat pump installation projects were excluded.

[23] TECH Clean California (Single-Family) cost data were filtered to only include projects in Bay Area counties, projects that involved a fuel switch from natural gas, and projects in single-family homes. Data were also filtered to only include central ducted and ductless mini-split heat pump installation projects; other heat pump installation types were excluded. Projects that included costs for more than one appliance type, thereby inflating costs, were also excluded.
Opinion Dynamics, TECH Clean California, Gas Baseline Incremental Cost Study. September 2025. https://pda.energydataweb.com/api/view/4255/TECH%20Incremental%20Cost%20Study%20Draft%20Report%20for%20PDA_12.11.25.pdf

[24] The weighted average represents the average of the collected median costs, weighted by the number of projects.

Data to calculate upfront costs for new gas furnaces were far fewer. For baseline costs of new NOx-emitting gas furnaces, the report utilized a TECH Clean California "Secret Shopper" study visiting homes across the state providing quotes for new furnaces. [25] Since labor costs in the Bay Area are typically higher, this baseline number is considered conservative. This baseline NOx-emitting gas furnace cost was then subtracted from the weighted average of median costs seen in Table 8. The result is that the incremental cost to install a zero-NOx HP HVAC instead of a new NOx-emitting gas furnace is estimated at $12,526. Because HP HVAC provides both space cooling as well as space heating, the calculation of the incremental cost compared to central air conditioning in addition to gas furnaces, at $2,095, is included as seen below in Table 6.

Furthermore, while not quantified below, the installation costs for heat pump HVAC units in homes with existing central AC should be lower due to the presence of a 240v circuit, panel capacity, and available space for the condensing unit to be installed. Approximately 60% of Bay Area homes are estimated to already have existing air conditioning, based on American Community Survey (ACS) data.

Table 6. Incremental Upfront Costs for Zero-NOx HP HVAC in Single-Family Homes without and with New Air Conditioning

Baseline Upfront Cost (NOx Emitting Appliance) – Gas Furnace[25]	Replacement Upfront Cost (Zero-NOx Appliance)– Electric HP HVAC[26]	Incremental Cost[27]	Avoided Cost for Adding New Air Conditioning[28]	Incremental Cost with Avoided New Air Conditioning Costs[29]
$8,064	$20,590	$12,526	$10,431	$2,095

Source: Appendix K.

[25] Opinion Dynamics, TECH Clean California, Gas Baseline Incremental Cost Study. September 2025. https://pda.energydataweb.com/api/view/4255/TECH%20Incremental%20Cost%20Study%20Draft%20Report%20for%20PDA_12.11.25.pdf

[26] See Appendix K for information on sources and assumptions.

[27] Incremental costs equal zero-NOx upfront costs minus NOx emitting upfront costs.

[28] California Energy Codes & Standards. 2025 Cost-Effectiveness Study: Single-Family AC to Heat Pump Replacement. August 2025. https://bayareareachcodes.org/wp-content/uploads/2025/09/2025-Single-Family-AC-to-HP-Cost-eff-Study.pdf

[29] Incremental costs with avoided air conditioning costs equal zero-NOx upfront costs minus NOx emitting upfront costs minus avoided air conditioning costs.

2. Multifamily Median Upfront Costs

As further detailed in Appendix K, for MF projects, real-world data points for Bay Area MF HP HVAC installations were more limited (n=207) than for the SF sector, and baseline costs for MF NOx-emitting gas furnace project costs were unavailable. However, available incentive project data from TECH Clean California and Frontier Energy, combined, showed a median and average HP HVAC per project or per unit cost of $10,240 and $10,113, respectively which is significantly less than in the SF sector.

Further breakdown of costs to capture complexity in the range of technologies and system types (mini-split, multi-split, packaged terminal heat pump, packaged unitary and split unitary) and their corresponding costs, with details is illustrated in Appendix K. Break downs of overall costs in the MF sector are categorized for ducted vs. ductless, as shown below in Table 7. Ductless projects show clear cost savings compared to ducted projects in the MF sector.

Table 7. Upfront Costs for Zero-NOx HP HVAC in Multifamily Homes by System Duct Type

Duct System	Number of Projects	Weighted Average Upfront Cost per HVAC Unit	Weighted Median Upfront Cost per HVAC Unit
HP HVAC - Ductless	85	$8,735	$6,469
HP HVAC - Ducted	109	$11,189	$11,076

Average and median costs are calculated across equipment types in the TECH Clean California Single-Family and TECH Clean California Multifamily datasets and weighted by the number of projects in each equipment type. Source: Appendix K.

Overall, there is likely economy of scale if building owners claim incentives to implement multiple HP HVAC projects simultaneously. An alternative approach that still requires additional consideration and comprehensive planning is “Electrification Readiness” to sequence retrofits (e.g., pre-wiring during other capital work).[30]

Due to the small sample size of the available MF data, these research results may not provide a complete representation of costs for multifamily projects in the Bay Area, although the costs correlate with estimates provided with construction cost estimator tools (Appendix J). Further data collection is needed to determine the accuracy of these cost results and is expected in the next few years with the 2026 launch of the Equitable Building

[30] Association for Energy Affordability and VEIC, TECH Clean California Multifamily Pilot Results and Findings: Preparing to Electrify. July 2026. https://techcleanca.com/pilots/multi-family-pilot/

Decarbonization program in Northern California, currently including six Bay Area communities.[31]

3. Nonresidential/Commercial Upfront Costs

Compared to the single-family and multifamily residential sectors, nonresidential or commercial buildings lacks real world data points for retrofitting Bay Area gas furnaces with zero-NOx HP HVAC. However, there are multiple cost estimator tools that are typically used in construction, as detailed below and discussed further in Appendix J.

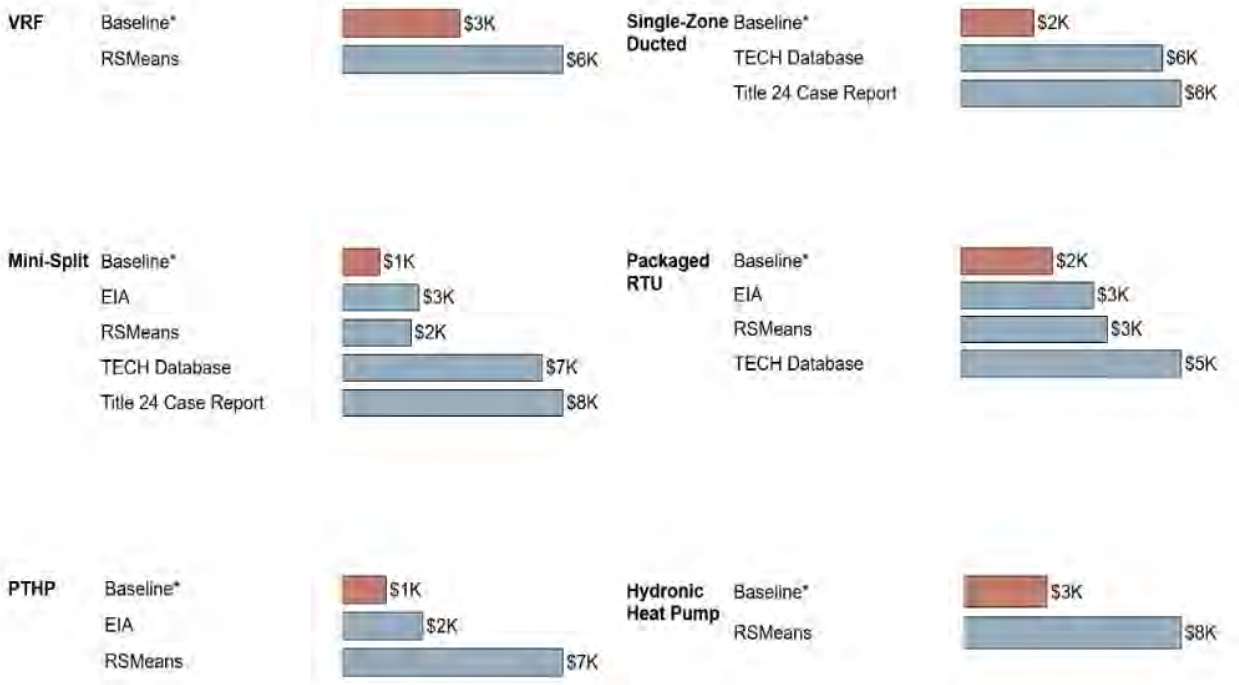
Table 8. Commercial HP HVAC Cost Sources Comparisons

Source	Equipment	Labor	Overhead and Profit	Additional Systems	Method
RSMeans	X	X	X		Estimated costs
HVAC Retailers	X				Real costs
EIA	X	X			Estimated costs
Red Car Analytics DOAS Study	X	X	X	X	Estimated costs

Source: Appendix J.

Costs vary depending on which estimating tool is used, adding to the challenge of developing simplified incremental cost for the commercial sector. As an example, real-world HP HVAC costs from large MF projects (TECH Clean California and Title 24 Case studies) is compared to estimated costs below, based on a cost per ton of capacity. Commercial HVAC systems typically vary between 3 and 25 tons, while natural gas 175,000 btu/hour systems are approximately 13 tons. The red bars in Figure 3 below represent the new NOx-emitting gas furnace upfront cost baseline, based on estimates from RSMeans, a cost estimating software used in the construction industry. As shown, different tools can result in different costs; similarly, different systems have different per ton costs as well.

[31] Association for Energy Affordability, EBD Northern California Eligibility and Funding. https://aea.us.org/ebd-northern/eligibility-funding/



PTHP = Packaged Terminal Heat Pump Packaged **RTU**= Packaged Rooftop Unit

VRF= Variable Refrigerant Flow

Figure 3. Gas Furnace + AC Baseline Cost vs. Heat Pump Cost Comparisons by Source (Cost per Ton). Source: Appendix J.

Commercial building projects vary building to building, based on subsector or building type; square footage; system capacity or size; as well as system or technology type. Using RSMeans, cost estimates for different system types for a small office retrofit are shown below in Figure 4. Based on ComStock data, this building represents a prototypical small office building in the Bay Area, at 5,750 square feet, eight heating zones, and an 80 kBtu/hr heating system. Resulting costs show the variance across six different zero NOx heating system types, which range from $117,000 to $213,000 and include equipment, installation, and overhead. These variances in costs for different systems are an additional challenge to developing simplified incremental cost for the commercial sector.



Figure 4. Example Small Office HVAC Retrofit Costs. Source: Appendix J.

December 2025 analyses from E3 and Willdan (a commercial incentive program implementer and administrator for utilities), as part of Palo Alto's climate action planning efforts, finds that for the commercial sector, space heating electrification efforts should focus on conversion of packaged HVAC units and gas-fired furnaces, as these can be more easily replaced with heat pumps. Installation of HP HVAC to replace space heating boilers is more complicated and expensive. Within this category of equipment, however, the implementation cost of electrification varies greatly. Space heating electrification costs ranged from approximately $26,000 to $3,000,000 per customer. Costs are lower for smaller nonresidential buildings with simple HVAC systems like packaged rooftop units or gas-fired furnaces, and when existing electrical infrastructure has enough capacity to support the added electric loads. Costs are higher for larger buildings with complex HVAC requirements, such as multizone systems with reheat. Electrification of these systems require fully engineered solutions rather than "out of the box" retrofit options.[32]

[32] Energy Environmental Economics, City of Palo Alto Electrification Funding Study - Nonresidential Sector Study Report. December 2025. https://www.ethree.com/wp-content/uploads/2026/03/attachment-e-non-residential-building-sector-study.pdf

C. Options to Support Costs: Programs, Incentives, and Financing

1. Residential Incentives and Programs

Over the last two years the funding landscape has changed. In addition to decreased federal incentives for residential HP HVAC projects, state rebates through TECH Clean California were fully subscribed as of September 2026. However, residential incentives for single-family and multifamily (5 units+) buildings are offered by local program administrators. The majority of local programs offer incentives in the $1,000-$3,000 range, covering the incremental costs for HP HVAC compared to a new furnace plus central AC (see Appendix K, Chapter 8).

Additionally, there are highly specialized programs, such as the CEC's Equitable Building Decarbonization Program[33] and the SB 1221 neighborhood decarbonization and gas decommissioning pilot projects,[34] that offer funding but are highly targeted in nature and therefore unlikely to be available to Bay Area residents when their furnace burn out.

2. Residential Financing

The Air District commissioned an analysis of common consumer payment and financing mechanisms used for home improvement projects, their benefits and drawbacks, and Bay Area-specific options available to financing zero-NOx space heating. The analysis considered accessibility, including borrowing costs, credit requirements, emergency replacement timing considerations, and consumer protection complexities (see Appendix G).

Overall, cash is the primary mechanism used nationally by 84% of home renovations. It avoids interest entirely, but high upfront costs of HP HVAC may make this option infeasible for many households. Credit cards offer instant access to funds and may be a stopgap in emergency replacement scenarios; however high interest rates (18–29%) would significantly increase costs if not paid off immediately. Publicly supported loans such as GoGreen Home Financing offer the most promising pathway, with below-market interest rates (0-9%), no collateral requirement, and streamlining with contractors for fast approval.[35] Though on-bill financing through CCAs offer low interest rates, repaid directly through utility bills, and do not require traditional credit checks nor equity requirements, these programs are limited in terms of funding and limited geographically. Lastly, property-secured loans such as home

[33] California Energy Commission, Equitable Building Decarbonization Program. https://www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program

[34] California Public Utilitiese Commission, Cost-Effective Neighborhood Decarbonization: SB 1221 Implementation. https://www.cpuc.ca.gov/industries-and-topics/natural-gas/sb-1221-implementation

[35] GoGreen Financing. https://www.gogreenfinancing.com/

equity lines of credit (HELOC) and Property Assessed Clean Energy (PACE) offer longer repayment terms and lower interest rates but typically require home equity and take days to weeks for approval.

See Table 9 below for further comparative details between payment and financing options.

Table 9. Comparison of Residential Payment and Financing Options

Payment/ Financing Type	Interest Rate	Upfront Cost	Total Cost Over Time	Approval Timing	Repayment Timelines	Accessibility Considerations
Cash	None	High	None	Immediate	N/A	Requires sufficient savings or liquidity.
Credit card	High (18-29%)[1]	Low	High	Immediate	Variable (monthly or over several years depending on balance and minimum payments)	Requires available credit; higher interest burden.
Retirement plan loan	Low (prime + 1%)[2]	Low	Moderate	Days to weeks	Up to 5 years	Requires eligible employer-sponsored retirement plan; may reduce long-term retirement savings growth. Interest paid to borrower instead of loan issuer.
Property-Secured Financing						
HELOC	Low/ moderate (6-10%)	Low	Moderate	Days to weeks	Draw Period: 5-10 years[3] Repayment Period: 10-20 years[4]	Requires homeownership, sufficient equity, credit approval.
Home equity loan	Low/ moderate (6-9%)	Low	Moderate	Days to weeks	Up to 30 years	Requires home ownership, sufficient equity, fixed loan approval.
Property-secured financing (e.g., PACE)	Low/ moderate (6-9%)	None	Moderate	Weeks	Up to 30 years	Requires property ownership for eligibility; repayment tied to property, home is used as collateral.
Unsecured Third-Party Financing						
Standard private unsecured loans	Moderate/high (8-18%)	None	High	Same day to several days	Up to 15 years	Requires credit approval; terms vary by lender.
Publicly-supported	None/ low (0-9%)	None	Low	Same day to several days	Up to 15 years	Requires eligible project and participating

private loans (e.g., GoGreen Home)						contractor; moderate credit requirements.
On-bill financing (e.g., CCA programs)	None/low (0-5%)	None	Low	Same day to several days	2-10 years	Requires utility customer eligibility or is limited to CCA customers; tied to meter or account.

