



Assembly Bill 2561 Vacancy Reporting

Board of Directors Meeting

June 3, 2026

Clif Brady, Human Resources Manager
Judy Yu, Human Resources Manager
Human Resources Division



Overview

- Air District-Wide - Workforce Data
- Represented Units - Workforce Data
- Recruitment Information

Air District: Vacancy Data

Summary of Vacancies (as of March 31, 2026)

Employee Group	Budgeted FTE*	Filled Positions	Open Positions	Vacancy Rate (Open/Budgeted FTE)
Total	538	468	70	13.01%
Represented: Professional/Technical	414	354	60	14.49%
Attorney Management Unit (AMU)	10	10	0	0%
Management and Confidential	114	104	10	8%

*FTE = Full Time Equivalent

Air District: Recruitment Data

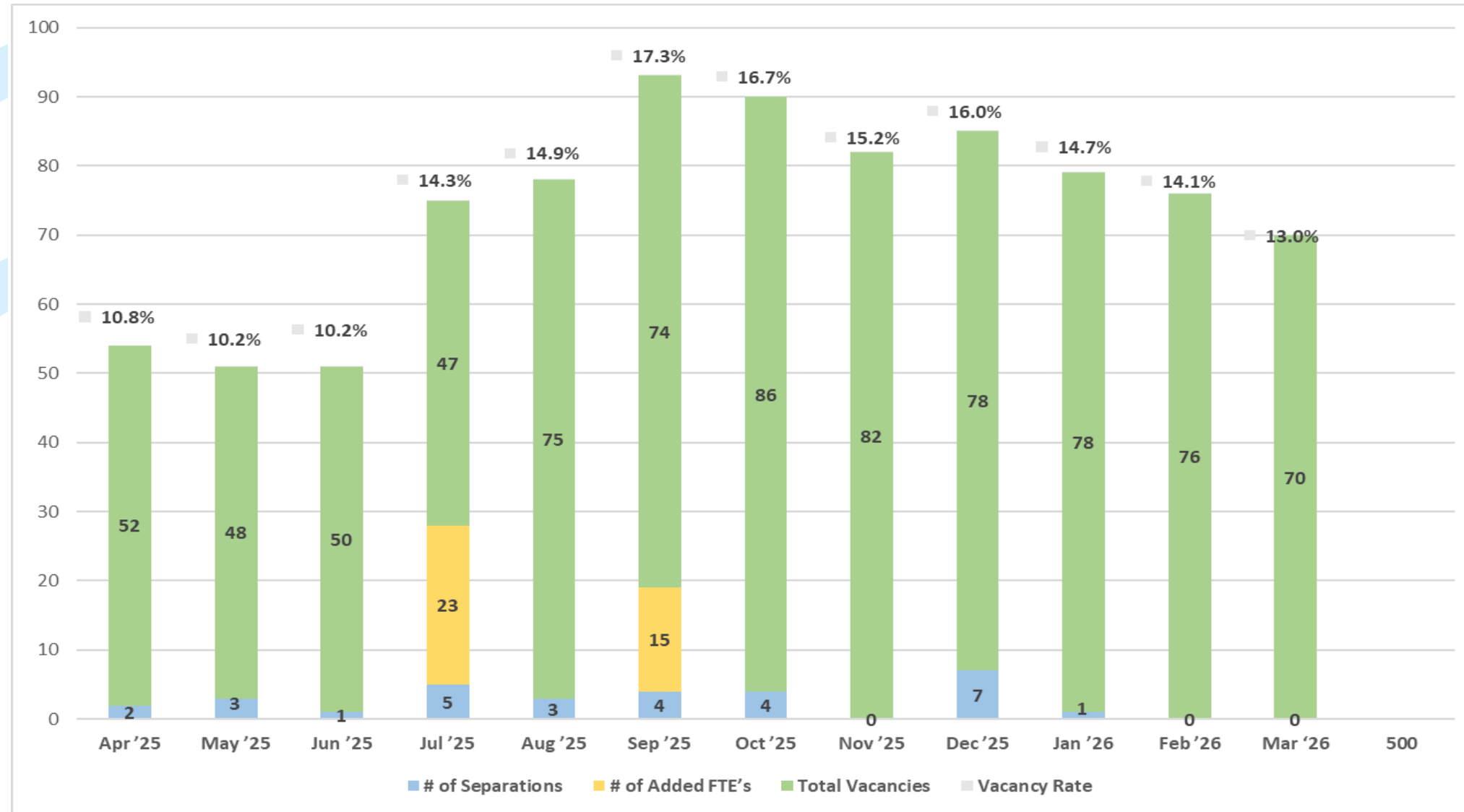
4/1/2025 to 3/31/2026	REPRESENTED	MANAGEMENT & CONFIDENTIAL	Total
Total Positions Filled	82	20	102
Filled by Promotion	43	6	49
Recruitments Initiated	51	22	73
Source of Vacancies			
FY25/26 New Authorized FTE	30	8	38
Separations (all inclusive)	23	7	30

*FY = Fiscal Year

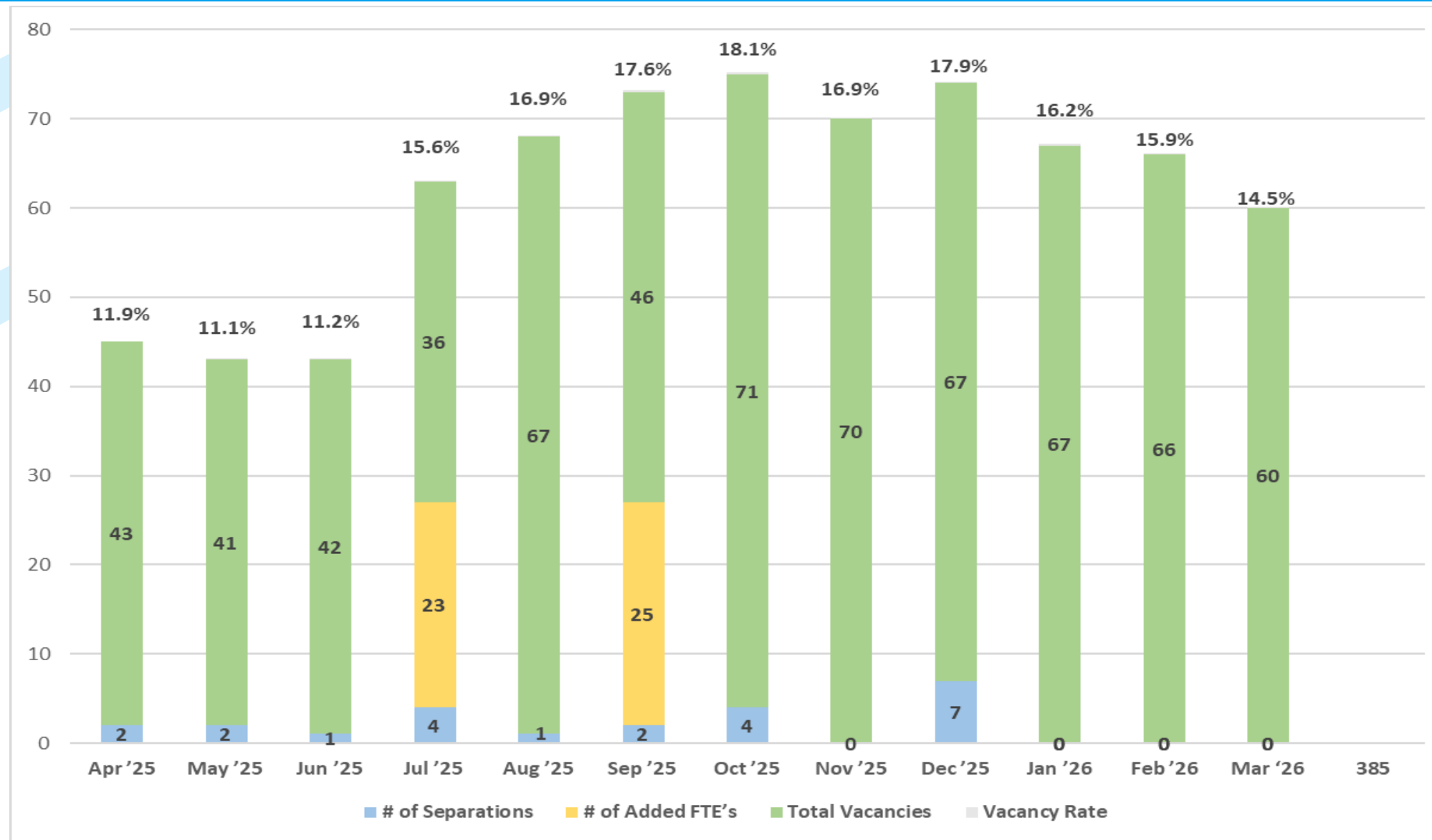
Air District: Attrition Data

	Apr '25	May '25	Jun '25	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Jan '26	Feb '26	Mar '26	Total
Total # of Separations	2	3	1	5	3	4	4	0	7	1	0	0	30
Retirement	1	3	-	3	2	2	3	-	6	-	-	-	20
Resignation	1	-	-	-	1	1	1	-	-	1	-	-	5
Involuntary Separation	-	-	1	2	-	1	-	-	1	-	-	-	5

Air District-Wide Trends



Technical/Professional Unit Workforce Trends





Recruitment Information



Recruitment Process: Represented Staff

MOU Steps	Description
Vacancy	Approved via Budget and/or created by separations/backfill for promotions
Preparation	Recruitment planning meetings and job posting development
Job posting	Advertisement and applications accepted
Minimum Qualifications Review	Human Resources (HR) screens applicants for eligibility; coordinates internal candidate appeals (if applicable)
Screening*	Panel of 3 employees score applications per hiring manager criteria
Panel interview	Panel of 3 employees conduct interviews for 12 top scoring candidates from screening
Hiring interview	Hiring manager interviews top 10 candidates from panel interview
Recommendation	Hiring manager recommends candidate(s); internal approvals obtained
Placement	Conditional job offer; Background and Reference checks completed

**Internal represented candidates automatically proceed to the Hiring Interviews*

FYE 2026 Recruitment Efforts and Successes

- HR realignment to increase recruitment efficiencies
 - 2 HR Analyst positions (1 FTE, 1 Limited Term Contract Employee) added in FY25-26 budget for recruiting support focusing on permitting backlog
- Engineering: 35 engineering positions filled by leveraging single, continuous job posting to fill multiple vacancies
- Increased outreach on recruiting and industry association websites
- Promotions: 49 Air District staff promoted to higher level positions

FYE = Fiscal Year Ending

Recruitment Opportunities

- Backfilling of Promotions
 - Despite a 128% year-over-year increase in represented positions filled, the overall vacancy rate increased only slightly from 12.3% to 14.5%
 - Promotions increased significantly year over year, creating additional recruitment demand at lower levels in the classification series

Recruitment Trends: Year over Year Comparison

Data as of:	March 31, 2025	March 31, 2026	% Change
Represented			
Recruitments Initiated	43	51	+18.6%
Promotions	26	43	+65%
Total Positions Filled	36	82	+128%
New Authorized FTE	24	30	+25%
Management/Confidential			
Recruitments Initiated	20	22	+10%
Promotions	4	6	+50%
Total Positions Filled	9	20	+122%
New Authorized FTE	4	8	+100%

Questions & Discussion

For more information:
HR_staff@baaqmd.gov



Adoption of Proposed Budget for Fiscal Year 2026-2027 and Amendments to Air District Regulation 3: Fees Board of Directors Meeting

June 3, 2026

Hyacinth Hinojosa, Deputy Executive Officer,
Finance and Administration

Stephanie Osaze, Director, Finance

Fred Tanaka, Senior Manager, Engineering

Mark Gage, Principal Air Quality Engineer, Engineering



Presentation Outline

- Background
- Budget Summary
- Additional Budget Information
- Budget Resolution Action
- Proposed Amendments to Regulation 3 Fees
- Cost Recovery Trends
- Overview of Public Comments
- Fee Amendment Resolution Action

Background

On December 17, 2025, Finance and Administration Committee was provided options on the cost recovery strategy and staff was given direction.

March 18 and April 15, 2026 - Finance and Administration Committee discussed the budget & proposed fee regulation amendments and referred to the full Board of Directors (Board) for consideration.

The Board is required to conduct two public hearings for public review and testimony. The Board held the first public hearing on April 29, 2026, and provide opportunity for public comments.

At today's public hearing, the Board will consider resolutions to adopt the fee amendment and the budget.

Background (cont.)

Today's presentation focuses on new information based on discussion at the April 29, 2026 Public Hearings. The full presentations from April 29 are also part of this board package and are available to display if requested.

New information

- Prior Year vs. Current Budget Comparison
- Five-Year Financial Forecast (With and Without Valero Permit Renewal)
- Possible actions during an Economic Downturn
- A breakdown of fee revenue by activity type
- Additional key public comments from the Regulation 3 rule development

Budget Summary

Fiscal Year (FY) 2026-27 Proposed Budget is \$480.1 million (M) and includes new investment from Community Benefit Fund:

\$116M from the Community Benefit Fund to support Bay Reinvesting Penalties for Air Improvement and Resilience (Bay REPAIR) program for community-led investments for Benicia, Richmond, and surrounding communities.

Assumes a 10% vacancy rate due to a recent acceleration of hiring activity

2.5% estimated increase to support employee salaries and benefits

Continuation of \$5M discretionary contributions to prefund Pension Trust

General Fund Budget Revenue Year-to-Year Comparison

	<u>FYE 2026</u>	<u>FYE 2027</u>	<u>\$ Δ</u>	<u>% Δ</u>
General Fund Revenue by Type	\$165.0 M	\$274.2 M	\$109.2 M	66%
Property Taxes	\$47.6 M	\$51.3 M	\$3.7 M	8%
Permits/Fees	\$68.7 M	\$75.6 M	\$6.9 M	10%
Grants	\$18.5 M	\$13.4 M	(\$5.1 M)	-28%
Other Revenue	\$11.8 M	\$12.0 M	\$.2 M	2%
Transfer From Reserves	\$18.5 M	\$121.9 M	\$103.3 M	558%

Transfers from Reserves: increase is driven primarily by funding from the Community Benefit Fund for Bay REPAIR program.

Property Taxes: increase assumes 2% annual inflationary increase.

Permits/Fees: include Regulation 3 percent increases in proposed Fee Amendments

Grants: decrease due to adjustment in one-time federal grant funding.

FYE = Fiscal Year Ending

Percentages may not total 100%, and totals may not equal the sum of displayed line items due to rounding.

General Fund Budget Expenditure Year-to-Year Comparison

	FYE 2026	FYE 2027	\$ Δ	% Δ
General Fund Expenditure by Type	\$165.0 M	\$274.2 M	\$109.2 M	66%
Salaries and Benefits	\$110.3 M	\$120.6 M	\$10.3 M	9%
Services and Supplies	\$45.2 M	\$45.7 M	\$.5 M	1%
Capital	\$6.5 M	\$10.7 M	\$4.2 M	64%
Distributions and Transfers	\$3.0 M	\$97.3 M	\$94.3 M	3,153%

Salaries & Benefits: Increased due to support for the Permit Backlog Reduction Plan and a 2.5% adjustment for salary and benefit growth.

Capital Expenditures: Higher investment driven largely by enhancements to permitting and enforcement computer systems.

Distributions & Transfers: Increased to support funding for the Bay REPAIR program.

Percentages may not total 100%, and totals may not equal the sum of displayed line items due to rounding.

General Fund 5 Year Forecast (Presented April 29, 2026)

General Fund

Fiscal Year (FY) - Five Year Projection

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
REVENUE	\$150.9	\$154.7	\$163.3	\$173.1	\$184.7
EXPENDITURE	\$174.8	\$167.7	\$171.0	\$169.9	\$172.9
Deficit/ Surplus	(\$23.9)	(\$13.0)	(\$7.7)	\$3.2	\$11.8
Use of Community Benefit Fund (9%) Reserves	\$3.8	\$2.8			
Use of General Fund Reserves	(\$20.2)	(\$10.2)	(\$7.7)	\$3.2	\$11.8
Remaining Reserves	\$73.5	\$63.3	\$55.5	\$58.8	\$70.6
25% Minimum Reserve Policy	\$40.1	\$41.9	\$42.8	\$42.5	\$43.2

- 5 Year Forecast demonstrates that, while the General Fund draws from reserves in the short-term, the Air District remains financially stable, in compliance with its reserve policy.
- Total revenue projected to grow, driven by increases in permit fee revenues, property tax growth.
- Expenditure shows dips through the forecast period, due to adjustments for one-time costs, reductions in limited-term staffing.

Updated General Fund 5 Year Forecast

(Previous presentation prematurely assumed loss of all Valero permit renewal fees)

General Fund

Fiscal Year (FY) - Five Year Projection

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
REVENUE	\$154.3	\$158.5	\$167.2	\$177.4	\$189.4
EXPENDITURE	\$178.2	\$167.9	\$171.2	\$170.1	\$173.2
Deficit/ Surplus	(\$23.9)	(\$9.5)	(\$4.0)	\$7.3	\$16.2
Use of Community Benefit Fund (9%) Reserves	\$3.8	\$2.8			
Use of General Fund Reserves	(\$20.2)	(\$6.7)	(\$4.0)	\$7.3	\$16.2
Remaining Reserves	\$73.5	\$66.8	\$62.8	\$70.1	\$86.3
25% Minimum Reserve Policy	\$40.9	\$42.0	\$42.8	\$42.5	\$43.3

- Assumes inclusion of \$4M in fee revenue related to the Valero annual permit.
- Assumes adoption of the Proposed Regulation 3 Amendments in FY 2026-27.
- The Air District remains financially stable and in compliance with its reserve policy.

Economic Downturn – Possible Actions

Possible Actions in the event of an Economic Downturn:

- Utilize Reserves to Support General Operations
- Reduce recruitment efforts and manage Staffing Through Attrition
- Postpone Non-Essential and Discretionary Expenditures
- Defer Capital Investment
- Review and Adjust Cost Recovery Policy
- Fund Required Pension Contributions using Pension Trust

Summary of Budget Resolution Actions

- Carry forward encumbrances and appropriations
- Transfer unencumbered funds to undesignated reserves
- Define use of operating surplus
- Approve reserve designations modifications and funding amounts
- Authorize budget transfers between specified accounts
- Authorize certain disposal of assets
- Approve salary schedule and management & confidential employee benefits program
- Approve funding to the Pension Prefund Trust (\$5M)
- Adopt the FY 2026-2027 Proposed Budget (\$480.1M)



2024-2029 Strategic Plan Implementation



The 2024-2029 Strategic Plan

Mission-Driven Transformation: An updated mission to improve air quality, reduce historical and current environmental inequities, and mitigate climate change.

Core Values: Grounded in environmental justice, equity, integrity, partnership, transparency, and trust.

Five-Year Vision: A commitment to transform the workforce, operations, and programs to demonstrate leadership in equity-centered stewardship by 2029.

Primary Goals: Achieve measurable air quality impact, while advancing environmental justice through community partnership, fostering an inclusive organizational culture, and enhancing overall accountability and customer service.

Accountability Through Action: Implementation of tangible performance metrics and annual reporting to the Board and the public to ensure transparency in progress.

MISSION

The Air District improves air quality to protect public health, reduce historical and current environmental inequities, and mitigate climate change and its impacts.

CORE VALUES



5-YEAR VISION

Over the next 5 years, the Air District will transform its workforce, operations, community engagement, and programs to improve air quality, increase public trust, and demonstrate leadership in equity-centered environmental stewardship.

Environmental Justice Priorities

5-YEAR GOALS



Path to 2029: Strategic Plan Progress Report

- **Accountability Framework:** Established system to track and report progress on *2024-2029 Strategic Plan*
- **Connecting Vision to Action:** Maps plan's goals directly to day-to-day staff activities, ensuring all work is measurable and transparent
- **Strategic Scale:** Over 580 specific actions identified and most initiated
- **Four Pillars of Progress:** Progress organized by plan goals
- **Feature Stories:** Highlights key milestone successes
- **A "Living Document":** Reporting informs Air District's operations, annual budget, and legislative priorities

www.strategicplan.baaqmd.gov

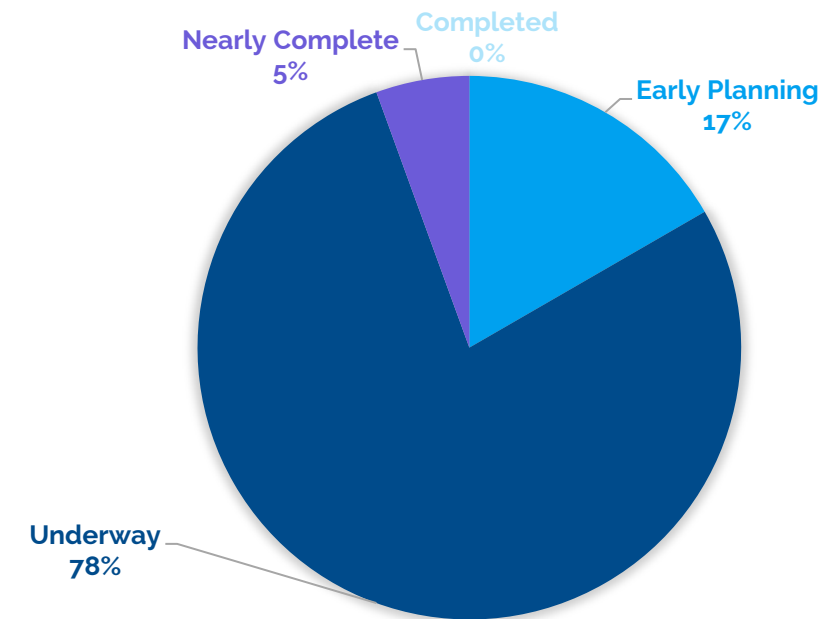


QR code for Bay Area Air District strategic plan website.

Implementation Snapshot

- Comprehensive tracking and reporting process developed
- Nearly 580 actions identified to advance strategies
- Efforts underway across all 36 strategies
- Two strategies nearly complete

STRATEGY IMPLEMENTATION SNAPSHOT



Pie chart showing implementation progress of strategic plan strategies.