Notes: HELOC = Home Equity Line of Credit; CCA = Community Choice Aggregation; PACE = Property Assessed Clean Energy; N/A = not applicable.

[1] Certain credit cards provide promotional 0% introductory rates for a limited duration. However, balances not repaid before the promotional period expires are subject to standard variable rates, which are typically significantly higher, as listed.

[2] Retirement plan loan rates are often set at prime + 1%. While interest is repaid to the borrower's own account, missed investment returns during repayment may reduce long-term retirement savings growth.

[3] The draw period on a HELOC is the initial phase during which customers can borrow against their home equity and usually pay only interest.

[4] The repayment period on a HELOC is entered once the draw period ends, during which customers can no longer borrow from the line of credit and instead must repay both the principal and any remaining interest.

3. Commercial Funding and Financing Options

Commercial building owners (including large multifamily) can access several funding and financing mechanisms to help cover zero-NOx space heating upgrades. Brief descriptions of programs are discussed below.

- **PG&E On-Bill Financing (OBF) Program** offers 0% interest financing for business customers, where old equipment is replaced with new, more energy-efficient models. Loans vary from $5,000 to $6,000,000 and repayment terms from 72 to 120 months.[36]
- **GoGreen Business Energy Financing** is available for small medium businesses with below-market interest rates (as low as 0%). Loans may vary from $6,000 to $5,000,000 and repayment terms from 12 to 180 months, depending on the specific partner lender and project size.[37]
- **Commercial Property Assessed Clean Energy (C-PACE)** offers long-term, low-cost financing for up to 100% of upfront project costs with zero down payment. Repayment is structured as a voluntary assessment on the property tax bill, allowing

[36] PG&E On-Bill Financing Program. https://www.pge.com/en/save-energy-and-money/energy-saving-programs/energy-efficiency-programs-for-businesses/energy-efficiency-financing.html

[37] GoGreen Financing, Explore Commercial Financing Options. https://www.gogreenfinancing.com/energy-efficiency-business-loans-california/finance-options/

the debt to remain attached to the building if sold, with repayment terms as long as 10 to 20 years.[38]

- **Energy Savings Performance Contracts (ESPCs)** are developed under an Energy Service Company (ESCO) who provides the building energy audit, scoping, installation and financing of energy upgrades (e.g. HP HVAC and building envelope). Loan repayments are structured around the guaranteed energy bill savings generated by the new systems over time, with performance monitoring, verification and maintenance built in. ESPCs are typically for larger projects (>$1 million) for contract terms between 10 and 20 years.[39]
- **Utility & Local Rebates** are offered through PG&E[40], local CCAs[41], BayREN[42] and City of Palo Alto[43]. Rebates can be either deemed (e.g. fixed and based on sizing or capacity) or custom (based on energy savings performance) and can lower the capital required for HP HVAC. For further details, please see Appendix K Table 21. For discussion on commercial buildings historical participation in utility rebates, see Section VI.C. Challenging Scenarios-Nonresidential and Commercial Buildings Considerations.

VI. Challenging Scenarios and Installation Complexity

While typical or median costs for zero-NOx HP HVAC systems can be estimated using available data and tools (Section VII.B), real world Bay Area projects in the residential sectors demonstrate there is a range of costs. Some existing conditions can lead to more expensive projects with slightly to significantly greater costs and longer timelines. More expensive scenarios include installations requiring new ductwork, electric panel upsizing,

[38] EPA, Commercial Property Assessed Clean Energy. https://www.epa.gov/statelocalenergy/commercial-property-assessed-clean-energy

[39] EPA, Performance Contracting and Energy Service Agreements. https://www.epa.gov/statelocalenergy/performance-contracting-and-energy-service-agreements#:~:text=Performance%20contracting%20programs,and%2020%20years

[40] PG&E, Energy-saving programs and tools for businesses. https://www.pge.com/en/save-energy-and-money/energy-usage-and-tips/business-energy-saving-tips-and-tools.html

[41] Marin Clean Energy, Small Business Energy Advantage. https://mcecleanenergy.org/small-business-energy-advantage/ ; Silicon Valley Clean Energy, Business Rebates. https://www.svcleanenergy.org/business-rebates/

[42] BayREN, Business Owners. https://www.bayren.org/business

[43] City of Palo Alto, Commercial Heat Pump HVAC Program. https://www.paloalto.gov/Departments/Utilities/Electrification/Business-Electrification/Commercial-Heat-Pump-HVAC-Program

and other factors increasing scope and labor required. According to TECH Clean California June 2026 data, purchase and installation costs for HP HVAC projects in the nine-county Bay Area ranges from $3,500 to $70,000 per single-family home or multifamily unit.[44] This section summarizes the range of drivers that can lead to higher cost projects, as well as data gaps.

A. Cost Drivers in Single-Family and Residential

1. System Capacity and Oversizing

According to TECH Clean California data and analyses of over twenty-four thousand SF HP HVAC statewide projects, the top three drivers of cost were home floor area, followed by heating capacity, and then cooling capacity.[45] While home floor area or home features are fixed, heating and cooling capacities are more variable. Oversizing HVAC systems is a common problem in the industry, and most residential and commercial systems in the US are oversized by 25 to 50%.[46]

IWG members pointed out that oversizing can cause higher upfront costs, and when combined with minimum efficiency HP HVACs, can result in higher bills, short on/off cycling, shorter equipment lifespans, and reduced humidity control and comfort. The reasons why installers tend to oversize HVAC equipment include overly conservative buffers above and beyond worst-case cold temperature design scenarios; desire to avoid potential call-backs; and avoiding time-intensive official industry protocol Manual J calculations to properly size the system.[47] Manual J calculations replace "rules of thumb" (e.g., 1 ton of heating per 500 square feet) with calculation of multiple factors, including building envelope, floor plan, ceiling height, insulation, sun exposure, and solar heat gain.

IWG members discussed potential solutions for right-sizing HP HVAC, including improving education and enforcement of the building energy code. Title 24 already requires contractors to submit Manual J load calculations as part of the permit but this is rarely done or enforced.

---

[44] TECH Clean California, Heat Pump Data Download. https://techcleanca.com/heat-pump-data/download-data/

[45] Bay Area Air Quality Management District, Zero Nox Building Appliance Rules Implementation Working Group Phase 2: Rule 9-4 (furnaces) General Meeting #2. December 2025. https://www.baaqmd.gov/~/media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/12032025-iwg-general-mtg-2-slides_final-pdf.pdf?rev=7acec0d3b8ff412f9fd798cecf399350&sc_lang=en

[46] American Council for an Energy-Efficient Economy, Peak Demand and Energy Savings from Properly Sized and Matched Air Conditioners. https://www.aceee.org/wp-content/uploads/proceedings-1980-2020/2008/1_692.pdf

[47] ACCA, Manual J. 2016. https://www.acca.org/standards/technical-manuals/manual-j

Other potential solutions for installers and homeowners included alternatives to Manual J, such as user-friendly online and mobile app tools for calculations.[48] The City of Palo Alto, as part of their HP HVAC rebate program, helped residents review and compare contractor bids, including checking for appropriate sizing. Since many systems in CA have oversized equipment and undersized ducts,[49] "downsizing" the HP HVAC could better align with actual capacity needs and the existing ducts and result in saving on ductwork costs and HP HVAC purchase costs.

2. Installation Time and Scope

Another major factor in HP HVAC project costs according to TECH Clean California analyses was "installation duration" or length of time for installation.[45] Overall, this correlates with project scope, complexity and labor. The IWG reviewed a basic framework for installation times as follows:

- **1-2 days:** Existing air conditioning (AC) replacement
- **2-3 days:** No existing AC
- **1+ week:** New or replacement ductwork, electrical, highly customized design.

The following sections consider the factors leading to one week or longer installation times.

Ductwork

Replacing or installing new ducts requires a major increase in labor, and are only required in projects where a new duct system is designed, or when existing ductwork is significantly altered or replaced under California Title 24. Prior to installation, room-by-room Manual J load calculations are required, followed by Manual D duct design.[50] Manual D is the national industry standard to design residential HVAC ducts. It sets the exact width, height, and length for every main trunk and side branch pipe, ensuring proper pressure and airflow in each room. This design work can take approximately a day of labor.

Moreover, the installation of the ducts then leads to working in spaces with typically limited access such as attics and crawlspaces, taking more time. Adding ductwork also can lead to other changes such as new air handlers, circuits, and outlets.

---

[48] Coded Energy, DIYLoadCalcs. https://diyloadcalcs.com/ Cubic Casa. https://www.cubi.casa/ Kwik Model 3D. https://kwikmodel.com/ Cubic Casa, Kwik Model Integration. https://help.cubi.casa/en/articles/8895343-kwik-model-integration

[49] California Energy Commission, Single-family Residential Compliance Manual. June 2025. https://www.energy.ca.gov/sites/default/files/2025-06/CEC-400-2025-005.pdf

[50] ACCA, Manual D. 2016. https://www.acca.org/standards/technical-manuals/manual-d

Electrical work

Most HP HVAC systems typically require a dedicated 240V circuit. For homes with existing central AC, the installation of a HP HVAC can replace the AC system; assuming similar electrical loads, the installation of HP HVAC may not require any electrical work.

For homes with an electric panel lacking physical breaker slots or amperage capacity, installing a subpanel or upsizing the electric panel (and potentially upsizing the utility service) can cost in the range of a couple thousand dollars to more than $20,000 (see Appendix K). Upsizing the electric panel and service can also add substantially to project timelines.

However, the number of homes that will require upsizing the electrical panel is relatively small at 3% of SF and 10% of MF statewide. UCLA research found that for existing buildings in California, only 3% of SF homes had panels smaller than 100 amps and 10% of MF homes had panels smaller than 60 amps (per dwelling unit) which will most likely require upsizing for full home electrification; further mapping of multifamily panel sizes in the Bay Area is displayed below in Figure 5.[51]

[51] CCSC, Census Tract Level Electrical Service Panel Estimates. Accessed July 2026. https://gisucla.maps.arcgis.com/apps/instant/basic/index.html?appid=7f9b48d355a947658863006b76ee76c1

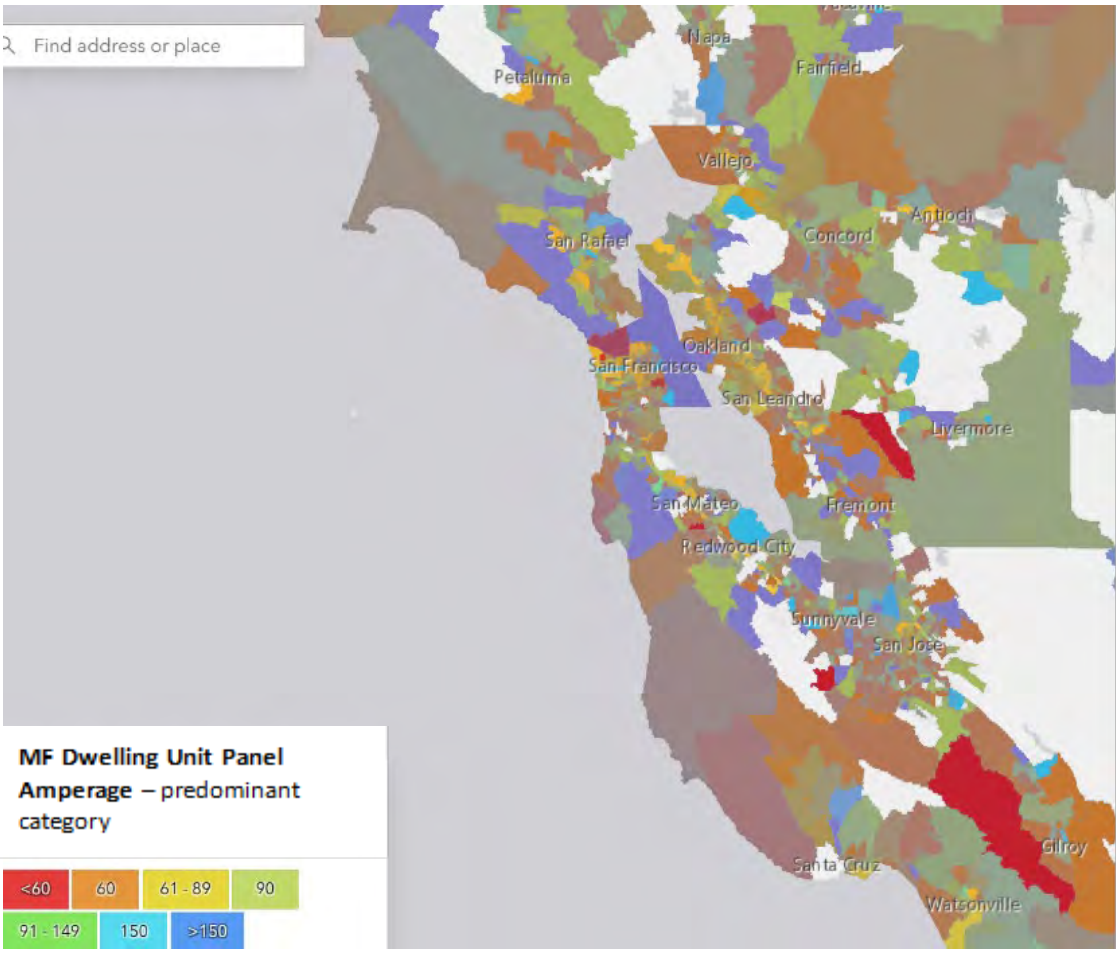


Figure 5. MF Dwelling Unit Panel Amperage Estimates by Census Tract Level in the Bay Area. Source: CCSC Census Tract Level Electrical Service Panel Estimates.

For the estimated 32% of SF and 59% of MF homes in California having intermediate size panels (100 amps for SF, 60 amps for MF), full home electrification will likely require load management and panel optimization.[52] These strategies (using circuit sharing or circuit pausing devices, smart panels and lower amperage appliances) are also referred to as watt diet or power efficiency. Multiple guidelines exist to support homeowners in utilizing these strategies.[53,54]

[52] Eric Daniel Fournier et al., "Quantifying the Electric Service Panel Capacities of California's Residential Buildings," Energy Policy 192 (2024): 114238, https://doi.org/10.1016/j.enpol.2024.114238.
[53]Rewiring America, How to Electrify on a 100 Amp Panel. https://homes.rewiringamerica.org/articles/electrical-panel/how-to-electrify-home-100-amp
https://www.redwoodenergy.net/watt-diet-calculator
[54] Redwood Energy, Watt Diet Calculator. https://www.redwoodenergy.net/watt-diet-calculator

WestLight Energy (WestLight, formerly Peninsula Clean Energy), the CCA serving San Mateo County and the city of Los Banos, has been supporting full electrification of SF homes with 100-amp panels for several years. In 2024-2025, WestLight helped fund 37 low-income whole home electrification projects; post-electrification monitoring found that no homes reached 24 kW (100 amps) of peak load, and that most homes peak load were below 10 kW (42 amps). Figure 6 below summarizes the maximum hourly demand both before and after electrification at the first 9 pilot, whole-home electrification projects.[55] A PG&E pilot in Northern California of 15 fully electrified homes found similar results.[56] WestLight characterized fully electrifying homes (including adding EV charging) on 100 amps as "easy" with EV load management being a key strategy that enabled this. Examples of rare challenges included cases of multiple homes on one panel; two EV chargers with no load management; and unsafe electrical panel replacement causing higher costs. In 2026-2027, WestLight will electrify water and space heating simultaneously for hundreds of customers, with 60 customers completed in the third quarter of 2026.