Feature Stories

- Bay Area Plans Path to State Climate Goals
- Reinvesting in Communities
- Community Partnerships Expand
- Community Science in East Oakland
- Investing in People: A New Era of Professional Growth & Connection
- At Your Service: Reimagining the Permitting Experience





Proposed Regulation 3 Amendments

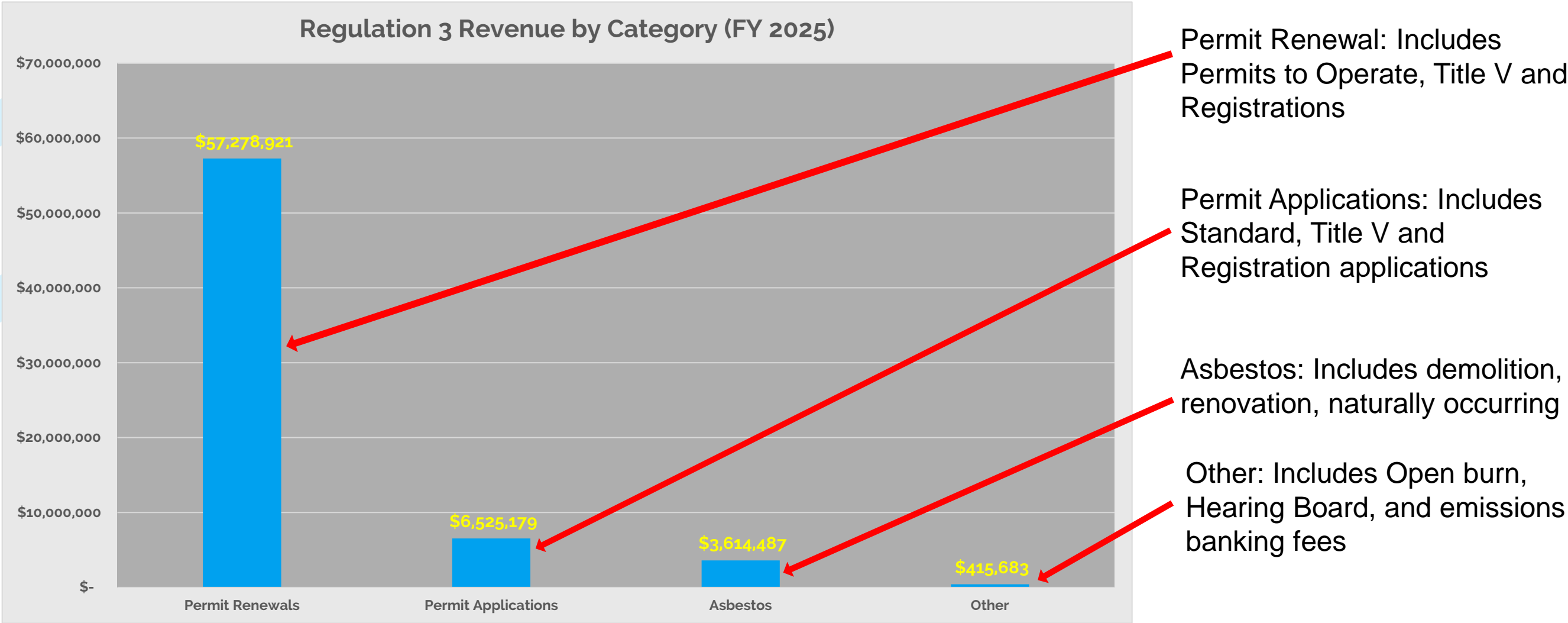


Background: Proposal Impact

Impact of Proposed Amendments

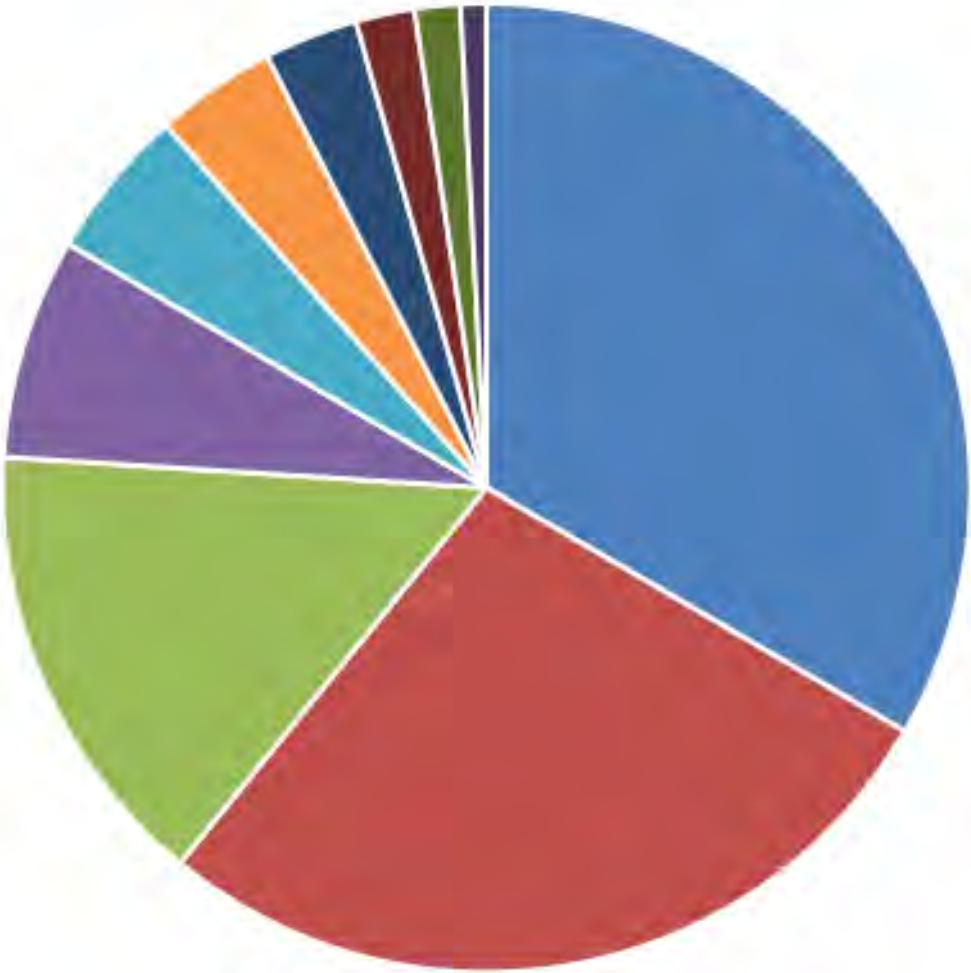
- Proposed amendments to Regulation 3, Fees, are dictated by the Board-approved Cost Recovery strategy and include other proposed amendments
- Estimated budget increase is \$8.0 million compared to FY 2025 revenues
- These amendments have a weighted fee schedule increase of **5.7 percent**

Background: Revenue



Background: Costs

Total Costs Assigned to Schedules



FY 2025 Cost by Division/Service

- Compliance & Enforcement (33%)
- Engineering (28%)
- Enterprise Technology Solutions (15%)
- Source Test (7%)
- Legal (5%)
- Meteorology & Measurement (4%)
- Regulatory Development (3%)
- Assessment, Inventory & Modeling (2%)
- Environmental Justice (2%)
- Other (1%)

Proposed Fee Amendments

Proposed Change in Fees	Fee Schedules	FY 2025 Fee Revenue %, (\$)
20% decrease	R	0.4% (\$266K)
0% increase	B, C, D, L, N, T, X	44.4% (\$35M)
2.3% increase (CPIw)	Section 300 fees, I, M	15.0% (\$1.6M)
3.6% increase	G5	1.2% (\$1.7M)
8.8% increase	E	7.1% (\$4.7M)
15% increase	A, F, G1, G2, G3, G4, H, K, P, S, V*, W	31.9% (\$23.9M)

Weighted average proposed fee increase = +5.7%

*Open Burning Operation Fee and Stubble Burn Operation Fee only

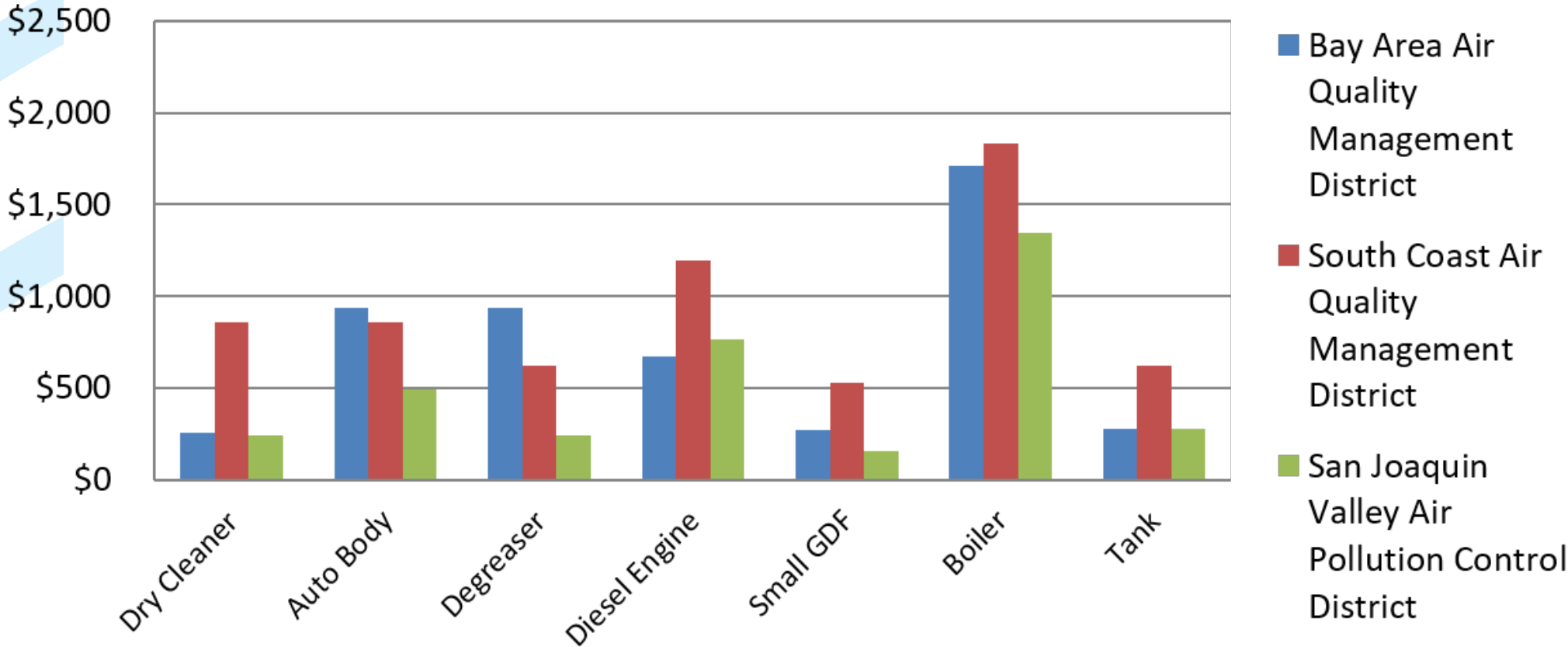
CPIw - The annual Consumer Price Index of the previous year for Bay Area Urban Wage Earners and Clerical Workers

Proposed Fee Amendments: Other

- General clean-up (e.g., remove obsolete language, typos)
- Remove the delinquent fee for permit renewals in Section 3-405.4.1.2 and Section 3-405.5
- Add a fee for Emission Reduction Credit Reissuance Fee in Section 3-311.6
- Align the Risk Assessment Fee (RAF) for Schedule B (Combustion of Fuels), Schedule C (Stationary Containers for the Storage of Organic Liquids)
- Increase the RAF for existing sources in Schedule D.A (Gasoline Transfer at Gas Dispensing Facilities)
- Reclassify gasification/pyrolysis sources from Schedule F (General miscellaneous) to Schedule G1

Fee Comparisons

Fiscal Year Ending 2023 Small Facility Comparison

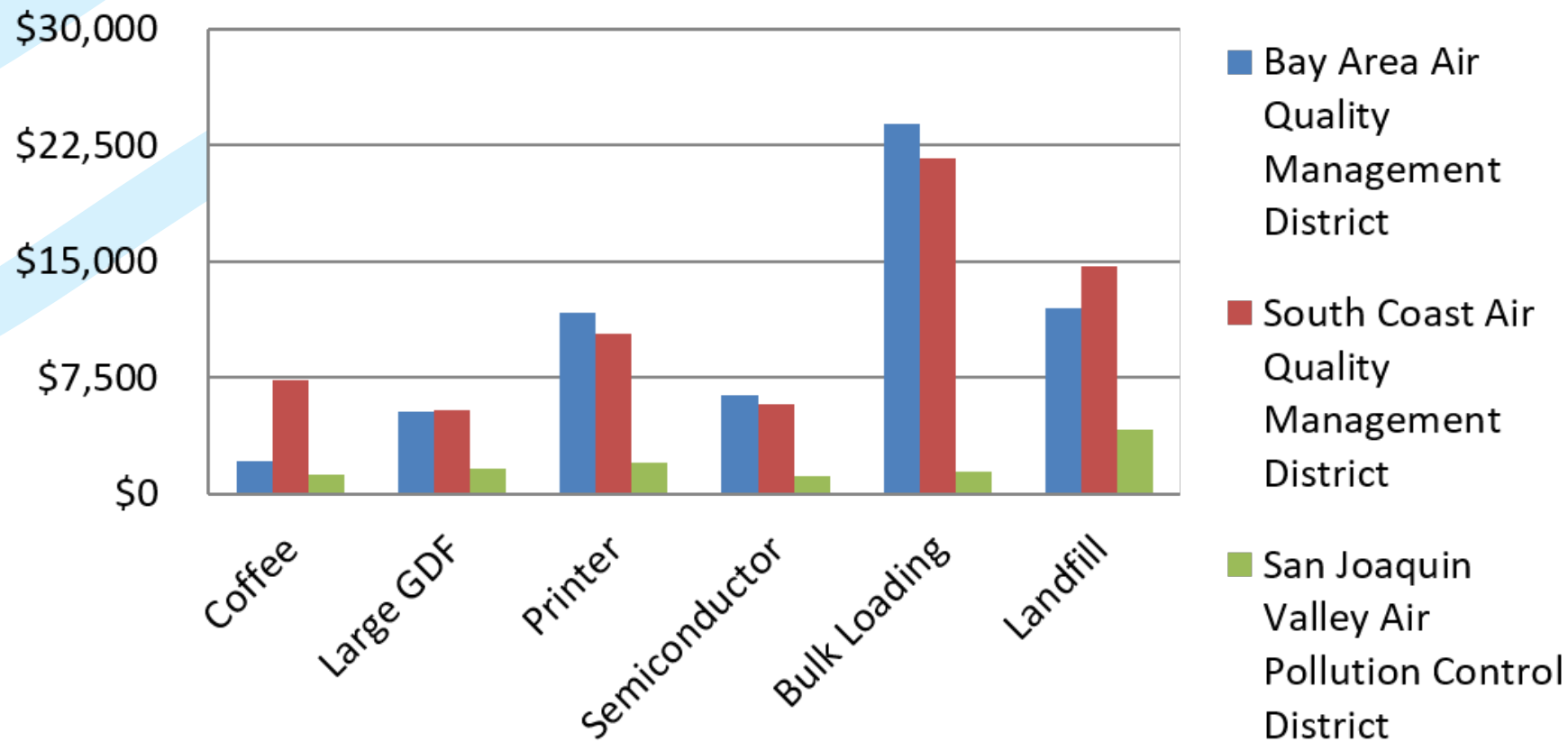


For comparison, base or minimum fees were used.

GDF = Gasoline Dispensing Facility, "Gas station"

Fee Comparisons

Fiscal Year Ending 2023 Medium Facility Comparison



Coffee: 3 sources and 2 abatement devices

Gasoline Dispensing Facility (GDF): 36 Product nozzles

Printer: 13 printers and 2 book binders

Semiconductor: 1 Fabrication operation, 2 coaters, 4 solvent stations, 1 engine, 1 filter

Bulk loading: 2 loading racks, 6 tanks, 1 cleaner, 2 additive storage tanks, 2 abatement units

Landfill: with waste/cover, storage pile, gas engine, flare

Top 10 Facilities - Permit renewal fees

Facility Name	Permitted sources	Previous renewal fees	Fee change impact*, \$ (%)
Martinez Refining Company LLC	286	\$5,921 K	+\$413 K (7.0%)
Chevron Products Company	297	\$5,475 K	+\$344 K (6.3%)
Valero Refining Company - California	173	\$3,836 K	+\$267 K (7.0%)
Phillips 66 Company – Rodeo Renewable Energy Complex	170	\$2,758 K	+\$230 K (8.3%)
Tesoro Refining & Marketing Company, LLC	133	\$2,008 K	+\$124 K (6.2%)
Delta Energy Center	9	\$1,022 K	+\$26 K (2.5%)
Los Medanos Energy Center	8	\$746 K	+\$18 K (2.3%)
Marsh Landing LLC (Marsh Landing Generating Station)	6	\$700 K	+\$20 K (2.9%)
Gateway Generating Station	5	\$665 K	+\$13 K (2.0%)
Metcalf Energy Center	7	\$562 K	+\$14 K (2.5%)

*Projected

Key Public Comments

Delay fee increases until level of service improves

- Efforts are already underway to improve level of service
 - Board approved new positions in September 2025
 - Efficiencies are also addressed by reallocating resources, training, improved tools, program efficiencies, and overall cost containment
 - Improvements are part of the strategic plan and ideas are collected from the Permit Efficiency Taskforce
- Cost recovery addresses work that has already occurred with existing resources.
- Delaying fee increases would extend timeframe to meet 100% cost recovery and/or drop level of service. Fees fund program activities (level of service), including inspections & enforcement, emissions testing, rule development, as well as permitting.

Key Public Comments

Fees and fee amendments: 1) Why are Schedules G-4, G-5, and W proposed for a fee increase?, 2) Why is Schedule R treated differently than other over-recovered schedules, 3) Why does the Air District continue to collect Schedule X fees?

- **Response to 1:** Cost recovery is analyzed using a 3-year average not just the most recent year. Schedules G-4, G-5 and W, averaged over 3 years, are under recovered.
- **Response to 2:** Schedule R sources and operations do not have a Permit to Operate. They are treated differently because maintaining this program requires fewer resources.
- **Response to 3:** Schedule X is collected to comply with state law on fence-line/community monitors. These fees pay for siting, equipment and maintenance. Air District has hired staff and deployed one community fence-line/community monitor. A second monitor is planned for deployment in the next 2 months with a third in the fall of 2026.

Key Public Comments

Cost recovery and containment: 1) Another cost recovery & containment study is unnecessary, 2) Costs should be contained at current levels until it closes the cost recovery gap

- **Response to 1:**

- Having an independent cost recovery and containment study satisfies Resolution 2 of the 2022 Board policy
- The scope of this study will review our current methodology and other key areas such as 1) to review practices at other air districts, 2) provide options for resetting fees that are consistently under-recovered, and 3) recommend options to improve efficiency

- **Response to 2:** Staff continues to implement efficient use of existing resources such as improved tools, updating templates, rules, & documentation, training, and streamlining programs. The study will evaluate specific source types, events, and facilities that consume a disproportionate amount of staff resources and recommend/implement policies to reduce costs.

Recommended Action

Adopt Resolution to adopt the Fiscal Year 2026-27 Proposed Budget and related budget actions, effective July 1, 2026.

Adopt Resolution to adopt the Regulation 3 Amendments, effective July 1, 2026.

Questions & Discussion

For more information:

Stephanie Osaze | Director of Finance | sosaze@baaqmd.gov

Fred Tanaka | Senior Manager | ftanaka@baaqmd.gov



Proposed Amendments to
Regulation 11: Hazardous Pollutants,
Rule 18: Reduction of Risk from Air Toxic
Emissions at Existing Facilities

Board of Directors Meeting

June 3, 2026

Katie Gong
Senior Air Quality Engineer
Regulatory Development Division



Abbreviations / Acronyms

- CEQA: California Environmental Quality Act
- EIR: Environmental Impact Report
- HRA: Health Risk Assessment
- RRP: Risk Reduction Plan
- RAL: Risk Action Level
- DRP: Dispute Resolution Panel
- TAC: Toxic Air Contaminant, or Air Toxic
- SSC: Stationary Source Committee
- Q#: Quarter #

Recommended Action

Air District staff recommends that the Board adopt the Resolution, which includes:

- Proposed amendments to Rule 11-18;
- Findings of necessity, authority, clarity, consistency, non-duplication, and reference;
- Proposed updates to the Rule 11-18 Implementation Procedures;
- Addendum to the Environmental Impact Report (EIR) for Rule 11-18; and
- Mitigation Monitoring and Reporting Program for Rule 11-18.