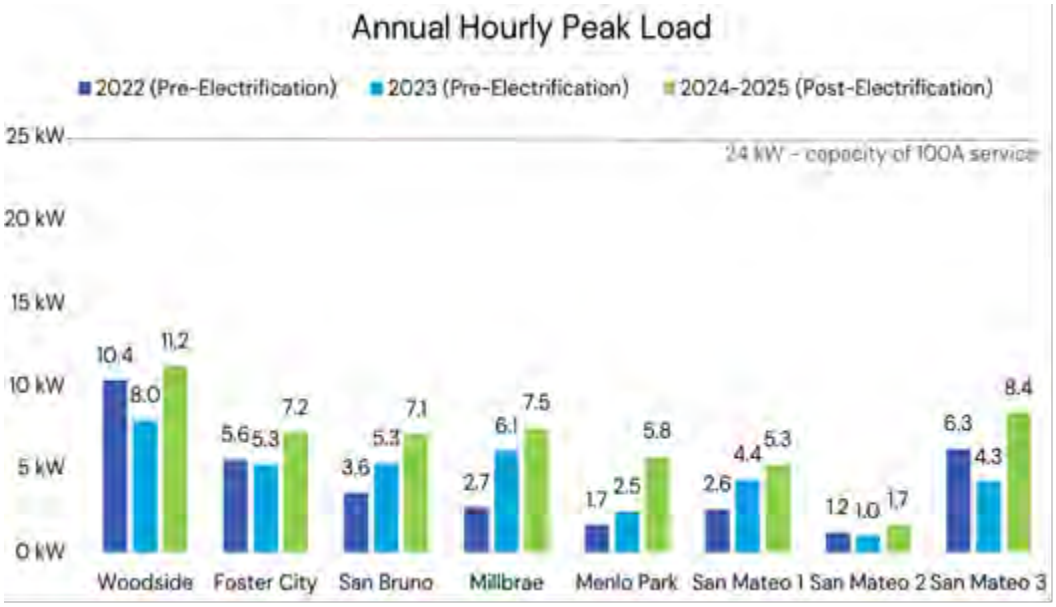


Figure 6. Pre- and Post-Electrification Monitoring on 100-amps.[55] Source: WestLight Energy.

[55] WestLight Energy, Case Study of Whole-Home Electrification at Nine Low-Income Homes in San Mateo County. January 2026. https://library.peninsulacleanenergy.com/m/24e2e90876980d43/original/Case-Study-of-Whole-Home-Electrification-in-San-Mateo-County.pdf

[56] ACEE, Electrification in Practice: All-Electric Single-family Home Retrofits in Northern California. 2026. https://www.aceee.org/proceedings/electrification-in-practice-all-electric-single-family-home-retrofits-in-northern-california/

In multifamily buildings, power efficiency and panel optimization strategies are also viable and key to full electrification on 60-amp panels, but these typically require some expertise and technical assistance.[51]

Other Factors Increasing Scope and Labor

Refrigerant line-sets are insulated copper tubing carrying refrigerant between the outdoor condenser unit to the indoor air handler. Line-set routing and complexity will vary by length, wall penetrations, and number of floors. For ductless HP HVAC systems heating multiple zones, each indoor head has its own line-set connecting back to the outdoor condenser, thus multiple zones and heads will require multiple line-sets, compared to a single line-set for a ducted central HP HVAC system. Additional feet of line-set require not just labor, but also additional materials for piping, wiring, insultation wrap, and refrigerant for the system.

Asbestos is typically found in older, 1940s to 1970s homes in the Bay Area. Asbestos can be present in multiple building materials, including linoleum flooring, duct wrap and insulation, piping, and equipment insulation. Discovery of asbestos mid-HP HVAC installation will pause the project and require licensed asbestos abatement contractors. The abatement contractor removes affected ducts and everything else containing asbestos in the protected area with HEPA filtration, and a licensed inspector performs post-abatement air quality testing and issues the written clearance. Only after clearance can the HP HVAC installation resume.

Other trades and subcontractors may be required for some projects, adding costs for labor and materials. Removing old floor furnaces or wall furnaces and working in constrained spaces such as crawlspaces or attics can require significant carpentry and drywall. Installation of larger units may require structural work such as reinforcing floors, walls, or rooftops.

B. Large Multifamily Considerations

Large multifamily buildings face many of the same cost drivers described in the preceding section, but their size, ownership structures, and tenant occupancy bring unique challenges. MF appliance electrification projects are more complex than SF retrofits because these buildings tend to have a wider range of ownership structures, heating system types, and metering arrangements, among other issues.[57]

Four main factors make large MF building appliance electrification more complex: the variety and age of the building stock, equipment siting and space constraints, shared ownership

[57] Association for Energy Affordability and VEIC, TECH Clean California Multifamily Pilot Final Report, March 2026. https://techcleanca.com/pilots/multi-family-pilot/

affecting building-scale electrical service, and tenant occupancy. At the same time, owners often make decisions at the whole building or portfolio level, which can create economies of scale and coordination opportunities that provide logistical advantages and cost efficiencies for their properties.

Challenges increase when several of these factors occur in the same building, as each added factor can increase the time and cost of the retrofit. This section describes each factor to help identify where large MF building electrification becomes most challenging, as well as strategies that can reduce those challenges.

1. Building Stock Variety and Age

There are many different types and configurations of large MF buildings and include high-rise, mid-rise, and garden-style buildings, as well as buildings with single-loaded or double-loaded corridors, with each variation affecting the complexity of appliance electrification projects.

Building configuration also informs the choice of heat pump system. Projects are simplest when a heat pump can directly replace equipment of the same shape, size, and location, such as a rooftop unit or a through-wall unit (see Appendix J). Some existing systems currently have no direct replacement option. IWG members noted that replacing gas wall and floor furnaces with heat pumps is often hindered by space constraints and limited equipment options, and that converting a central ducted system to individual in-unit heat pumps adds coordination and scope (e.g. extensive work to run refrigerant linesets through the building to condenser units).

Working in older buildings introduces additional issues. They often have deferred maintenance, leaky envelopes, and poor ventilation, which impact design and result in performance issues if not addressed as part of appliance replacement. Under the Low-Income Weatherization Program (LIWP), for example, owners must remediate moisture, ventilation, mold, and pest issues with their own funds before a project can begin.[57,58] IWG members also noted that modifying in-unit wiring can trigger a requirement for a full electrical upgrade, which is especially difficult when asbestos is present. They also noted that historic preservation rules that cover older properties can conflict with outdoor equipment placement.

[58] California Department of Community Services and Development, Assembly Bill 1232 LIWP Multifamily Assessment Report, May 2024. https://testsp.csd.ca.gov/Shared%20Documents/AB1232-Report-May-2024.pdf

2. Condenser Placement and Space Constraints

Building configuration also directly affects where new equipment can be located. IWG members noted that in taller buildings, outdoor equipment tied to individual units often has to be placed on the roof, which can require cranes, structural evaluations and potential upgrades, and added permitting. Some buildings have few or no acceptable locations for outdoor units. Fire escapes and certain window types can rule out window heat pumps, and indoor equipment can take up indoor floor area or parking space. Cities may also have local ordinances and regulations that further restrict heat pumps, such as those governing equipment noise levels, placement near parking areas, and appearance. Concealed indoor units and through-wall or window-mounted heat pumps can help where conditions allow (Appendix J).

3. Shared and Master-Metered Ownership

Building ownership and utility metering configuration determine who must approve and pay for electrical service upgrades. IWG members identified buildings that are master-metered for both gas and electricity as simpler cases, since they have a single point of upgrade rather than many individually metered or owned units. IWG members noted that buildings that are master-metered for gas but individually metered for electricity are among the most challenging configurations for space heating electrification, especially when combined with limited electrical capacity, outdated wiring, poor building envelope, and historic preservation requirements. In these buildings, the owner typically pays for gas heat, so switching to heat pumps shifts heating costs to tenants' individual electric bills and can require electrical upgrade for each unit rather than a single building-level upgrade. [57]

IWG members noted that in condominiums or other jointly-owned buildings, such as tenancy-in-common or housing cooperatives, upgrading a single unit's meter or panel can require approval from the entire building. They also noted that in master-metered buildings, expensive electrical upgrades raise questions about whether and how owners can recover those costs from owners. [59]

4. Electrical Service and Utility Infrastructure

Even when equipment fits physically, the building must have enough electrical capacity and adding capacity can add significant time and cost. The panel and wiring upgrades discussed earlier in Section VI.A.2 Cost Drivers in Single-Family and Residential apply to in-unit projects, but large MF buildings can also require upgrades to shared building and utility

[59] California Housing Partnership and Association for Energy Affordability, Low-Income Weatherization Program Multifamily 2026 Impact Report. 2026. https://calhousingpartnership.org/wp-content/uploads/2026/02/Official-2026-LIWP-Impact-Report.pdf

infrastructure. Statewide research on low-income MF buildings found that more than 90 percent of buildings surveyed have 50 amps or less per unit, short of the 70 to 100 amps per unit generally considered necessary to electrify all gas end uses. [57]

Upgrades can extend past the unit's panel to the building's main service, meters, and utility transformers. In the TECH Clean California Multifamily Pilot, 11 of 13 properties preparing for full electrification needed electrical upgrades costing about $5,700 to $9,000 per unit, and four required service upsizing, although it is unclear how this would change if considering space heating only. In a related pilot, electrical infrastructure made up 18 to 44 percent of total project cost for properties that needed more than in-unit panel upgrades, indicating the importance of this issue in large MF buildings. [57]

Coordinating work on the utility side ("front of the meter") can add its own delays and costs, as PG&E service upgrades can take months to complete. IWG members noted that utilities can only add capacity for current needs, not anticipated future load, and that transformers that are underground or shared with neighboring buildings require additional coordination. An analysis in Sacramento Municipal Utility District found that about 10 percent of MF buildings would need a transformer upgrade (see Appendix J). These challenges can impact a building owner's decision to retrofit. Owners in the TECH Clean California pilot cited the complexity of working with the utility as a main factor discouraging them from moving forward with electrification work. [57]

However, projects needing service upgrades are in the minority. Only nine percent of MF projects in the TECH Clean California incentive database included a service upgrade (see Appendix J). In the TECH Clean California Multifamily Pilot, seven properties avoided or reduced utility upsizing by measuring their actual electricity demand and using it in load calculations, rather than relying on standard calculations that tend to overestimate need. Gathering that data is difficult in individually metered buildings, where each unit is a separate utility account. [57] IWG members noted that upgrades become more likely when owners electrify space heating and water heating at the same time.

5. Replacement on Failure and Tenant Impacts

IWG members noted that some upgrades cannot be completed with tenants in place, so temporary displacement is sometimes required, adding logistical and cost burden beyond the equipment itself. Phasing upgrades over time can reduce the likelihood of needing to relocate residents because work can be split into smaller scopes or scheduled when units are vacant between tenants, rather than being completed in all units at once. [57]

Mitigating impacts on tenants will be most difficult when a furnace fails unexpectedly. Once Rule 9-4 goes into effect, an irreparable furnace must be replaced with zero-NOx equipment,

and in buildings with individual furnaces, failure typically occurs one unit at a time. Any time needed for electrical upgrades, permits, or equipment shipping then adds to the time an occupied unit is without heat. According to TECH Clean California, MF installation durations range from one day to nearly a year. Portable heaters can cover short gaps, but if permanent heat is unavailable for longer periods, owners may need to temporarily relocate tenants (see Appendix J).

LIWP, which combines grant funding with tenant protections and includes remediation requirements, illustrates that planned, incentive-funded retrofits lowers displacement risk. LIWP properties maintained 97 percent average occupancy after upgrades, with limited long-term displacement.[58,59] State and local protections for renters are discussed in Section IV of this report.

6. Economies of Scale in Whole Building Electrification Projects

Electrifying a whole building at once can lower costs per unit. IWG members noted that replacing equipment one unit at a time usually costs more per unit than a full-building project, and that some published per unit cost figures include full-building projects, so they reflect those savings and can underestimate the cost of replacing equipment in a single unit. Shared electrical work is a large part of the difference. In the TECH Clean California pilot, two contractors estimated that upgrading panels and circuits after walls are closed and other work is complete would cost 20 to 70 percent more than doing that work with the initial project. The pilot concluded that investing in full electrification up front can be more cost-effective than completing electrical work incrementally. [57]

When planned as a whole-building project, heat pump systems can cost about the same as a conventional replacement. For a typical Bay Area mid-rise building with five stories and 34 units, installed costs were estimated to be $240,000 to $300,000 for whole building zero-NOx heat pump systems, compared to about $270,000 for a central ducted NOx-emitting gas furnace with air conditioning; thus, in some scenarios the zero-NOx system may cost less. Some technologies, such as central heat pumps that serve the whole building, are cost-effective only at that larger scale, however actual costs vary widely across projects (see Appendix J). Whole-building projects are, however, uncommon. Major redevelopment of low-income MF buildings follows funding cycles of 15 to 20 years or more and reaches only a small share of buildings. Even then, the TECH Clean California pilot found that electrifying all end uses may not be feasible because of the electrical, space, and funding constraints described in this section. [57]

7. Potential Solutions: Electrification Readiness and Funding

Because whole building projects are not always possible, many owners will need to electrify over time. Electrification readiness prepares a building by completing electrical and other enabling work in advance, so that a failed furnace can be replaced with a heat pump without additional work. The TECH Clean California Multifamily Pilot helped 13 properties develop phased electrification plans and broadened readiness beyond wiring to include space modifications and ventilation for future equipment. [57]

Early results are promising but limited. Electrification readiness brings no immediate benefit, so property owners will only benefit if there is follow-up from programs to complete electrification. Few contractors currently offer phased plans or load monitoring, even though monitoring is an effective way to avoid unnecessary service upsizing. Load monitoring also requires significant resources and technical capacity, but better access to utility data could reduce the need for it. Current TECH Clean California offerings include electrical evaluation, training and phased implementation plans to build market capacity to deliver these services. Utilizing load calculations, LIWP similarly allows owners to divide projects into two phases to preserve cash flow. [57,59]

CEC's Equitable Building Decarbonization Program, with a statewide budget of $494 million, launched in the Bay Area in June 2026 to provide comprehensive, holistic approaches to home electrification for low-income households in eligible under-resourced communities, including MF buildings. Initial Bay Area focus areas include East and West Oakland, Richmond, the East Contra Costa County, West Contra Costa County, East Palo Alto, East San Francisco, and Morgan Hill and Gilroy.[60] The program requires that two out of four major end uses (water heating; space heating; cooking; clothes drying) are electrified per home. All participating homes will receive a HP HVAC, a HPWH, or both; exact pairing will depend on the home's pre-existing condition and unique needs. Homes that are not fully electrified may receive some pre-wiring, depending upon project scope and budget, to support future electrification of appliances. As the Equitable Building Decarbonization program continues over the next several years, this implementation of MF heat pump installations and electrification readiness strategies at scale will provide valuable lessons on how to plan and phase future electrification in MF buildings.