Presentation Outline

- Background
- Rule 11-18
 - Proposed Amendments to Rule Language
 - Proposed Updates to Implementation Procedures
 - Findings
- Public Engagement and Comments
- Resolution and Recommendation



Background of Rule 11-18: Reduction of Risk from Air Toxic Emissions at Existing Facilities

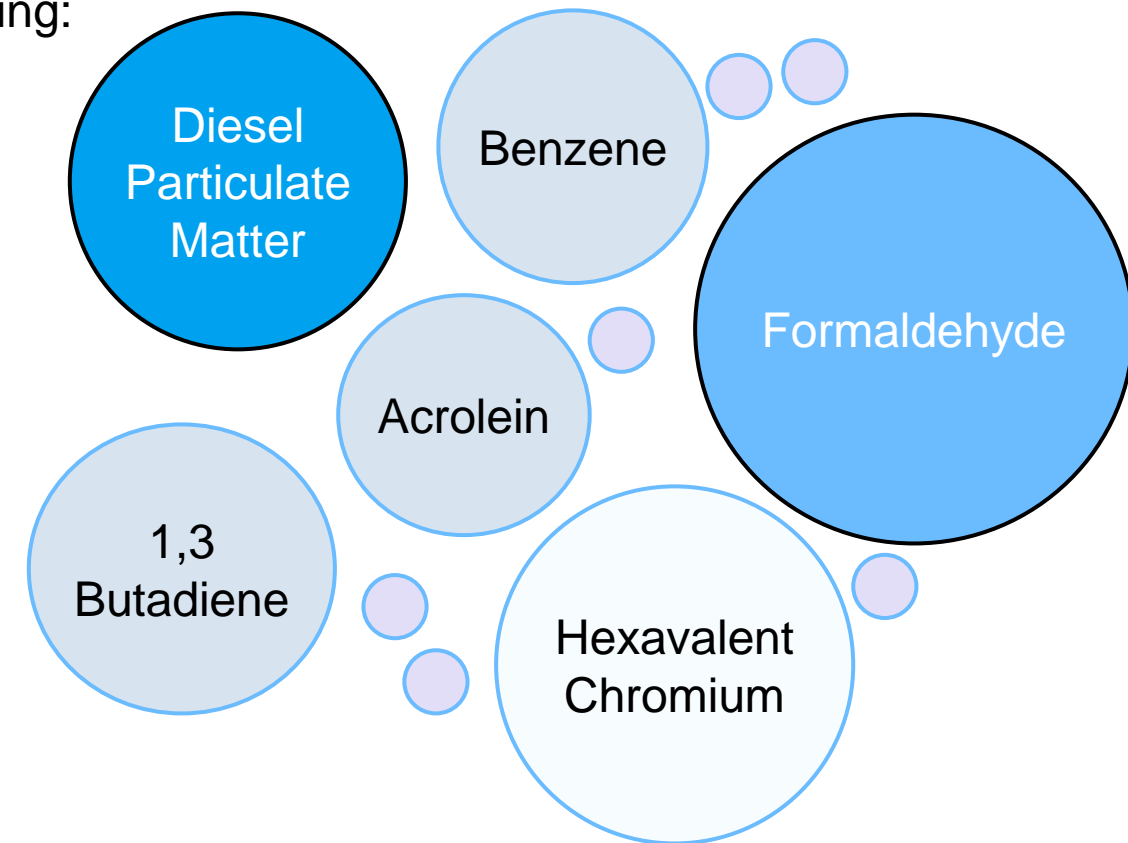


Air Toxics in the Bay Area

What Do We Mean by **Toxics?**

An air pollutant which may cause or contribute to an increase in mortality or an increase in serious illness, or which may pose a present or potential hazard to human health

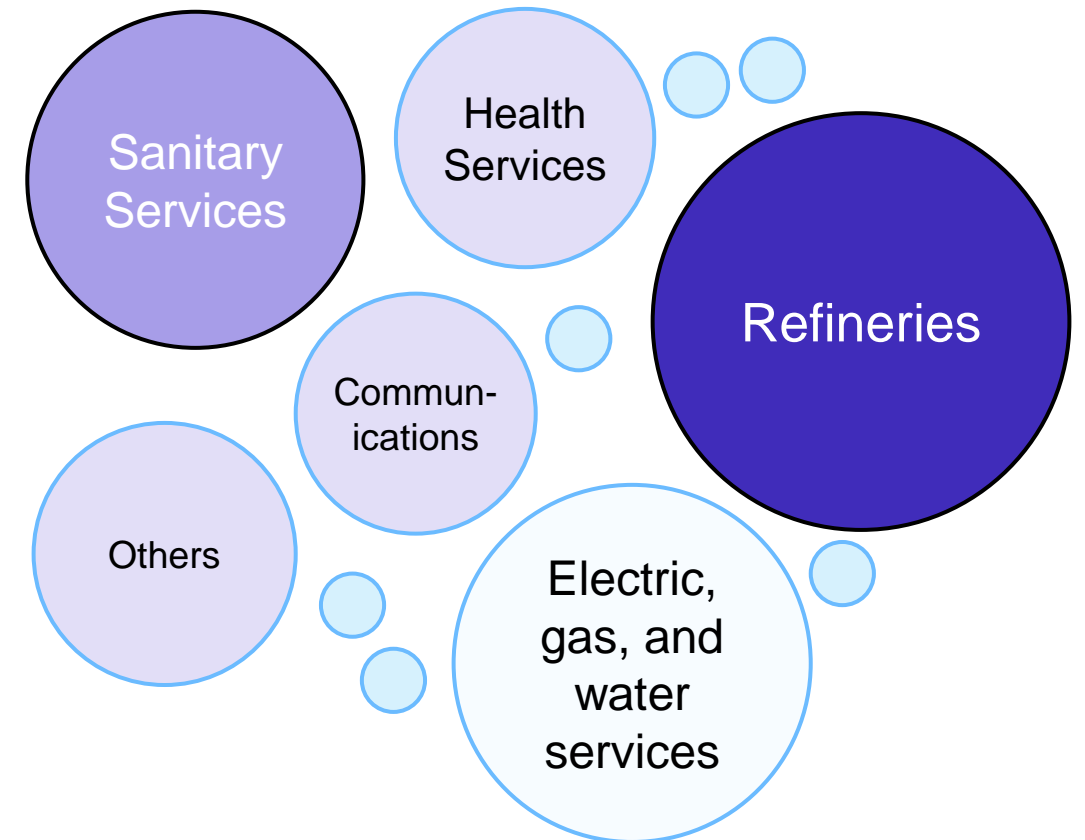
→ Approx. 200 individual chemicals, including:



Air Toxics in the Bay Area

- Thousands of facilities report their air toxic emissions to the Air District
 - Estimated 300+ facilities will be prioritized for Rule 11-18 review
 - Diverse types of facilities
- Types of sources at these facilities:
 - Diesel-fueled internal combustion engines
 - Combustion sources
 - Waste water treatment
 - Evaporative and fugitive emissions

Types of Facilities with Highest Prioritization Scores



Overview of Rule 11-18

- Rule was adopted in 2017
- **Goal: Reduce the risk from existing sources of air toxic emissions**



- **Identify facilities** that pose elevated health risks due to toxic air contaminant emissions (via a **Health Risk Assessment, HRA**)



- Require those facilities to **reduce health risks**.
- By developing and implementing a **Risk Reduction Plan (RRP)** to
 - (a) reduce facility health risks below Risk Action Levels, or
 - (b) install best available retrofit controls on each significant source of health risk

Feedback on Rule 11-18 Implementation

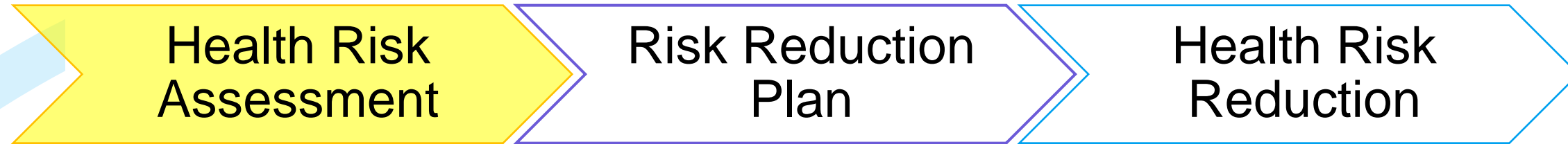
Concerns:

- **Only two preliminary HRA reports published for public comment**
- **Delays in Rule 11-18 implementation and risk reduction progress**

Raised at:

- Air District Stationary Source Committee
- Assembly Bill (AB) 617 Community Steering Committees
 - Richmond-North Richmond-San Pablo Path to Clean Air (PTCA): Fuel Refining Strategy 4.1
 - East Oakland Right to Breathe: Commercial And Industrial Sources (C&I) Strategy 2
 - West Oakland Community Action Plan: Strategy 69

Delays in Rule 11-18 Implementation

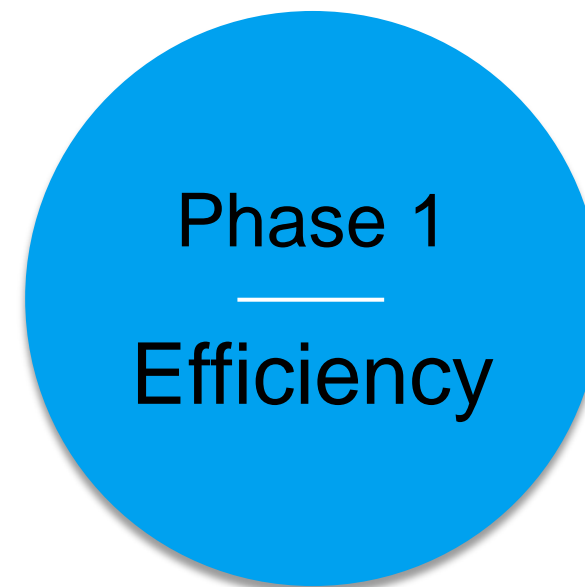


- **Delays in current HRA process are preventing progress toward risk reduction**
- Bottlenecks in current HRA process:
 - Back and forth with facilities during consideration of facility-specific characteristics
 - Limited deadlines for facility responses
 - HRA model setup

Air District Actions

- Working on and enacting process improvements
- Website additions and updates for improved transparency
- Significant community outreach efforts

- Initiated 2-phased **rule amendment** process:



Proposed Amendments Overview

Proposed Amendments to Rule 11-18

- Health Risk Assessments
- Risk Reduction Plans

Proposed Updates to Implementation Procedures



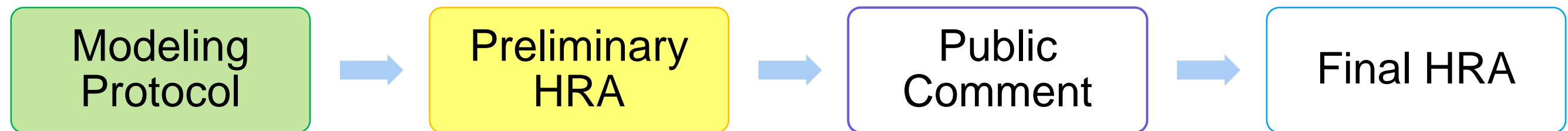
Proposed Amendments to Rule Language



Proposed Rule Amendments: *Health Risk Assessments*



- Require facilities to prepare preliminary HRAs using Air District-approved modeling protocols
 - Standardized methods
 - Customized with site-specific information
- Give the Air District authority to review, correct, and approve HRA inputs and results
- Establish specific deadlines for facilities to respond to Air District comments and corrections



Proposed Rule Amendments: *Health Risk Assessments (cont.)*



- Formalize the current practice of holding a public comment period on the preliminary HRA concurrent with the existing 90-day comment period for the facility
- Outline what happens when additional testing or emissions data may affect the facility's HRA results and whether or not they exceed a Risk Action Level

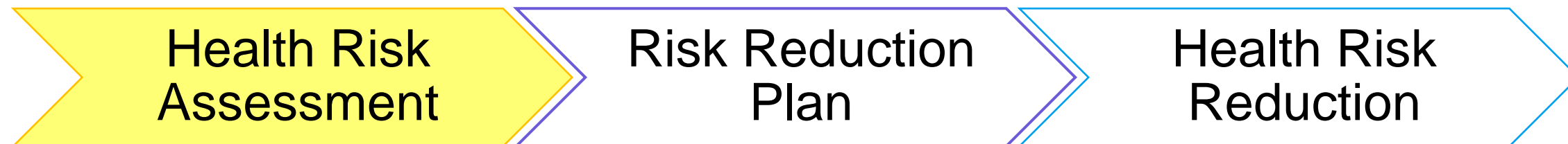
Proposed Rule Amendments: *Health Risk Assessments (cont.)*



Proposed HRA procedures would enhance efficiency by:

- Saving considerable Air District time inputting modeling parameters
- Reducing back and forth between Air District and facility
- Enabling more preliminary HRAs to move forward simultaneously
- Focusing on high impact pollutants and sources with a targeted emissions inventory review

Proposed HRA procedures would accelerate progress toward risk reduction



Proposed Rule Amendments: *Risk Reduction Plans*



- Revise the terminology and timeline associated with the Air District's review of draft RRPs prior to public comment; and
- Clarify the circumstances under which extensions to the implementation of an RRP or risk reduction measure may be granted.



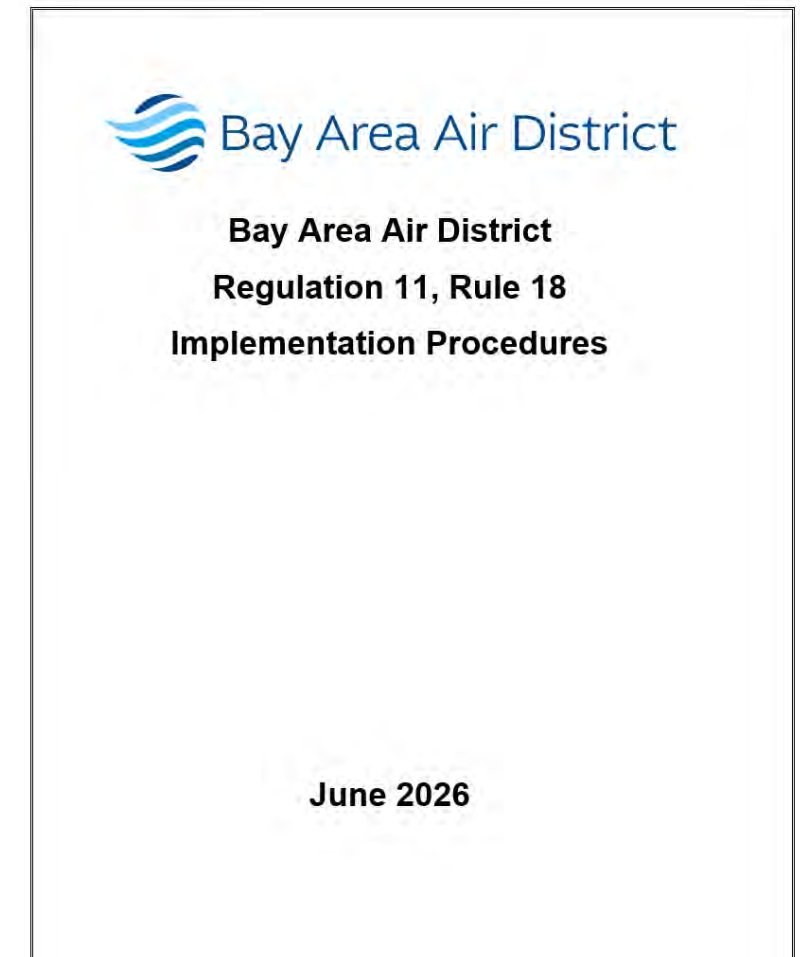
Proposed Updates to Implementation Procedures



Overview of Implementation Procedures



- The Implementation Procedures are a set of procedural guidelines developed to support consistent and transparent application of Rule 11-18
- The Implementation Procedures were most recently revised in 2024 after a public comment period



Proposed Implementation Procedures: *General*



- Administrative corrections and clarifications
- Proposed updates made to reflect the revised requirements and procedures described in the proposed amendments to Rule 11-18 (e.g. steps for facilities conducting preliminary HRAs)

Proposed Implementation Procedures: *Dispute Resolution Panel*



- In the 2017 Board Resolution approving Rule 11-18 and a 2019 settlement agreement with Western States Petroleum Association (WSPA), the Air District included provisions to convene a panel of technical experts
- This Dispute Resolution Panel (DRP) is intended to advise the Air District regarding technical disputes that may arise regarding implementation of Rule 11-18 at refineries

Proposed Implementation Procedures: *Dispute Resolution Panel (cont.)*



- **Eligibility:** Limit to facilities defined as refineries
- **Submission Content:** Requests must identify specific disagreements with an Air District determination, propose specific remedies, and include supporting materials
- **Limits on Requests:** One request for the HRA and one for the RRP, each covering up to three distinct issues (each with a specific disagreement and proposed remedy)

Proposed Implementation Procedures: *Dispute Resolution Panel (cont.)*



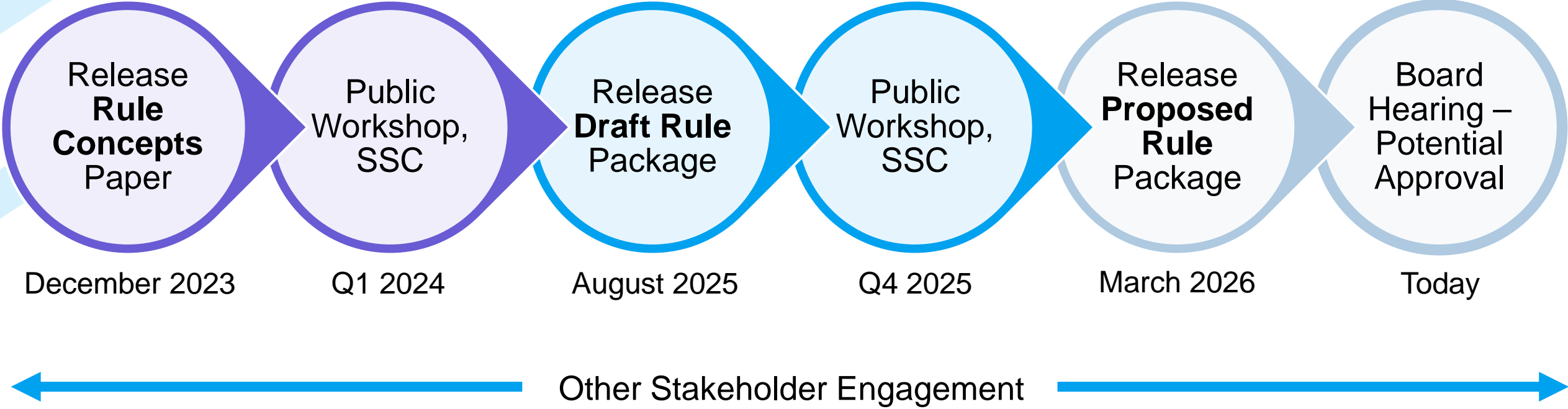
- **Scope of Disputes:**
 - After the Air District responds to comments on preliminary HRAs, disputes are limited to inventory and methodology issues
 - After the Air District responds to comments on draft RRPs, disputes are limited to technological feasibility, economic burden, determinations on best available retrofit controls for toxics, or updates to inventories that have been made with additional data
- **Timeliness and Prior Participation:** Only issues, remedies, or materials raised during the public comment period may be included, unless they address post-comment period changes made to the HRA or RRP



Rule 11-18 Proposed Amendments Package



Public Participation Process



Public Comments Received

Eight written comment letters received regarding the proposed amendment materials

- Three from community stakeholders
- Five from industry stakeholders

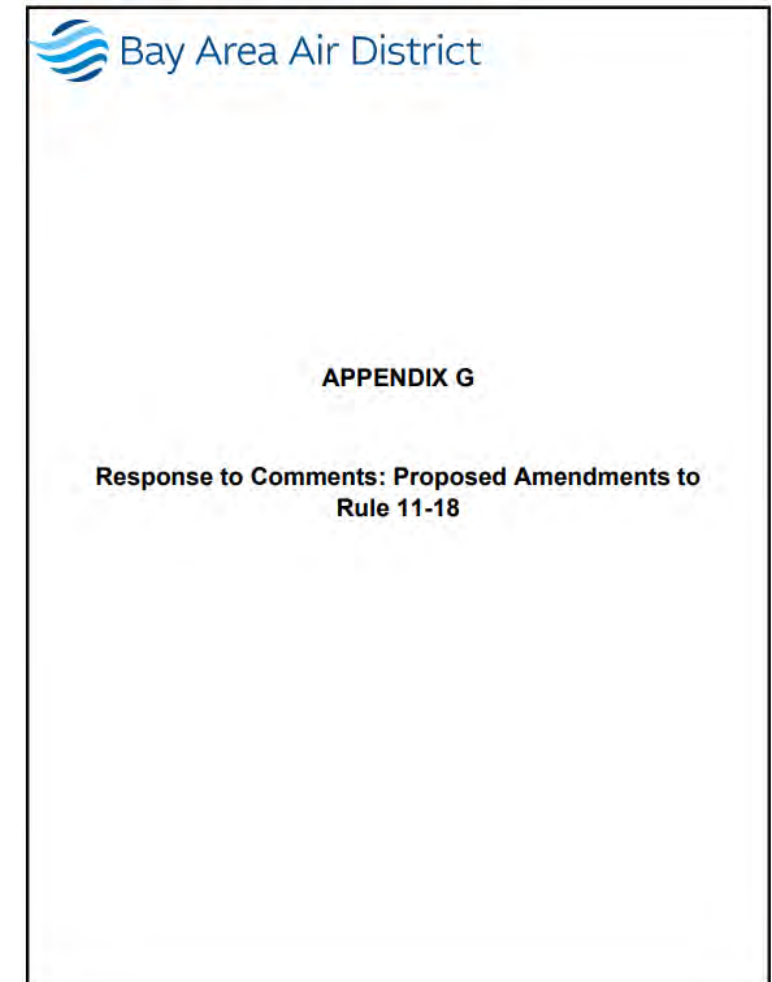
General:

- Support: AB 617 PTCA Community Steering Committee member and a resident
- Oppose: Communities for a Better Environment (CBE) and five other organizations oppose, stating HRAs initially prepared by facilities could undermine trustworthiness of the results
- Other commenters:
 - Western States Petroleum Association (WSPA), Chevron, Phillips 66, California Council for Environmental and Economic Balance (CCEEB), Bay Area Clean Water Agencies (BACWA)

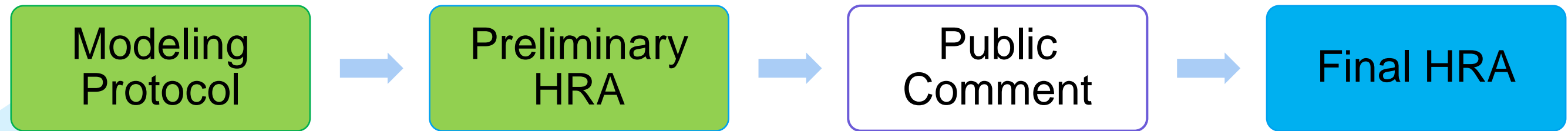
Public Comments Received (cont.)