[60] California Energy Commission, Equitable Building Decarbonization Program. Accessed September 2026. https://www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program

C. Nonresidential and Commercial Buildings Considerations

1. CARB Building Retrofit Level Categorization

As part of the process to develop state GHG emission standards for space and water heaters, the California Air Resources Board (CARB) assessed the potential need for commercial building retrofits to install zero-emission space and water heating equipment in existing buildings. CARB's analyses used data from National Renewable Energy Laboratory's (NREL's) ComStock,[61] CEC's Fuel Substitution Scenario Analysis Tool (FSSAT) and CEC's Commercial End Use Survey (CEUS) data on peak energy demand in nonresidential buildings. CARB applied Bay Area-specific thresholds for Rules 9-4 and 9-6 to understand more about commercial buildings that would need to comply in the Bay Area. The Air District assumes that any zero-emission space equipment will comply with the Air District's zero NOx standards.

For electrical panel retrofit levels, CARB modeled load increases from space and water heating electrification and compared this to baseline peak electricity demand. Buildings where the load increase was within 10 percent of the peak electricity demand were categorized as "Basic"; 10 to 25 percent increases were categorized as "Moderate" meaning they could electrify both end uses with panel optimization strategies; and exceeding 25 percent or with load increases that suggest needing a new panel were classified as "Extensive".

To estimate physical space retrofit levels, CARB considered equipment footprints, available roof area, and number of stories for different combinations of baseline and replacement heating technology. For each baseline space heating technology, CARB identified likely zero-GHG emission replacement technologies and assigned a percentage to estimate how common that replacement may be. The footprint of the replacement equipment compared to the baseline equipment, the presence of existing rooftop equipment, and potential replacement equipment location was then considered. The "Basic" retrofit level includes buildings that have a comparable or smaller equipment footprint compared to the baseline equipment; the "Moderate" retrofit level includes buildings that have a larger replacement equipment footprint compared to the baseline equipment and adequate space on the roof or ground for the larger equipment; while the "Extensive" retrofit level includes buildings that have a larger replacement equipment footprint compared to the baseline equipment and inadequate space on the roof or surrounding site area to install the larger equipment.

[61] National Laboratory of the Rockies, ComStock. Accessed October 2026. https://comstock.nlr.gov

CARB's Bay Area-focused analysis for electrical panel retrofits found that approximately 10 percent of commercial buildings would likely fall under "Basic" or "Moderate", while approximately 2 percent would fall under "Extensive". For space heating physical space retrofits, the analyses found that approximately 15 percent of commercial buildings would likely fall under "Basic" or "Moderate" while approximately 3 percent would fall under "Extensive." The remaining percentages are estimated to be "Out-of-scope" under the Bay Area Rules due to capacity thresholds or existing fuel type.[62] These findings indicate that a large majority of commercial buildings are unlikely to be subject to Rule 9-4, and those that are, are estimated more likely to need basic or moderate retrofit work to install zero-emission space heating.

2. Data, Participation, and Engagement Gaps

Note that the above are modeled results. Real-world electrification projects in the commercial buildings sector are limited, and this gap likely hinders full understanding.[63]

In 2026, UCLA (under contract to CARB and CalEPA) published a multi-year study on electrification of existing buildings, which included an examination of statewide investor-owned utility incentive programs that supported electrification projects in commercial buildings.[64] The analyses found that that commercial buildings are actually moving away from electrification. Between 2006-2022, natural gas use grew while electricity consumption decreased from 37% to 31% in the commercial sector. Despite strong funding, incentive electrification programs are barely being used. Statewide there are 120 active commercial rebate programs with budgets that match or exceed residential funding yet participation has dropped steeply, with claims falling from 2,428 in 2019 to 299 in 2023, equivalent to approximately 2% of residential program application volumes (where programs are often quickly fully subscribed) despite comparable funding levels.[64]

A key factor that makes commercial buildings difficult to serve is the complexity and variation of types. There are over 30 different building-type categories and subsectors, including a large "miscellaneous" category with the least clear definition and the most incentive claims.[64]

---

[62] California Air Resources Board. Building Retrofit Analysis Methods Clean Space and Water Heaters Standard. 2026. Appendix: CARB Retrofit Results for the Bay Area Air District. https://ww2.arb.ca.gov/our-work/programs/building-decarbonization/clean-space-and-water-heater-standards/supporting-documents

[63] CBE, Mapping Commercial Building Electrification. 2025. https://cbe.berkeley.edu/research/mapping-commercial-building-electrification/

[64] CCSC, Equitable Electrification of Existing Buildings: A Pathway to Decarbonization. January 2026. https://ww2.arb.ca.gov/sites/default/files/2026-06/Research%20Contract%2021STC023%20Final%20Report.pdf

Engagement with commercial building owners and decision makers is also challenging. UCLA researchers attempted to study the lodging subsector (hotels, motels, etc.) in depth; however, despite 180 call attempts and 15 site visits, their efforts resulted in no substantive interviews. Researchers concluded that building owners are rarely on site; managers lack the bandwidth and interest to engage; properties tend to be consolidated under national corporate ownership; and local operators lack direction and time to participate in traditional outreach. This suggests more will need to be done to encourage commercial building owners and decision makers to engage with policymakers and program administrators to increase understanding of their perspectives.

3. Ongoing and Upcoming Research

To go beyond typical outreach, CARB has commissioned targeted commercial buildings engagement research to be completed and released in the near future. This includes qualitative studies through UCLA (statewide focus groups, interviews, surveys) to be published by the end of 2026 or early 2027, as well as approximately 15 to 17 in-depth site visits and case studies to be conducted by UC Berkeley through 2028. Air District staff will continue to monitor results from this research to better understand the commercial sector.

VII. Potential Renter Impacts

During the rule amendment process, stakeholders raised concerns about how the building appliance rules could affect renters in residential buildings. Those concerns fall into two categories: disruption or temporary displacement during installation and increased costs. Depending on the work required to install zero-NOx space heaters, tenants may need to vacate units or experience other disruptions, particularly when construction activities are required. Tenants may also face rent increases or pass-through of equipment and retrofit costs. Both can have significant negative impact on renter households, including displacement, eviction, stress, and economic hardship, particularly for lower-income tenants with fewer housing options, families with children, the elderly, and other vulnerable groups.

In response to these concerns, the Air District commissioned research in 2025 (Appendix B; all information in this section is from this report) to examine how implementation of the building appliance rules could affect tenants in rental housing across the nine-county Bay Area. Additionally, these topics were further discussed in IWG meetings. This section summarizes the current understanding of the renter protection landscape, drawing on both the consultant research and discussions with the IWG.

A. Bay Area Renter Protections

Two categories of renter protections are relevant to implementation of Rule 9-4: limits on pass-through of equipment costs to tenants, and eviction protections related to construction activity. Protections exist at both the state and local level, with the specific terms varying by jurisdiction.

1. Pass-Through Costs

The Tenant Protection Act of 2019 (AB 1482) caps annual rent increases statewide at the lesser of five percent plus the change in the Consumer Price Index, or 10 percent, for buildings at least 15 years old. There is no mechanism in AB 1482 specific to pass-through costs. AB 1482 is scheduled to expire on January 1, 2030, unless the California legislature votes to extend or make it permanent before that date.

Local ordinances generally establish an explicit pass-through process. Of the 16 Bay Area cities with local renter protection ordinances, most allow landlords to petition to pass through capital improvement costs, and approved amounts can exceed the general rent cap. Some jurisdictions cap these pass-through costs separately. For example: the City of Alameda limits combined rent stabilization and pass-through increases to eight percent (applies to buildings built before 1995 with two or more units), San Jose limits pass-throughs to three percent of rent (applies to buildings built before 1979 with three or more units), and San Francisco caps pass-throughs at five to 10 percent depending on the number of units in a building (applies to buildings built before 1979 with two or more units, or SF homes built before 1995). In San Francisco, the pass-through process requires a petition to the Rent Board and includes financial hardship exemptions and amortization of larger costs over multiple years.

2. Eviction Protections

AB 1482 permits a no-fault eviction under a substantial repair provision when a repair or replacement requires a permit, cannot be completed safely with the tenant in place, and requires the tenant to vacate for at least 30 days; landlords using this provision must provide relocation assistance or a rent waiver. As with the pass-through cap, this protection applies only to buildings at least 15 years old.

Local ordinances contain a similar substantial repair provision in nearly all 16 surveyed cities, generally allowing no-fault evictions when work requires a permit, is needed for code compliance, is incompatible with continued occupancy, necessitates a minimum 30-day vacate period, but the ordinances also provide the tenant the right to reoccupy the unit once work is complete. Unlike the pass-through provisions, eviction protection coverage in most

jurisdictions does not depend on building age. For example: Alameda, San Jose, and San Francisco apply their substantial repair provisions to buildings of any age, so long as the unit-count minimum described above is met. Hayward, Oakland, Richmond, and Mountain View are exceptions, tying eviction protections to buildings built before 1979, 1995, 1995, and 2017, respectively.

3. Risk of Renter Impacts

Based on the current analysis and understanding, implementation of the building appliance rules poses potential risks to renters. Specifically, compliance costs can be passed through to renters and, depending on the conditions of a given rental property, implementation could result in landlords using the substantial repair clause to evict tenants if the project scope is significantly increased by a need to make additional building modifications to install the compliant appliance.

These challenges are complicated by a lack of data and transparency regarding how renter protection laws are enforced. Enforcement of local and state laws is generally complaint-based (e.g. when a tenant believes a landlord is not following applicable laws), making it difficult to assess how local and state policies are implemented and how frequently tenants' rights are violated. San Francisco is the only jurisdiction in the Bay Area with a "tenant right to counsel" program that provides legal support to tenants should they believe their rights have been violated.

B. Potential Strategies and Path Forward

Housing security in California is a complex, multi-faceted issue that cannot be addressed solely within the context of Rule 9-4. However, in implementing the rule, the Air District and other stakeholders can work to minimize and mitigate potential negative impacts on tenants, particularly low-income renters with fewer housing options.

Strategies identified through Arup's 2024 policy assessment and reaffirmed by the IWG include:

- Amending AB 1482 to explicitly limit pass-through costs associated with zero-NOx appliance replacements.
- Directing additional state and local resources toward enforcement, data collection, and reporting related to pass-throughs and evictions tied to construction activity.
- Collecting and disseminating model local renter protection policies and implementation best practices to jurisdictions considering new or updated ordinances.

- Developing accessible, low-cost, or free legal support services for tenants facing pass-through or eviction disputes.

One local jurisdiction, Menlo Park, has taken a first step. On May 19, 2026, the City Council unanimously approved the City's Anti-Displacement Plan with the inclusion of four electrification-related items proposed by the local nonprofit Menlo Spark.74 These items included:

- Promoting California habitability law, which requires landlords to provide working heat and hot water systems for tenants and which Menlo Spark and its collaborators read as requiring landlords to cover the cost of heat and hot water system replacements without passing those costs through to tenants.
- Clarifying that routine electrification work, such as replacing a gas furnace with a heat pump or a gas water heater with a heat pump, does not on its own qualify as a "substantial remodel" that would justify a no-fault eviction.
- Preventing pass-through of costs for whole home city-subsidized electrification work.
- Amending the city's anti-harassment ordinance to specify that using mandated clean-energy replacements as a basis for eviction, threats of eviction or as a basis for cost pass-through or threats of cost pass-through constitutes harassment.

The City Council separately voted the same day to direct staff to expand the city's just cause eviction protections beyond what state law requires by extending them to SF homes, applying them from the start of a tenancy, and continuing them past the 2030 expiration of AB 1482. Menlo Park's approach may offer a model other Bay Area jurisdictions could consider as they weigh how to protect renters from displacement pressure that could come from building electrification efforts.

VIII. Temporary Heating Loss

A. Heating Needs in the Bay Area

Although the Bay Area climate is relatively mild, with few dangerously cold days in most regions, residents may be concerned about impacts due to loss of heating and usually have some back-up heating solutions. Heating needs vary across the Bay Area. Some coastal regions have up to 75% of days each year experiencing temperatures below 60°F (Fahrenheit). In contrast, some inland, high-elevation regions experience two to three weeks with temperatures below freezing. For the most vulnerable populations, particularly older adults, even moderate cold (60 – 65°F) can pose health risks (see Appendix H).

In 2026, the Air District commissioned a resident survey which showed that almost two-thirds of households already own a temporary heating device, with 52 percent saying that their back-up heating would fully or partially satisfy their needs for a short period of time if their primary heating source was unavailable. Twenty-three percent responded that loss of heating would be uncomfortable if it lasted three to five days and an additional 18 percent if it lasted five or more days. Respondents were most concerned for the health or safety of occupants and risks to the elderly, children, or medically vulnerable household members (Appendix H).

B. Quantifying Potential Heating Loss with Fuel Switching

A gas furnace-to-heat pump heater (HP HVAC) replacement without a service upgrade takes typically 19 days.[65] This is two days longer than a standard gas furnace-to-gas furnace replacement (approximately 17 days) (see Appendix H). However, a small fraction of households (approximately 2 percent of TECH Clean California single-family and small multifamily installations[66]) may require a utility service upgrade, increasing the timeline for these replacements to several weeks or a month or more. Utility service upgrades may result in longer durations without heat and, thus, pose the greatest potential need for temporary heating solutions.

C. Temporary Space Heating Options

Temporary space heating solutions are broadly available (see Table 10). In some cases, temporary space heating can be provided through a small repair to the existing furnace (e.g., replacing a minor component, repairing a loose wire) while new equipment can be ordered and additional installation steps like wiring and/or electrical work can be performed to allow permanent installation of a HP HVAC. Other temporary heating options include portable electric resistance heaters, electric blankets, and similar devices that are widely accessible and relatively low-cost (see summary of temporary space heating equipment in Appendix J). These are primarily designed for single-room or supplemental use, not whole-household heating. Households may need multiple devices to maintain adequate comfort in larger or poorly insulated homes, increasing cost and electrical load. Availability can be impacted during cold-weather periods when demand increases.

[65] Opinion Dynamics, California Residential Fuel Substitution Workforce Readiness Study. September 2024. https://opiniondynamics.com/ca-residential-fuel-sub-workforce-readiness

[66] TECH Clean California, TECH Working Data Set Single-family. Accessed February 2026. https://techcleanca.com/public-data/download-data/

Some contractors offer interim heating support or attempt to restore partial system functionality during replacement, but this practice is not currently widespread (see Appendix H). One possible solution that was identified through research is to develop temporary heating equipment lending programs through partnerships with local libraries. Similar to existing tool lending or energy efficiency kit programs, such as Oakland's,[67] Berkeley's,[68] and Sonoma's,[69] these programs could provide households with short-term access to portable electric heaters or electric blankets during emergency replacement. Loaner programs could help reduce upfront costs for households and provide rapid access to equipment during periods of temporary heating loss. Another idea to help mitigate potential impacts from temporary heating loss is to expand pre-wiring and electrical readiness incentive and education programs, as well as completing this work during summer months when heating needs are lower (Appendix H).