Topics including:

- Air District vs. facility-prepared HRAs
- Legacy vs. new HRA procedures
- Timelines
- Emissions inventory transparency and review
- Additional comment periods (facility and public)
- Dispute Resolution Panel (DRP)



Air District Oversight of Facility-Prepared HRAs

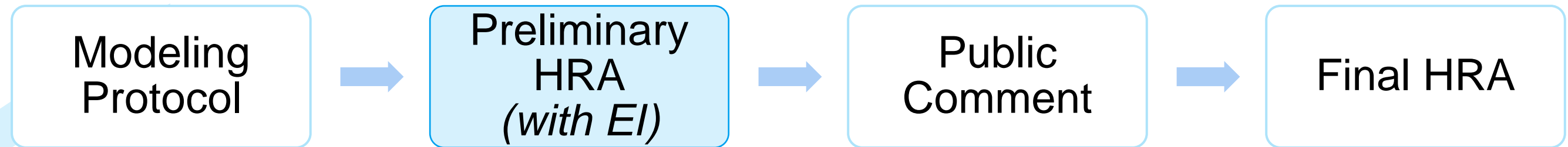


Air District prepares initial emissions inventory

1. Facility prepares draft (input parameters)
2. Air District reviews
3. *If Air District requires alterations, facility must implement*
4. *Air District reviews*
5. Air District approves

Air District maintains authority to prepare HRA in whole or in part

Emissions Inventory (EI) Review Timing



- **Problem:** Ideal to approve EI first, but health risk drivers are unknown until draft preliminary HRA complete
- **Solution:** Prioritize the most important emissions as indicated by the draft preliminary HRA

Cost-Effectiveness & Incremental Cost-Effectiveness

- Evaluation of costs compared to expected emission reductions for rules/amendments that change emissions limitations
- Proposed amendments do not significantly impact emissions limitations of the currently-adopted existing Rule 11-18 (limited to procedural aspects of the Rule)
- Cost-effectiveness of the proposed amendments and alternatives were therefore not evaluated

Compliance Costs

- Proposed amendments total compliance cost estimates included:
 - Increased cost of facilities to conduct HRAs, and
 - Fees the Air District would assess to review facility-prepared HRAs
- Proposed amendments estimated compliance cost per affected facility:
 - Maximum estimated cost: \$220,000
 - Annual cost (amortized): \$10,000 - \$52,000 per year
- Proposed amendments total compliance cost estimates do not assess:
 - Costs to implement RRP's and associated socioeconomic impacts were evaluated with original rule adoption in 2017
 - Costs associated with disagreements about emissions inventory methodology that are inconsequential to health risk

Socioeconomic Impacts

- 342 facilities: 231 private-sector, including 24 small businesses
- **Average impact:** Approximately 1.6% of annual profit
 - Estimated annual compliance costs per year per facility \$11,600
 - Ranges from \$10,000 to \$52,000
- **Significant impacts:** An estimated 3% of privately-operated facilities (8 facilities, all identified as small businesses), could be significantly impacted (costs >10% profit) if required to contract with third parties to conduct the HRA

Commitment to Small Businesses

- Proposed rule language allows for Air District to conduct HRAs when facility lacks the resources (Proposed Section 11-18-402.6)
 - Would not require these facilities to contract with third parties for HRAs
 - Would result in no additional facility costs from the proposed amendments
- Air District commits to conducting the HRAs for small businesses facilities
 - Estimated 24 small businesses, including 8 facilities that would have faced potentially significant impacts
 - Anticipated to eliminate the significant impacts from the proposed amendments

Air District Impacts

- Proposed amendments are expected to allow more efficient and effective use of Air District staff resources to implement the Rule
- With the vast majority of facilities conducting the HRAs themselves, Air District staff will instead focus on the review of Rule 11-18 deliverables

California Environmental Quality Act Requirements

- An Environmental Impact Report (EIR) was certified in 2017 with original adoption of Rule 11-18
- An addendum to the 2017 EIR has been prepared
 - The proposed amendments would neither substantially increase the severity of significant environmental impacts nor result in new significant environmental impacts
- A Mitigation Monitoring and Reporting Program has been prepared

Statutory Findings

Before adopting, amending, or repealing a rule, the Board of Directors must make the following findings:

- **Necessity** – California Health & Safety Code (H&SC) Section 40727(b)(1)
- **Authority** – H&SC Section 40727(b)(2)
- **Clarity** – H&SC Section 40727(b)(3)
- **Consistency** – H&SC Section 40727(b)(4)
- **Non-Duplication** – H&SC Section 40727(b)(5)
- **Reference** – H&SC Section 40727(b)(6)

Recommended Action

Air District staff recommends that the Board adopt the Resolution, which includes:

- Proposed amendments to Rule 11-18;
- Findings of necessity, authority, clarity, consistency, non-duplication, and reference;
- Proposed updates to the Rule 11-18 Implementation Procedures;
- Addendum to the Environmental Impact Report (EIR) for Rule 11-18; and
- Mitigation Monitoring and Reporting Program for Rule 11-18.

Questions & Discussion

For more information:

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Andrea Anderson, Ph.D. | Senior Air Quality Specialist | aanderson@baaqmd.gov

Regulatory Development Division | ruledevelopment@baaqmd.gov



Toxic Air Contaminant Control Annual Report

Board of Directors Meeting

June 3, 2026

Simrun Dhoot
Supervising Engineer
Engineering

Kate Hoag, Ph.D.
Manager
Measurements & Meteorology



Recommended Action

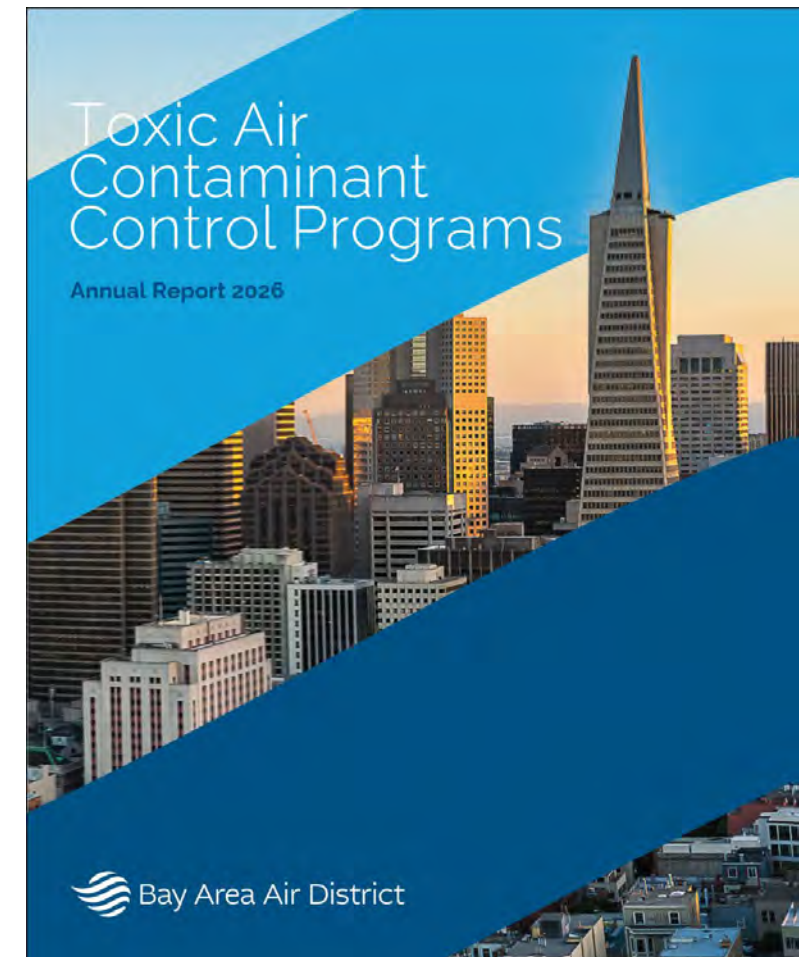
The purpose of this item is to present updates to the Air District's Toxic Air Contaminant Control Annual Report for 2026 and discuss its content and significance. No formal action by the Board of Directors is required.

Presentation Outline

- Introduction and Purpose of Report
- Overview of Toxic Control Initiatives
- Program Updates
- Conclusions
- Acknowledgments

Introduction and Purpose of Report

- Fulfills mandatory reporting requirements under Assembly Bill (AB) 2588 Air Toxics Hot Spots Program (California Health & Safety Code 44363)
- Provides consolidated, updated information on all Air District toxics air contaminant control programs



Bay Area Air District Toxic Air Contaminant Control Programs Report

Overview of Toxic Control Initiatives

Facility Risk Reduction Programs: Identification, assessment, and mitigation of health risks for existing facilities

Evaluating Air Toxics in Permitting: Preconstruction evaluation for new or modified sources emitting toxic air contaminants

Emissions Inventory: Identification and reporting of toxic air contaminants from permitted facilities

Air Toxics Ambient Air Monitoring: Assessment of concentrations through fixed monitoring stations and targeted studies including mobile monitoring campaigns

Community Health Protection Programs: Targeted initiatives to reduce air quality disparities and improve health outcomes

Program Updates

- Facility Risk Reduction Programs
- Air Toxics New Source Review
- Air Toxics Emissions Inventory
- **Air Toxics Ambient Air Monitoring**
- Community Health Protection Programs

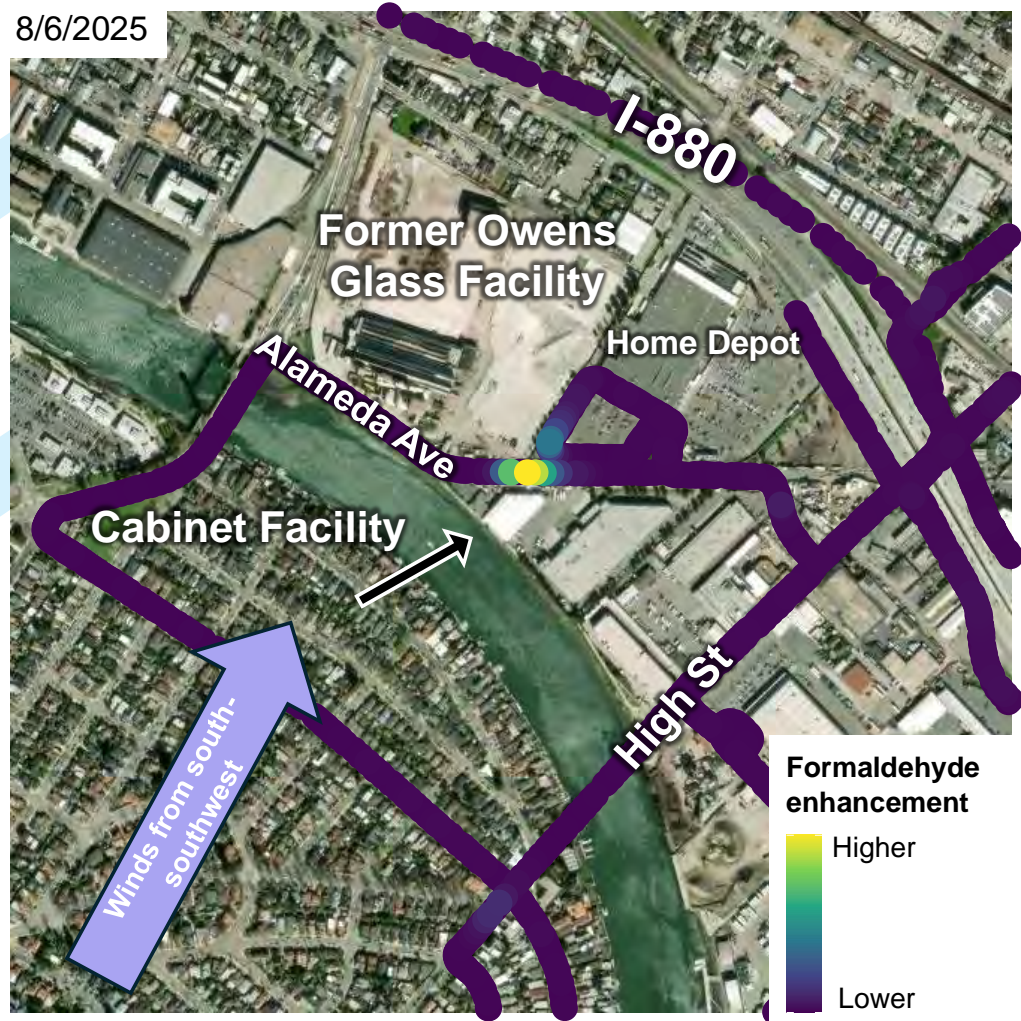
Air Toxics Ambient Air Monitoring

The Air District measures air toxics in ambient air as part of several air monitoring programs:

- **Region-wide air monitoring stations** measure long-term trends of several toxics at 20 monitoring stations across the Bay Area
- **Refinery Community Air Monitoring Program** includes real-time toxic emissions monitoring near refineries at new or expanded air monitoring stations
- **Community air quality investigations** using mobile air monitoring are ongoing
 - East Oakland Air Monitoring Project with Communities for a Better Environment
 - Starting an air monitoring project with Marie Harrison Community Foundation and Leaders4EARTH in Bayview-Hunters Point

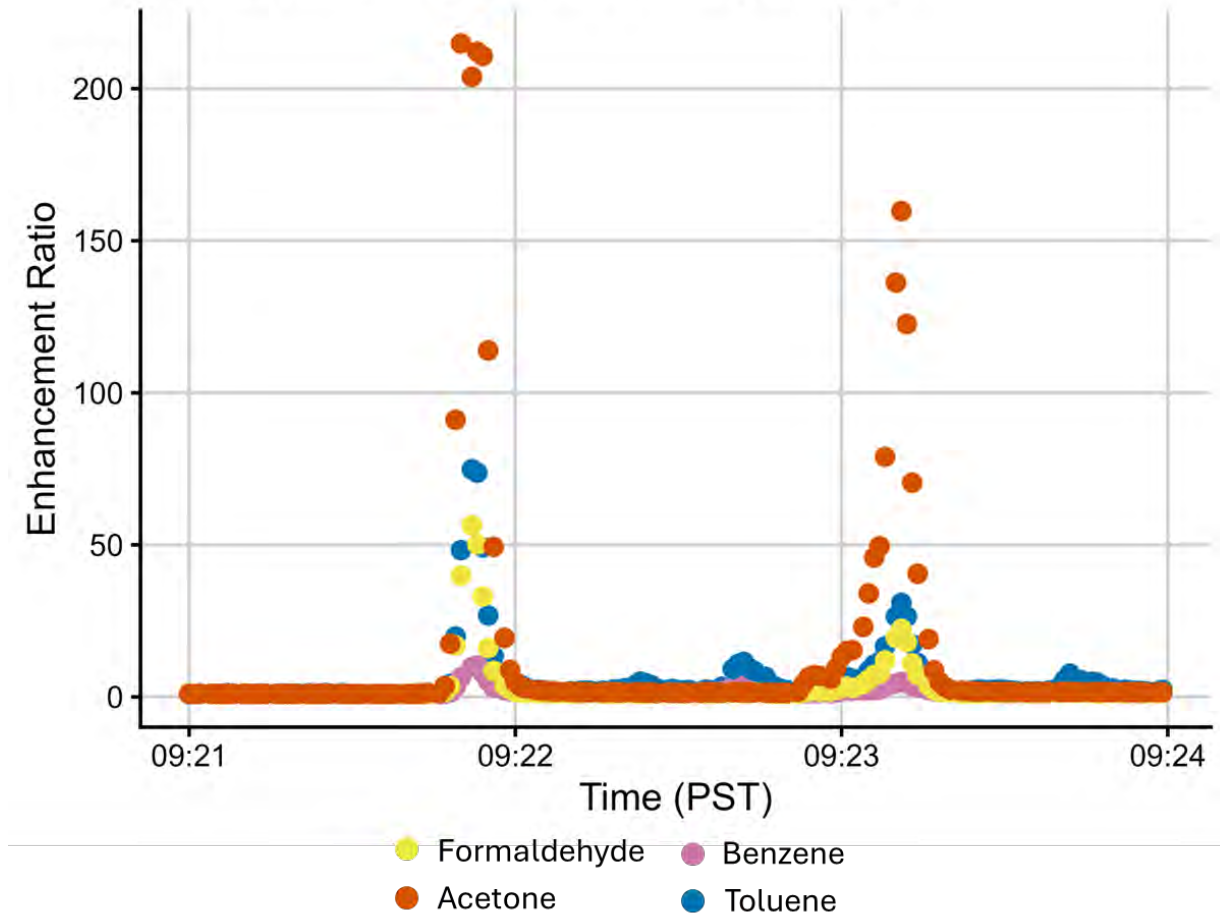
Air Toxics Ambient Air Monitoring

8/6/2025



Formaldehyde concentrations measured by air monitoring van in East Oakland

VOC Levels along Alameda Avenue, 8/6/2025



Volatile Organic Compound (VOC) Levels Along Alameda Ave.

Air Toxics Ambient Air Monitoring

Moving forward, the Air District will:

- Expand community air monitoring investigations
- Conduct multi-pollutant air monitoring in communities near refineries
- **Develop and implement the Bay Area Regional Evaluation of Air Toxics and Health Effects (B_aREATHE) study**
 - Continuous measurements of key air toxic pollutants year-round
 - Updated air toxics emissions inventory
 - Regional (basin-wide) modeling of all key air toxic pollutants
 - Exposure and health risk assessment to characterize cancer risk and chronic hazard indices
 - First comprehensive air toxics exposure study in the Bay Area

Conclusions

39 Years of Impact

- Air District has been implementing toxic control programs for 39 years
- These programs have successfully reduced public exposures to air toxics both regionally and locally

Cross-Divisional Approach

- Collaborative efforts ensure comprehensive toxics management

2024-2029 Strategic Plan: Protecting Vulnerable Communities

- Reducing disparate impacts from air pollution
- Increasing accessibility of toxic emissions and health risk information

Acknowledgements

Assessment, Inventory, and Modeling Division

- Song Bai, Ph.D., Director
- Virginia Lau, Manager
- Stephen Reid, Manager

Engineering Division

- Simrun Dhoot, Supervising Air Quality Engineer

Environmental Justice Division

- Diana Ruiz, Acting Director

Meteorology & Measurement Division

- Kate Hoag, Ph.D., Manager
- Jennifer Ofodile, Ph.D., Principal Air Quality Specialist
- Daniel Alrick, Principal Air & Meteorological Monitoring Specialist

Strategic Incentives Division

- Alona Davis, Acting Director
- Adriana Kolev, Supervising Staff Specialist

Questions & Discussion

For more information:

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Adoption of Proposed Policy Updates to Implement Recent Brown Act Changes and Improve Language Access and Public Accessibility

Board of Directors Meeting

June 3, 2026

Kimberly Leefatt, Civil Rights Officer
Alexander Crockett, General Counsel



Recommended Action

1. Adopt the proposed Broadcast Technology Disruption Policy effective July 1, 2026
2. Amend the Remote Teleconferencing Meeting Policy effective July 1, 2026

Summary of Relevant Senate Bill 707 Mandates

1. Translation Requirements

- The Board must translate agendas into languages where $\geq 20\%$ of the "applicable population" speaks that language and speaks English less than "very well."
 - No individual language group makes up $\geq 20\%$ of Santa Clara County's population or the District's service area population

Summary of Relevant Senate Bill 707 mandates (cont.)

1. Translation Requirements

- The Air District's current *Plan for Language Services to Limited English Proficient Populations* uses lower thresholds for triggering translation requirements, making it exceed Senate Bill (SB) 707's requirements.
- Applying the language access plan, and based on the Legislature's findings that agendas are critical for an informed population, Board agendas can be considered Tier 1 documents (i.e. critical for access to public health information or access to programs or services)
 - Translate into Spanish, Chinese, Tagalog, Vietnamese, as resources allow

Summary of Relevant Senate Bill 707 mandates (cont.)

2. Public Access Requirements

- Centralized public meetings webpage

3. Webcasting Requirements

- Policy to address disruptions

Amendments to Remote Teleconferencing Meeting Policy

- Require remote locations to post all translated agendas, and provide space for public to post additional translations
- Requests to host remote locations must be made 16 days before meeting
 - Need additional time for translations
 - Cancellations must be made 8 days before meeting
- Remote locations must be in publicly accessible areas in public buildings
- Remote meetings must be within California
- Only one training required for remote location hosts (not annual)
- Photos of agenda postings not required – email confirmation only

New Broadcast Technology Disruption Policy

Disruption Procedures:

- Bay Area Headquarters Authority / Metropolitan Transportation Commission (BAHA/MTC) → notifies Clerk → notifies Chair
- BAHA/MTC assesses the cause of the disruption and makes efforts to resolve
- No open session items during disruption
- After 1 hour, open session items may be heard if Board/Committee finds:
 - “Good faith efforts” were made to restore services; and
 - The public interest in continuing the meeting outweighs the public interest in remote public access.
- If the Board/Committee does not make the findings specified in Section 5.4.2 above, it may only (i) take up closed session items; (ii) recess to wait for public telephonic and internet access to be restored; or (iii) adjourn the meeting

Summary of Changes & Next Steps

Administratively

- Begin translating Board meeting agendas consistent with language access plan as a Tier 1 document (Spanish, Chinese, Vietnamese, Tagalog, as resources allow)

Creation of Public Meetings Webpage

- Consolidate public participation procedures and notices here
- Include links to all agendas and relevant calendars
- Post procedures for making in-person or remote oral comments and written comments
- Post procedures for the public to request assistance with translating a meeting, and facilitating interpretation services
- Post procedures for posting additional translations provided by the public

Requires Board Action

- Adopt Broadcast Technology Disruption Policy
- Adopt Remote Teleconferencing Meeting Policy amendments

Recommended Action

1. Adopt the proposed Broadcast Technology Disruption Policy effective July 1, 2026
2. Amend the Remote Teleconferencing Meeting Policy effective July 1, 2026

Questions & Discussion

For more information:

Kimberly Leefatt | Civil Rights Officer | KLeefatt@baaqmd.gov