[67] Oakland Public Library, Tool Lending Library. Accessed September 2026. https://oaklandlibrary.org/otll/

[68] Berkeley Public Library, Tool Lending Library. Accessed September 2026. https://www.berkeleypubliclibrary.org/locations/tool-lending-library

[69] Sonoma County Tool Library. Accessed September 2026. https://borrowtools.org/

Table 10. Summary of Temporary Heating Solutions for Both Residential and Commercial Buildings

General Option	Sub Options | Costs	Case Use	Pros	Cons
Portable electric space heaters	Fan-forced heaters | $20-80	small spaces: e.g., apartment rooms, classrooms, offices	often cheapest option	can get very hot and start fires or burn skin if tipped over, but many have tip-over protection
	Ceramic heaters | $50-80		tip-over switches and overheating protection; externally safe to touch	more expensive than fan-forced heaters
	Infrared heaters | $70-300		radiant heat warms objects, not surrounding air	more expensive than fan-forced
	Oil-filled heaters | $90-150		radiant heat, no exposed heating element	hot metal fins can burn skin; more expensive than fan-forced
Indirect-fired Heating Units	$500-800 per week	very large open spaces, such as warehouses, larger retail spaces, and offices with open floor plans	viable heating solution for large spaces; often rented	may need temporary ducting or wall penetrations; combust fossil fuels such as propane, kerosene, or diesel; even weekly rental rates are expensive
High-power Electric Heaters	$300-1000 per week	very large open spaces, such as warehouses, larger retail spaces, and offices with open floor plans	similar form factor to indirect-fired heaters; no concerns around combustion or carbon monoxide emissions; frequently rented	Typical power requirement of 208-480V; even weekly rental rates are expensive

Source: Appendix J and Appendix H.

IX. State or Regional Updates on Grid, Workforce and Permitting

A. Grid Capacity, Reliability and Timing

1. Increasing Grid Capacity

As stated in past research (Appendix A), new electrical loads resulting from the building appliance rules are small, especially in comparison with electric vehicle (EV) charging. New demand from Rules 9-4 and 9-6 is projected to add an additional 3% of load to the grid.

In 2026, PG&E forecasts submitted to the CPUC show that the upgrades from overall electrification investments (building electrification and EV charging) could decrease distribution rates up to 25% by 2040. The study found that added revenue from the increased electric usage will more than cover the investment or upgrade costs, and the fixed costs of the grid will be spread across more usage or billed kilowatt hours (kWhs).[70]

2. Reliability

Existing requirements for utilities and the CEC for grid planning related to increasing loads have required the inclusion of added load from local and regional rules, including Rules 9-4 and 9-6, to minimize reliability risks. Additionally, most power outages are not caused by load or bulk capacity issues but are instead caused by physical impacts (e.g. downed trees, storms) or public safety power shutoffs[71] (PSPS), which have been significantly reduced since 2019 (Appendix A).

At the appliance level, zero-NOx HP HVAC and new NOx-emitting gas furnaces have similar reliability issues in power outages. The majority of gas furnaces (with the exception of wall furnaces) will not operate without electricity, which is needed for operating circulating fans and ventilation systems.

3. Site-Level Service Upsizing

For individual buildings that require upsizing utility service to electrify, PG&E information from November 2025 show average timelines for completion are still long, at more than 300

[70] PG&E, Electrification Impacts Study Part 2 Report. January 2026. https://www.ethree.com/wp-content/uploads/2026/03/PGE_EIS.pdf

[71] A Public Safety Power Shutoff (PSPS) is when an electric company turns off power on purpose to stop power lines from starting a wildfire during dangerous weather.

days for single-family, and more than 500 days for apartments. Average costs range from $3,000 to 11,000 for single-family, and almost $30,000 for apartments.[72]

Not all building owners will be required to pay those full costs, however. In June 2025, the CPUC passed the Building Decarbonization Phase 4a decision, authorizing a pilot where PG&E can provide up to $10,000 per single-family and small business service upsizing project, with no project cap for multifamily buildings. Customers must be participants in a building decarbonization incentive program that results in electrification of at least two appliances, including at least one heat pump (HP HVAC or HPWH); qualify as small businesses or low-income as determined by the program; and have existing electric service less than 100 amps. PG&E may receive up to $2.3 million annually for 4 years to fund the pilot which will end by June 30, 2029.[45]

Lastly, upsizing projects in the future may avoid long delays through "Flexible Service Connections," which allows customers to receive partial power immediately by agreeing to stay within limited demand during grid-constrained hours. This serves as a bridge solution while PG&E completes the required infrastructure and upstream service upgrades to fully support the customer's maximum load. In February 2026, the CPUC adopted Decision (D.) 26-02-025, requiring PG&E to offer Flexible Service Connections as a standard tariffed option for customers.[73]

B. Workforce

Air District-commissioned workforce research in 2024 (Appendix C) showed positive signs for contractor availability and readiness. Based on national benchmarking, the Bay Area has equivalent levels of relevant contractors compared to the US average. Based on region-wide surveys, the majority of contractors were available to respond to emergency failures within a couple days. A two-thirds majority of surveyed contractors were already aware of the building appliance rules and at least one category of applicable incentives, though slightly less than half of the surveyed contractors participated in incentive programs. Correspondingly, slightly less than one-third (29%) of surveyed contractors were planning on pursuing heat pump training for their firm or employees. Though overall positive, the 2024 workforce research pointed to some hiring challenges, as well as the need for more outreach, training and incentive program participation, especially for small independent contractors. In 2026, the Air District began contractor-targeted outreach efforts. Although

[72] PG&E, Average Project Cost and Timeline. November 2025. https://www.pge.com/assets/pge/docs/account/service-requests/sb-1210.pdf

[73] California Public Utilities Commission, Proposed Decision of Commissioner Alice Reynolds. February 2026. https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M597/K684/597684025.PDF?ref=calregulatory.com

messaging focused more on Rule 9-6, information about Rule 9-4 was also included. For more discussion on this topic, please see Section X.A of this report.

Given California's goal of six million heat pump installations by 2030, as well as other clean energy and climate goals,[74] the state has provided funding to support workforce training in HP HVAC. In 2025, the CPUC Building Decarbonization Phase 4a decision funded the TECH Clean California initiative $40 million including workforce training.[75] In 2026, the CEC passed $9.3M in funding to expand residential electrification workforce training[76] including $5M for 57 local union Joint Apprenticeship and Training Committees (JATCs) to deliver heat pump training in local communities statewide.[77]

In addition to institutional training centers (Appendix C pp. 23-26) and state funded programs for HPs such as TECH Clean California,[78] local CCAs and program administrators also continue to provide training and workforce development for local contractors on HP HVAC. Program models include online and in-person classes,[79,80,81] contractor incentives for training and first project completion ranging from $1,000[82] to $3,500,[83] and job-seeker matching services with further incentives for hiring.[83] Lastly, two important sources for HP HVAC training for contractors are distributors and manufacturers; a 2025 survey found that

[74] Governor Gavin Newsom, Governor Newsom Calls for Bold Actions to Move Faster Toward Climate Goals. July 2022. https://www.gov.ca.gov/2022/07/22/governor-newsom-calls-for-bold-actions-to-move-faster-toward-climate-goals/

[75] California Public Utilities Commission, Proposed Decision of Commissioner Houck. February 2026. https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M569/K067/569067338.PDF

[76] Northern California Sheet Metal Training Center, California Energy Commission Approves CA-TREC Grant to Expand Residential Heat Pump Workforce. July 2026. https://www.sheetmetaltraining.com/blog/california-energy-commission-approves-ca-trec-grant-to-expand-residential-heat-pump-workforce

[77] California Energy Commission, July 08, 2026 Business Meeting
Backup Materials for State Building and Construction Trades Council of
California. July 2026. https://www.energy.ca.gov/filebrowser/download/9741?fid=9741

[78] The Switch is On, TECH Clean California Training Events. https://www.switchison.org/techcleanca/training

[79] PG&E, Training and Resources for Businesses. https://www.pge.com/en/business-resources/business-education-and-tools.html
https://www.sfenvironment.org/electric-upgrades-incentives-and-benefits-contractors
https://avaenergy.org/from-the-ceos-desk/ava-supports-training-programs-to-fill-clean-energy-jobs/

[80] SF Environment, Electrification for Contractors. https://www.sfenvironment.org/electric-upgrades-incentives-and-benefits-contractors

[81] Ava Community Energy, Ava Supports Training Programs To Fill Clean Energy Jobs. https://avaenergy.org/from-the-ceos-desk/ava-supports-training-programs-to-fill-clean-energy-jobs/

[82] Silicon Valley Clean Energy, Contractor Training. Accessed October 2026. https://www.svcleanenergy.org/contractor-training/

[83] Marin Clean Energy, Contractor Incentives and Resources. Accessed October 2026. https://mcecleanenergy.org/contractor-rebates/

over half of contractors in the state who received HP training did so through a manufacturer (60%) or distributor (73%).[84]

C. Permitting

In 2024, Air District-commissioned research evaluated how local government building permitting requirements for zero-NOx appliances could affect implementation timelines and costs, and to understand the status of best practices in the Bay Area (see Appendix D). Survey and interview results from 11 local governments of various sizes around the region showed that some jurisdictions provided same-day or instant online permit issuance (5 out of 11 surveyed), while that same fraction (5 out of 11) take between 2 to 3 days, and one took longer. A growing number of local jurisdictions in 2024 were pursuing best practices for HP HVAC permitting, informed by efforts from BayREN, San Mateo County, and local Community Choice Aggregation organizations (CCAs).

In September 2026, Senate Bill 222: *Residential heat pump water heater or heat pump HVAC systems, also known as the "Heat Pump Access Act,"* was passed. This Air District co-sponsored legislation addresses a range of known issues that create delays for both HPWH and HP HVAC permitting. Specifically, it requires local jurisdictions by July 1, 2028 to implement online automated permitting systems for licensed contractors installing residential heat pump projects that do not require new electrical panels or major structural work. SB 222 also requires that local jurisdictions offer remote inspections by July 1, 2027. The bill also prohibits requiring permits or inspections for 120-volt plug-in window HPs.[85] SB 222 standardizes best practices and will result in permit streamlining across all jurisdictions in the Bay Area.

X. Next Steps

A. Air District Outreach and Communications

The Air District has begun implementing an advertising, communications, and outreach campaign to inform residents, contractors, installers, local governments, building departments, and other relevant stakeholders about building appliance rule implementation. The Air District will also be partnering with key organizations such as

[84] ACEE, Workforce Readiness to Decarbonize the Building Sector While Improving Efficiency and Affordability. 2026. https://www.aceee.org/proceedings/workforce-readiness-to-decarbonize-the-building-sector-while-improving-efficiency-and-affordability/

[85] CalMatters, SB 222: Residential heat pump water heater or heat pump HVAC systems. Accessed October 2026. https://calmatters.digitaldemocracy.org/bills/ca_202520260sb222

community-based organizations, incentive administrators, CCAs, and the Switch Is On to ensure that information on building appliance rule compliance is widely disseminated.

Staff anticipate that the communication effort and related resources required to effectively implement the zero-NOx requirements of the building appliance rules will be significant. The Air District has hired a third-party contractor to assist in delivering the communication and advertising campaign as well as dedicating significant staff time to this effort, with the possibility of seeking approval for additional staff to be hired. At this time, staff estimates that the communication effort will require at least $900,000 on an annual basis from 2026 to 2033 for contracting, advertising and outreach and education as well as two additional full-time employees. The Air District kicked off the campaign in early 2026 and aim to fully roll out advertising by summer 2027.

B. Non-Regulatory Actions

As mentioned throughout this report, there are opportunities to consider to support an equitable and smooth transition to clean space heating, including, but not limited to:

- Challenging Installations and Scenarios
    - Air District should continue to monitor the development of power efficient design, panel optimization and watt diet strategies, in addition to newer technologies such as Meter Socket Adaptors.
    - Air District should highlight educational resources encouraging panel optimization (where applicable) in outreach and education materials.
    - Air District should provide education and outreach on the upcoming rules to residents and building owners, and work with partners on education regarding preplanning and electrification readiness.
    - Air District should convene multifamily building owners, especially affordable housing providers, to better understand typical planning horizons and processes, including capital planning.
- Potential Renter Impacts
    - Air District should discuss potential renter impacts with multifamily building owners to understand planning around tenant impacts.
    - Air District should work with housing providers, and state and local officials to help ensure this transition won't create unaffordable increases in rent or cause displacement of tenants.
- Permitting

- Air District should continue working with key stakeholders such as BayREN, local governments, and other organizations that work on building codes to support local governments in the implementation of SB 222.

- Market Development
  - Air District should continue to coordinate and support adoption of statewide policies including CARB's Zero-Emissions Space and Water Heaters by 2030 and CEC's Building Energy Performance Strategy and implementation of Title 24 standards.
  - Air District should launch outreach and education campaigns to raise awareness of zero-NOx technologies among consumers and contractors.
  - Air District should partner with others to emphasize the benefits of HP HVAC, available incentives, and policy requirements to accelerate market adoption.
- Workforce Availability and Readiness
  - Air District should support and uplift accessible, existing training programs for HP HVAC, and partner with incentive programs to incorporate incentive program education in outreach and engagement to contractors.
- Grid and Reliability Impacts
  - Air District should continue to monitor future phases of the Energization proceeding (R.24-01-018) to understand service upsizing timelines, and the Building Decarbonization proceeding (R.19-01-011) regarding electric service line upsizing cost support.
- Costs and Socioeconomic Impacts
  - Air District should continue to monitor federal, state, and regional incentives and green financing programs.
  - Air District should continue to gather research and case studies for commercial building retrofits to HP HVAC, especially for the subsectors most prevalent in the Bay Area.
  - Evaluate costs and affordability impacts of the rule for single family properties, small and large multifamily residential properties, including impacts on low-income renters.
- Health Benefits
  - Air District should develop a more detailed and nuanced understanding of how pollution from these appliances is distributed in the Bay Area. For example, what portion of pollution is from single family homes versus multifamily? Where are the emissions from multi-family housing located as compared to emissions from single family housing?

- Air District should use up-to-date emissions, air quality models, and health data to update estimates of health and equity benefits to get an understanding of how potential changes in the timing or applicability of the zero-NOx standards may impact the projected health, equity, and climate benefits of the Rule.

C. Possible Rule Changes

Based on the IWG process, staff is recommending amendments to Rule 9-4. Development of these amendments will require a rulemaking process including extensive stakeholder engagement, frequent discussions with the Board's Stationary Source Committee and updates to the full Board. Final rulemaking will require public noticing and a formal comment period. Substantive changes to the timing or the scope of the zero-NOx requirements may require re-calculation of emissions estimates, a revised health and equity analysis, and revised analyses of socio-economic impacts and impacts under the California Environmental Quality Act. Potential changes that could be evaluated in a further rulemaking process include, but are not limited to:

- Alignment with other jurisdictions that are developing similar rules, such as CARB and the CEC, to facilitate simplified and aligned compliance. Flexibilities for non-residential or commercial buildings that are not required to transition to HP HVAC through the 2025 California Energy Code (Title 24, part 6), which applies to new construction, additions, or specific types of alterations and system replacement, including HVAC replacements.
- Flexibilities for challenging installation cases such as modifications that require significant ductwork, additional subcontractor labor, or additional electric service.
- Flexibilities for some buildings without existing central air conditioning.
- Flexibilities for multifamily buildings, acknowledging and encouraging efforts for whole-building planning including in-depth building data analyses, building energy audits, financial planning, and readiness.
- Reconsideration of applicability for commercial buildings with furnaces covered by Rule 9-4, due to costs, low incentives, and other market challenges.

Appendices

2024

A. Grid Related Impacts on the Implementation of Rules 9-4 and 9-6
B. Renter Protections Policy Landscape Summary and Recommendations
C. Workforce Challenges for Zero-NOx Requirements
D. Permitting Requirements for Zero-NOx Appliances
E. Installation Costs for Zero-NOx Space and Water Heating Appliances (2024)

2026

F. Zero-NOx Space Heating Single-family and Multifamily Technologies Market Assessment
G. Zero-NOx Space Heating Financing Options
H. Potential Temporary Loss of Space Heating
I. Bay Area Small Furnace Study
J. Zero-NOx Space Heating Considerations for Large Multifamily and Non-Residential Buildings
K. Installation and Operational Costs for Zero-NOx Space Heating Appliances (2026)

Bay Area Air District

Readiness Update: Rule 9-4 Zero NOx Furnaces

Board of Directors Meeting

December 2, 2026

Gregory H. Nudd
Deputy Executive Officer
Policy

Abbreviations

AC: air conditioning

BTU/hr: British thermal units per hour; measure of heat energy

CARB: California Air Resources Board

CEC: California Energy Commission

EV: electric vehicle

HP: Heat pump

HVAC: Heating, ventilation and air conditioning

IWG: Implementation working group

MF: Multifamily

NOx: Nitrogen Oxides

PG&E: Pacific Gas and Electric

$PM_{2.5}$: Fine particulate matter

SF: Single-family

Recommended Action

None, this item is informational only.

Presentation Outline

I. Background, Purpose and Scope

II. Findings

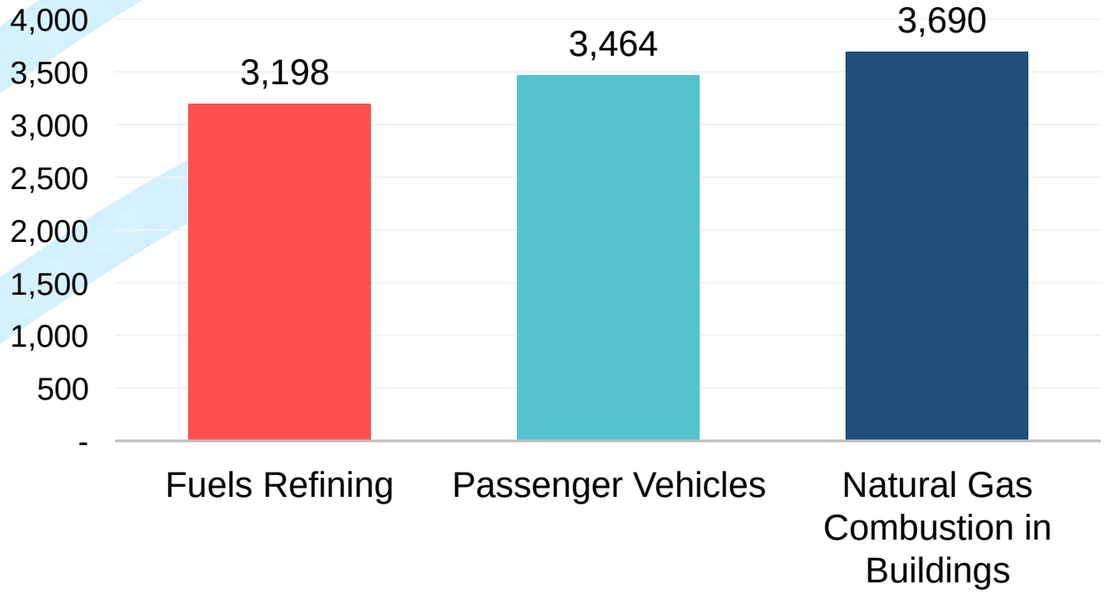
- Market development
- Costs
- Challenges, Tenant Considerations
- Temporary Heating Loss

III. Next Steps

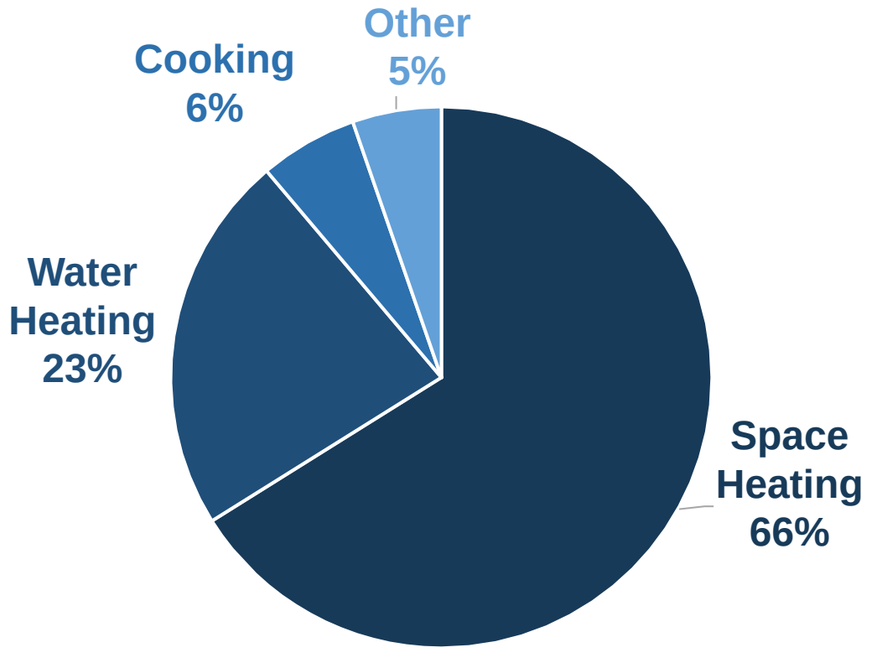
Bay Area Air District

I. Background, Purpose and Scope

Residential Appliance Emissions



2019 Air District NOx Emissions (tons)



2019 Air District Residential Natural Gas Combustion NOx Emissions

Rules 9-4 and 9-6 “Building Appliance Rules”

- **Regulation 9, Rule 4:** Nitrogen Oxides from Fan Type Residential Central Furnaces
- **Regulation 9, Rule 6:** Nitrogen Oxides from Natural Gas-Fired Boilers and Water Heaters
- **Zero NOx amendments** adopted on March 15, 2023, with future implementation dates

1/1/2027	Water heaters less than 75,000 BTU/hr*
1/1/2029	All applicable natural gas-fired furnaces (e.g., residential and commercial; including direct-vent units)
1/1/2031	Water heaters 75,000 to 2 million BTU/hr

* This compliance date was changed to January 1, 2028, at the November 4 Board Hearing

Major Health Benefits from Rules 9-4 and 9-6

These appliance rules help improve regional air quality by reducing pollution from furnaces and water heaters.	**Cleaner outdoor air** Less NOx and $PM_{2.5}$ from venting 
Lower pollution means lower exposure to fine particles ($PM_{2.5}$).	**Cleaner Bay Area communities** Biggest $PM_{2.5}$ reductions in communities of color and overburdened neighborhoods 
Reducing $PM_{2.5}$ and NOx exposure can prevent dozens of early deaths every year in the Bay Area.	**Up to 85 early deaths avoided** each year from cleaner air 
Health improvements from cleaner air avert unnecessary costs from health impacts.	**Up to $1.1B** Annual health benefits saved in avoided illnesses, hospital visits, and early deaths 

Purpose and Scope of Informational Update

- 2023 amendments to Rule 9-4 requires informational updates two years prior to each compliance date
- This update focuses on the January 2029 zero NOx compliance deadline for furnaces
  - Heating capacity threshold of <175,000 btu/hr
  - Typically found in residential and smaller commercial settings

Implementation Working Group (IWG) Phase 2 Furnaces

38 members

- Environmental Justice and Community-Based Organizations
- Subject Matter Experts on Energy, Buildings, and Technology
- Regional/Local Government and State Agencies
- Installers, Labor and Trade Organizations
- Affordable Housing Providers and MF Building Owners
- Utilities and Community Choice Aggregators

9 Meetings

3 Small residential Subcommittee

3 Large Multifamily and Non-residential Subcommittee

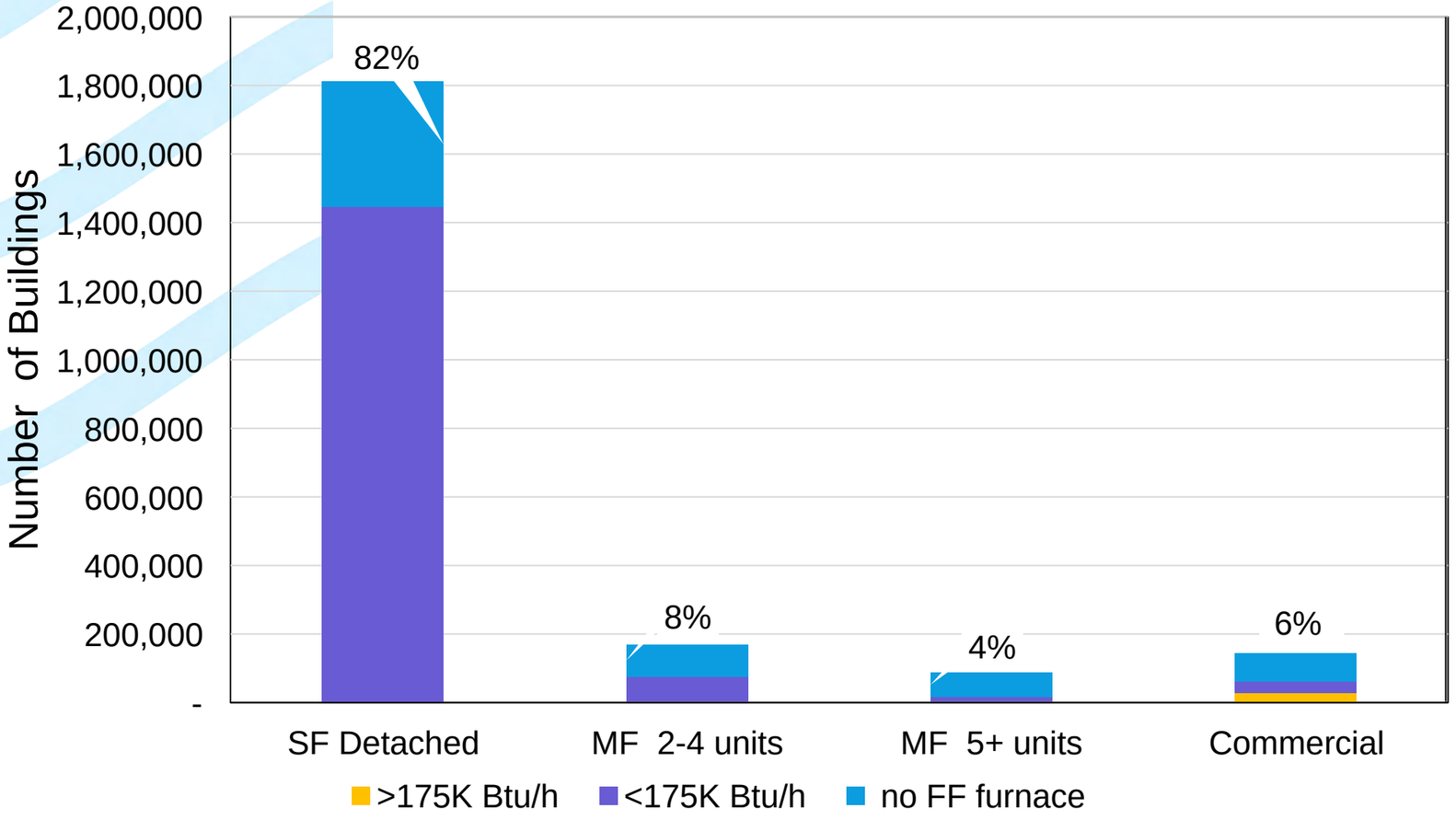
3 General Public IWG

- Research: covered a range of topics of interest to the public

Bay Area Air District

II. Findings:
Market Development

Total Buildings Likely Subject to Rule 9-4



- Total number of buildings:
  2.21 million
- Number with small fossil fuel (FF) furnaces:
  1.57 million

Data compiled by Arup from ResStock and ComStock

What Is Heat Pump Heating Ventilation and Air Conditioning?



Graphic from arcticac.com

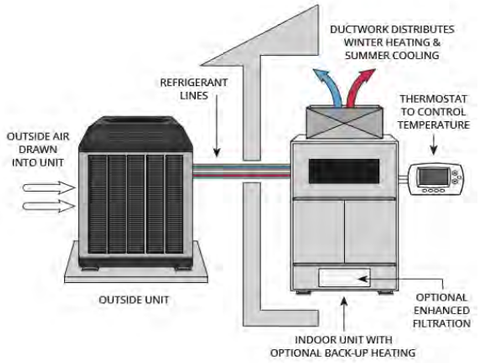
HP HVAC is an **all-electric system** that ***moves* heat** instead of burning fuel to create it

- Pulls heat from outside air to warm the home in winter
- Reverses in summer for cooling
- Similar to refrigerators and air conditioning

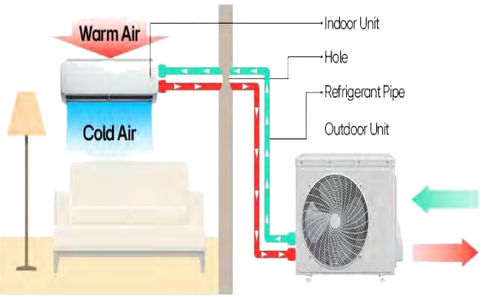
3-4x more efficient than gas furnaces

Types of Residential HP HVAC

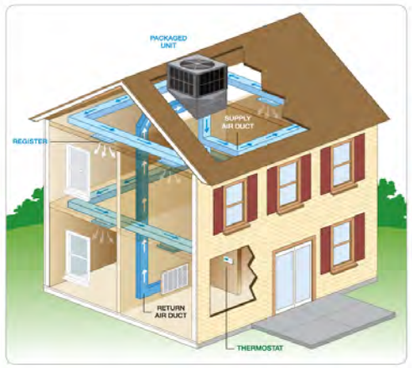
- **Ducted** uses ductwork (tubes transporting conditioned air)
  - **Ductless**: does not use ductwork
- **Packaged**: condensing unit and air handler are in *one cabinet*
  - **Split:** *separate* outdoor condensing unit and indoor air handler
- **Mini-split**: room-by-room zoning
- …and more



Ducted Central Split Systems



Ductless Mini-Split Systems



Ducted Packaged Systems



Ducted Mini-Split Systems

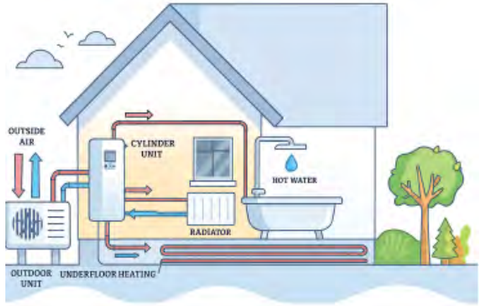
Information collected and presented by Rincon for the IWG

More HP HVACs: Emerging Technologies

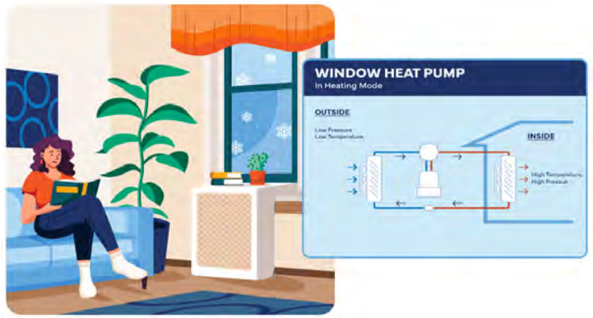
- **Wall mounted**: packaged unit, requires wall penetration
- **Window mounted**: packaged unit placed in existing window
- **Air-to-water**: can provide both space and water heating and replace hydronic system
- **Portable**: can be moved room to room, plugs into wall outlet



Wall-Mounted Systems



Air-to-Water Systems



Window-Mounted Systems



Portable Systems

Information collected and presented by Rincon for the IWG

Policies Moving the HP HVAC Market

Building Code Updates

- California Title 24 now requires space conditioning replacements be HP HVAC for retail, schools, libraries, offices
- 21 Local jurisdictions have various building codes encouraging or requiring HP HVAC (e.g. “AC to Heat Pump” “Electric Readiness”)

CARB Clean Space and Water Heater Standards

- Proposed sales targets that limits sales combined with a credit system with potential start date in 2030

National HP HVAC Sales Surpass Gas Furnaces

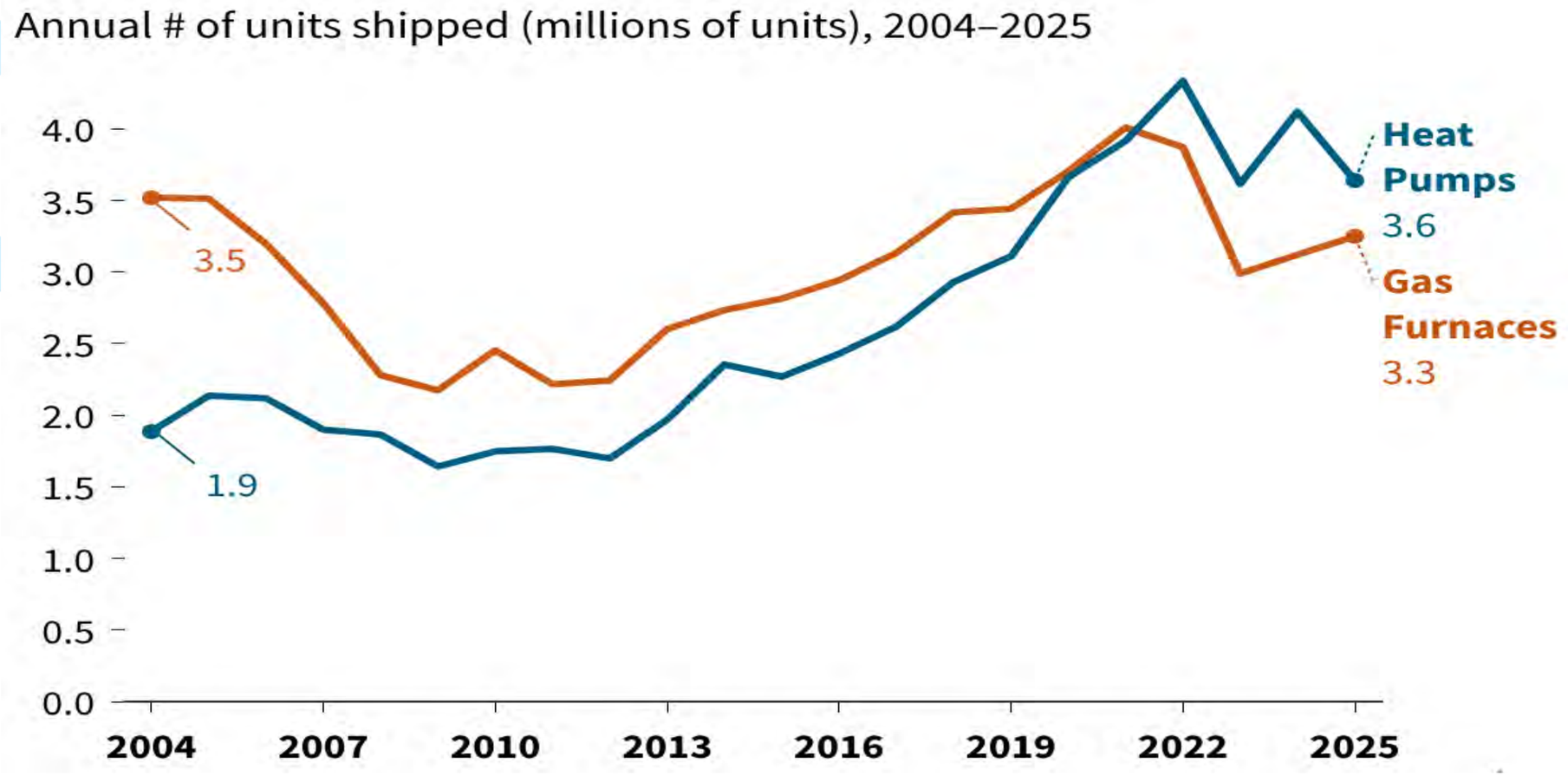


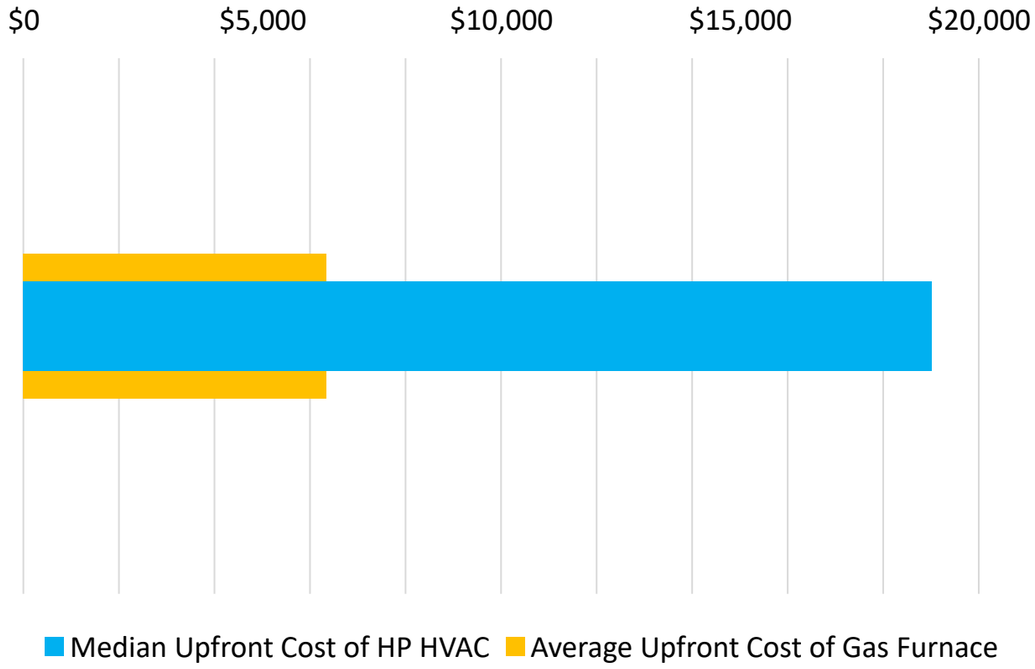
Chart from Rocky Mountain Institute

Bay Area Air District

II. Findings: Typical Costs

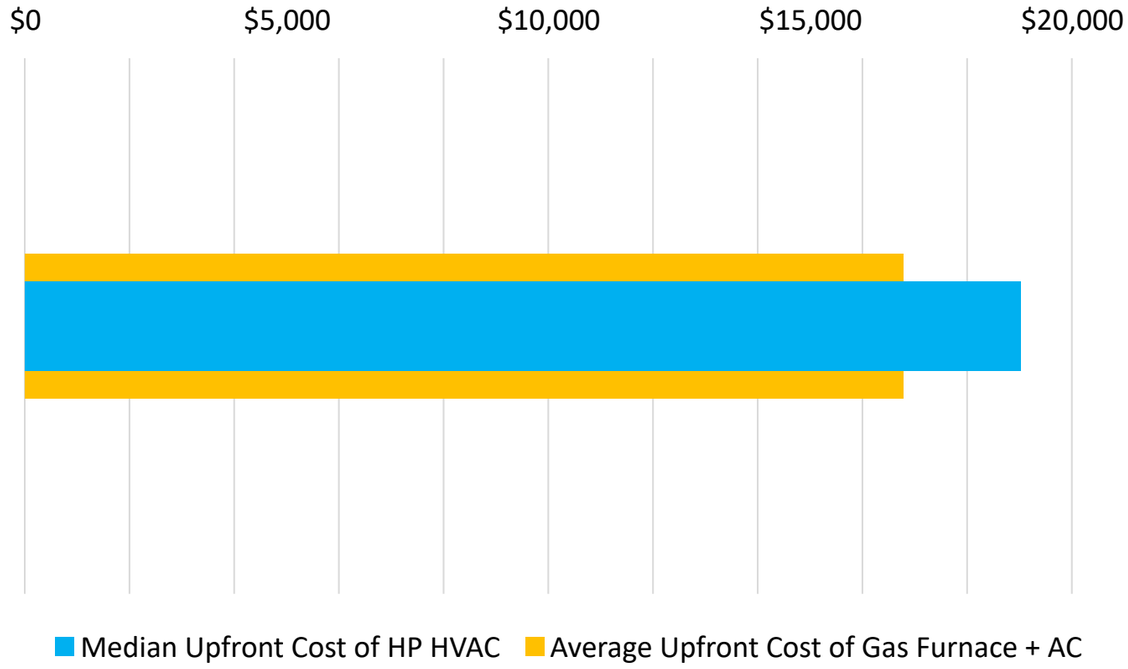
Single-family HP HVAC Incremental Costs

Gas Furnace Only (no new AC)



Incremental Cost: $12,666

Gas Furnace and new AC



Incremental Cost: $2,235

Information collected and presented by Rincon for the IWG

Multifamily HP HVAC Upfront Costs

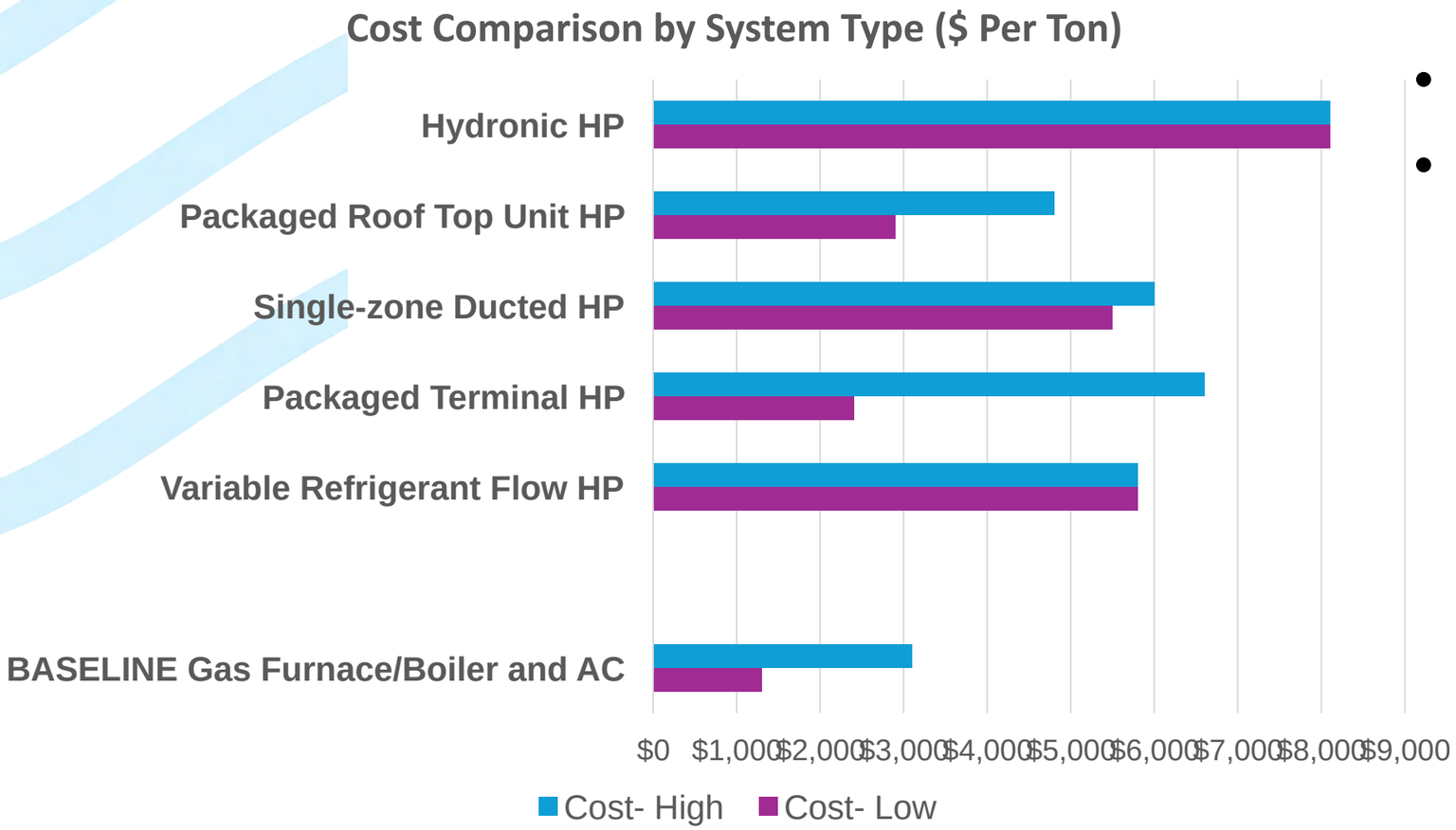
Replacement projects

- Median Ductless: $6,469
- Median Ducted: $11,076
  - Costs are from incentive program projects that are likely multi-unit or whole building projects
  - This type of project offers economy of scale but is unusual for MF building projects not receiving incentives

Emerging alternative: **Electrification readiness**

- Proactive, phased work on multiple units (e.g. pre-wiring) allows a future HP HVAC to be “drop-in” ready
- Pilots show cost savings compared to single appliance replacements
- Further data upcoming from CEC’s $494 million Equitable Building Decarbonization program

Commercial HP HVAC Costs



- Real world data are lacking
- Costs vary depending on the source, estimating tool and HP system type

Information collected and presented by NBI for the IWG

Offsetting Upfront HVAC HP Costs: Funding and Financing

Incentives are offered by local funders

- Mostly in the $1,000 to $3,000 per project range for residential
- State and federal funding has mostly sunset or is highly specialized

Financing is available through publicly-supported loans at below market interest rates:

- GoGreen Home Financing
- GoGreen Business, PG&E On-Bill Financing (for commercial entities)

HP HVAC Operating Costs

Residential savings (Single-family):

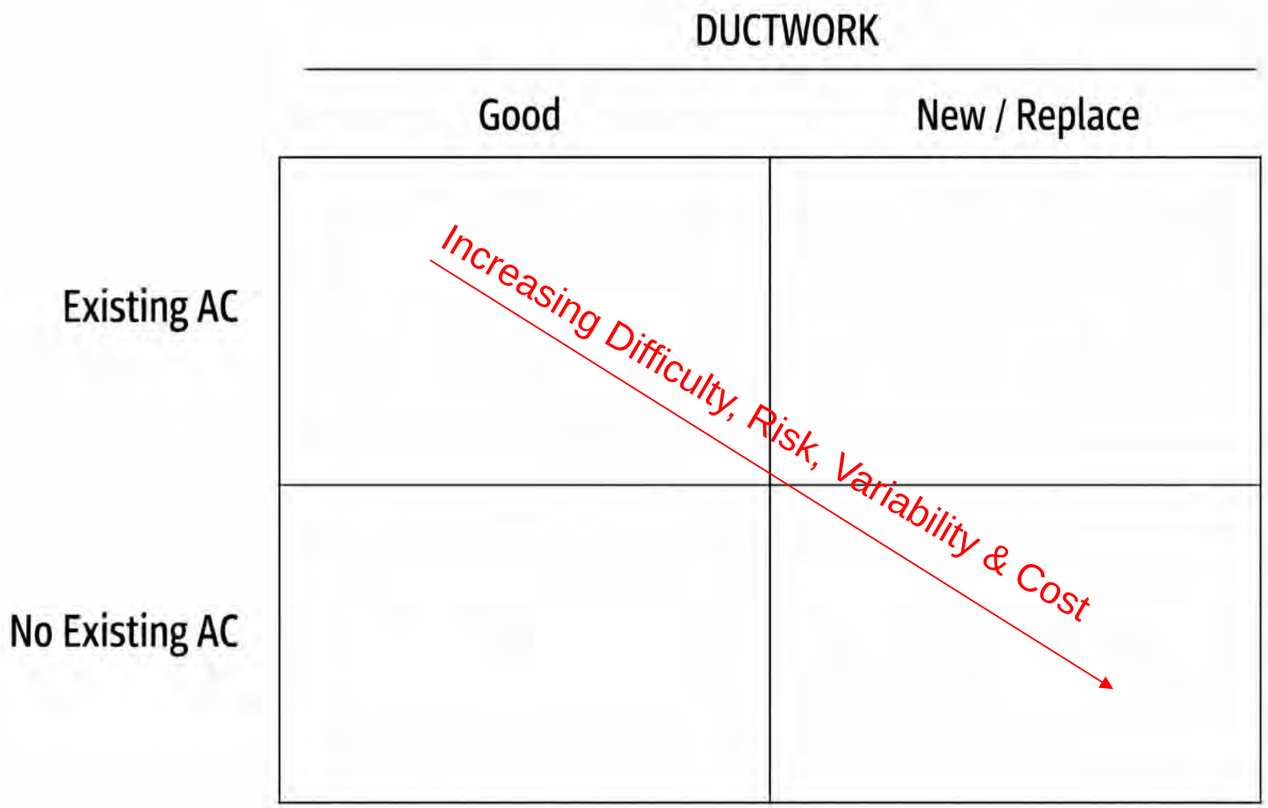
- First-year savings of $167 to $474 for minimum efficiency HP HVAC, and $364 to $733 for more efficient systems
- Highest savings for homes with existing air conditioning and replacing older furnaces

Bay Area Air District

II. Findings:

Challenging Installation Cases, Potential Tenant Impacts

Varying and Higher Costs Depends on Scope



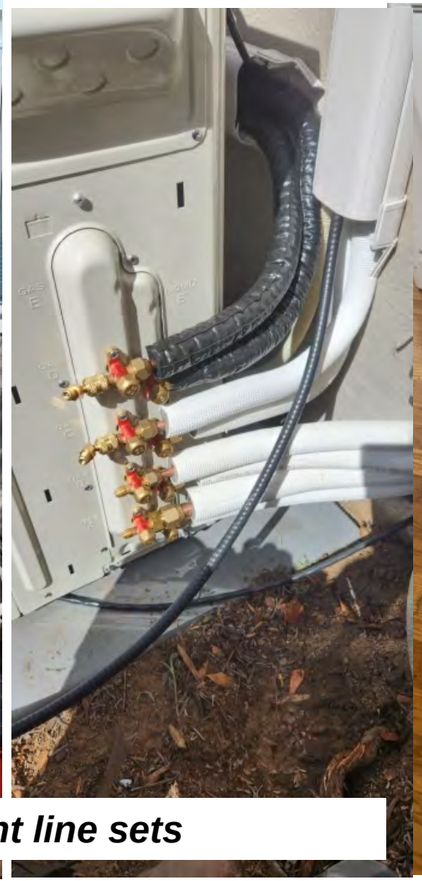
Graphic presented to the IWG by Shreyas Sudhakar, Vayu

Installation Timing Impact

- **1-2 days:** Existing AC replacement
- **2-3 days:** No AC
- **1+ week:** New or replacement ductwork, new electrical for panels at capacity, long refrigerant line-sets, highly customized design, asbestos, carpentry or other work requiring subcontractor

Increased Scope: Examples





Refrigerant line sets



Floor furnace retrofit requires carpentry



Crawlspace constraint



Wall furnace retrofit requires drywall

Panel Capacity Challenges are Rare for Single-Family Homes

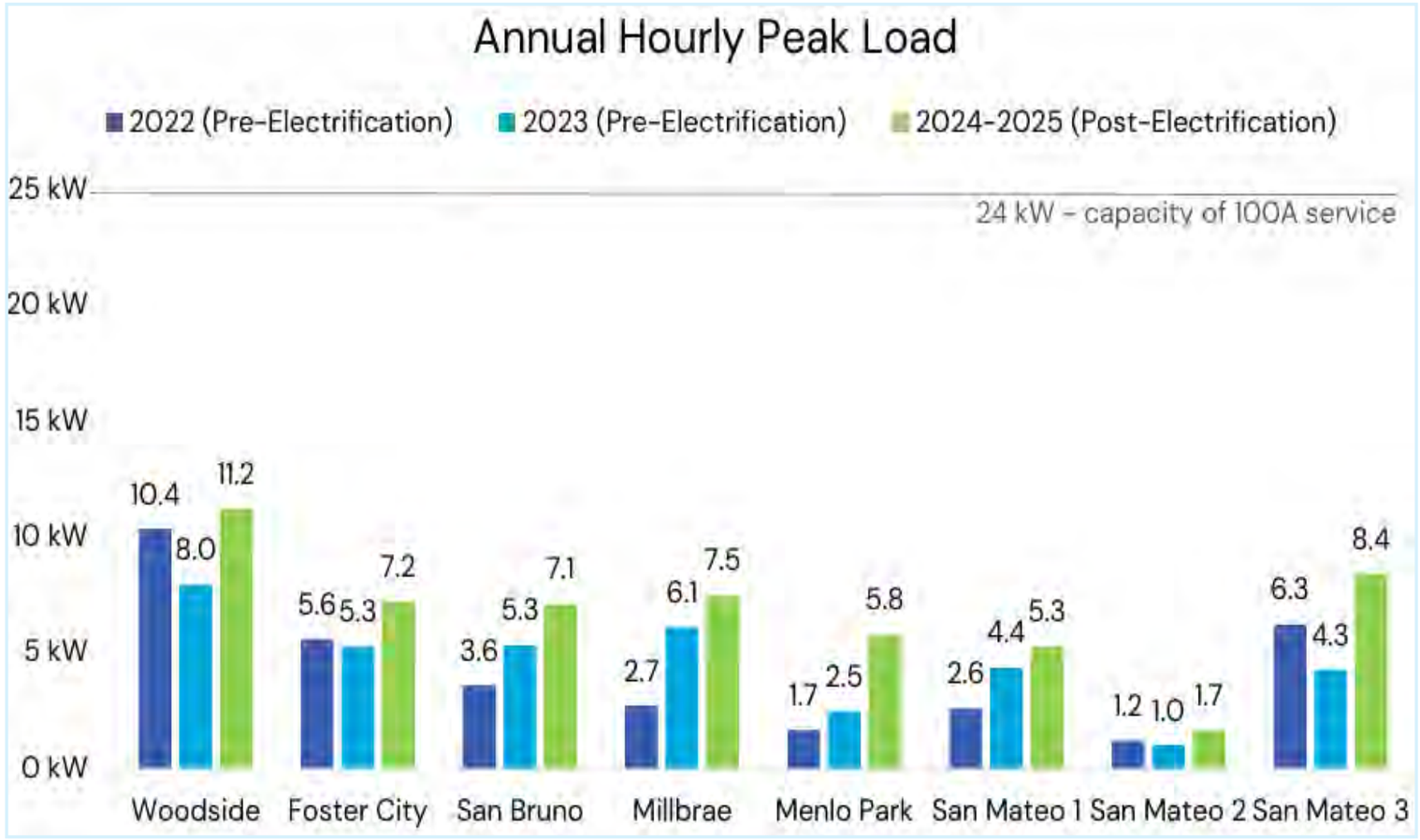
100-amp Electrification Pilots

<u>Challenging cases:</u>

- 2 EV chargers, no load management
- Multiple homes on same panel
- Unsafe panel replacement costs

<u>Post-install monitoring shows:</u>

- Zero peak demand >24 kW
- Managing EV load is key



PCE/ WestLight Energy Whole Home Case Studies FINAL 2025

Special Considerations for Large Multifamily

Building variety and age	Different building and system types require different installation approaches.
Limited outdoor space	Some buildings have little room for outdoor equipment, and taller buildings may require added logistics for rooftop units.
Shared ownership and metering	Condominium and joint-ownership buildings may need broad approval, and master-metering buildings raise questions about who pays.
Limited electrical capacity	Constraints can occur at both the building and utility service levels.
Tenant needs	Projects must keep tenants housed and heated, including when a furnace fails.

Potential Renter Impacts

- Cost pass throughs
- Temporary displacement due to significant building modifications

Why protections are uneven:

- State Law (AB 1482): buildings must be 15+ years old and expires 2030.
- 16 Bay Area cities have varying pass-through limits and additional eviction protections.
- Limited enforcement based largely on complaints.

Bay Area Air District

II. Findings:
Temporary Heating Loss

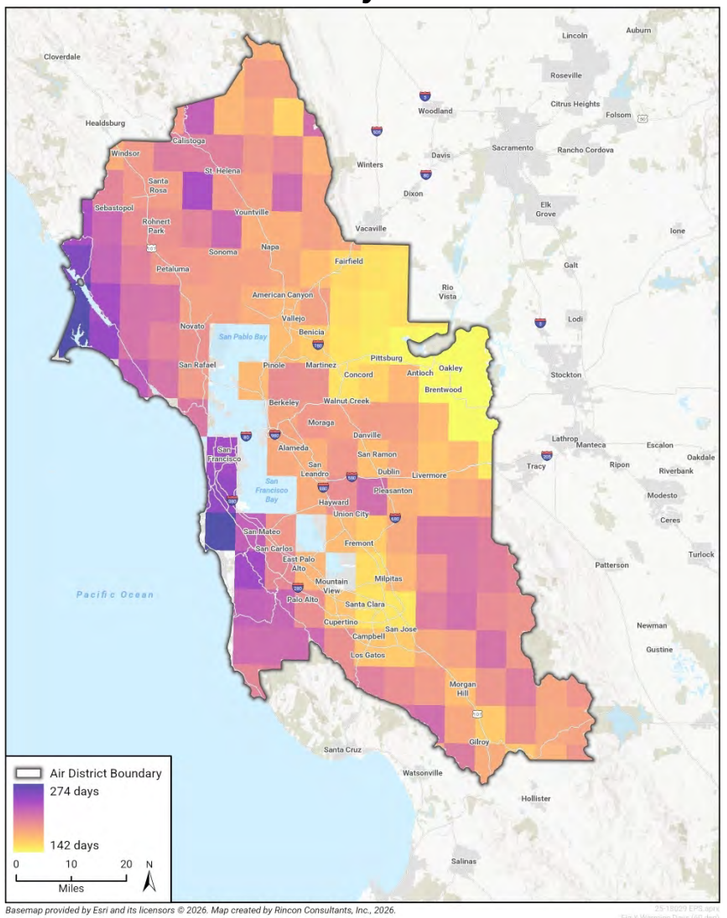
Annual Heating Need in the Bay Area

Number of days below 60°F:
- 142 to 274 days

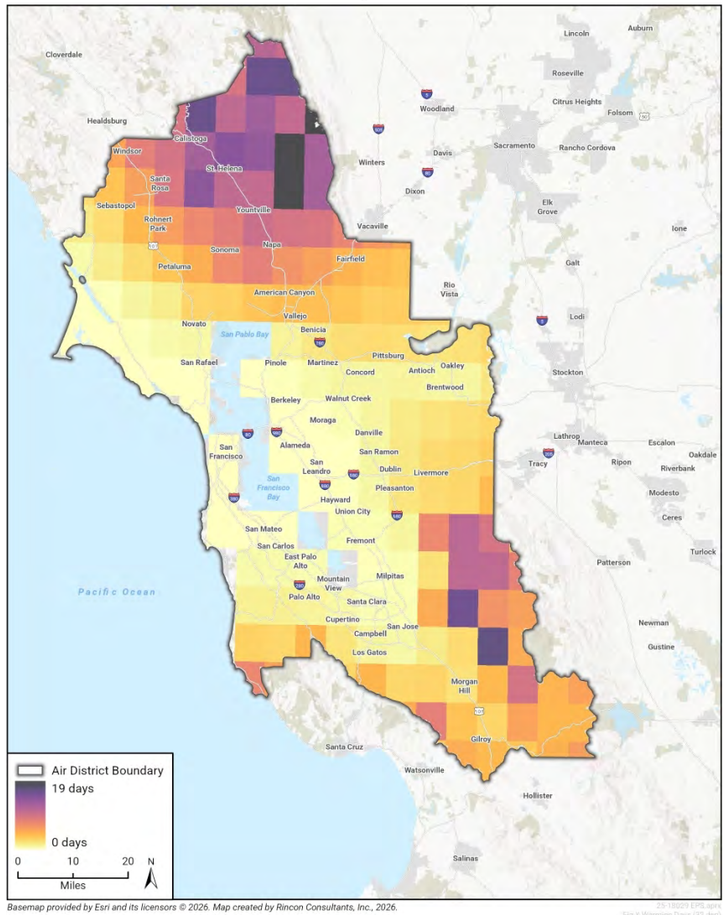
Number of days below 32°F:
- 0 to 19 days

Temporary heating loss reported to be moderate to serious problem for 57% of survey respondents

Number of days below 60°F



Number of days below 32°F



Basemap provided by Esri and its licensors © 2026. Map created by Rincon Consultants, Inc., 2026.

Temporary Loss of Heating

Downtime when switching to HP HVAC:

Small Residential

- ~2 additional days (12% increase) compared to a like-to-like (gas) replacement
- Main driver for HP HVAC installation delays is electrical work, e.g. new circuit installation, panel upsizing and service upsizing

Large Multifamily and Nonresidential

- likely longer (~1 month) due to permitting and equipment delivery

Bay Area Air District

III. Next Steps

Non-Regulatory Actions

- Scale up outreach, media and advertising campaign, to include 9-4 and HP HVAC information
- Support local governments in implementing SB 222 and permit reform
- Engage MF building owners (i.e. small landlords and affordable housing providers) in discussion about HP planning and renter impacts
- Continue to monitor supporting policies, technology developments and cost information

Possible Rule Changes

- Based on overall findings, staff recommends further amendments
- Rulemaking process would start 2027 and include:
  - Stakeholder engagement
  - Updates to the Stationary Source Committee and Board
  - Potential updated analyses: emissions, health, equity, socioeconomic and CEQA

Possible Rule Changes, cont.

- Alignment with rules from CARB and CEC
- Flexibility for commercial buildings that Title 24 does not require switching to HP HVAC, or reconsidering commercial building applicability, given costs and market challenges
- Flexibility for challenging installations, e.g. major ductwork, extra labor or upsizing electric service
- Flexibility for buildings without existing central AC
- Multifamily building flexibility to support whole-building planning

Questions & Discussion

For more information:

planning@baaqmd.gov