

Antelope Valley Air Quality Management District

2551 W Avenue H
Lancaster, CA 93536
www.avaqmd.ca.gov

Governing Board Regular Meeting

Agenda

MEETING LOCATION

Antelope Valley Transit Authority
District Office
42210 6th Street West
Lancaster, CA 93535
661.723.8070

**TUESDAY, AUGUST 16, 2022
10:00 A.M.**

BOARD MEMBERS

Marvin Crist, Chair, City of Lancaster
Austin Bishop, Vice Chair, City of Palmdale
Ron Hawkins, Los Angeles County
Howard Harris, Los Angeles County
Ken Mann, City of Lancaster
Steven Hofbauer, City of Palmdale
Newton Chelette, Public Member

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE LISTED PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE GOVERNING BOARD AT, OR PRIOR TO, THE PUBLIC HEARING.

DUE TO TIME CONSTRAINTS AND THE NUMBER OF PERSONS WISHING TO GIVE ORAL TESTIMONY, PUBLIC COMMENTS ARE LIMITED TO FIVE MINUTES PER SPEAKER. YOU MAY WISH TO MAKE YOUR COMMENTS IN WRITING TO ASSURE THAT YOU ARE ABLE TO EXPRESS YOURSELF ADEQUATELY.

ALL SCHEDULED ITEMS WILL BE HEARD AT THE ANTELOPE VALLEY TRANSIT AUTHORITY (AVTA) DISTRICT OFFICE, 42210 6TH STREET WEST, LANCASTER, CA 93534 AND THE TELECONFERENCE LOCATION(S), IF APPLICABLE. PLEASE NOTE THAT THE BOARD MAY ADDRESS ITEMS IN THE AGENDA IN A DIFFERENT ORDER THAN THE ORDER IN WHICH THE ITEM HAS BEEN POSTED.

PUBLIC COMMENTS ON ANY AGENDA ITEM WILL BE HEARD AT THE TIME OF DISCUSSION OF THE AGENDA ITEM. PUBLIC COMMENTS NOT PERTAINING TO AGENDA ITEMS WILL BE HEARD DURING THE PUBLIC COMMENT PERIOD BELOW. PUBLIC COMMENTS ON AGENDIZED ITEMS MAY BE SUBMITTED VIA EMAIL TO

PUBLICCOMMENT@AVAQMD.CA.GOV AT LEAST TWO HOURS PRIOR TO THE START OF THE MEETING.

CALL TO ORDER 10:00 A.M.

Pledge of Allegiance.

Roll Call

Items with potential Conflict of Interests — If you believe you have a conflict of interest, please recuse yourself at the appropriate time. If you have a question regarding a potential conflict of interest, please contact District Counsel

PUBLIC COMMENT

CONSENT CALENDAR

The following consent items are expected to be routine and non-controversial and will be acted upon by the Board at one time without discussion unless a Board Member requests an item be held for discussion under DEFERRED ITEMS.

1. [Approve Minutes from Regular Governing Board Meeting of July 19, 2022.](#)
2. [Monthly Grant Funding Summary. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)
3. [Monthly Activity Report. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)
4. [Approve payments to MDAQMD in the amount of \\$217,071.49 for June 2022 expenditures. Presenter: Bret Banks, Executive Director/APCO.](#)
5. [Receive and file the Financial Report. This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at June 30, 2022. Presenter: Bret Banks, Executive Director/APCO.](#)
6. [1\) Authorize the acceptance of Community Air Protection \(CAP\) Funds; 2\) Accept the terms and conditions for the funds; and 3\) Authorize the Executive Director/APCO and staff to execute the agreement, approved as to legal form, and to negotiate and execute agreements for eligible projects. Presenter: Julie McKeehan, Grants Analyst.](#)

ITEMS FOR DISCUSSION

DEFERRED ITEMS

NEW BUSINESS

7. 1) Allocate an amount not to exceed \$99,000 in AB 134 (Community Air Protection Program) funds to Desert Haven Enterprises to replace gasoline lawn and garden equipment with zero-emissions battery-electric; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.
8. 1) Allocate an amount not to exceed \$2,000 in Mobile Source Emission Reductions Program (AB 923) funds to Desert Haven Enterprises to construct charging infrastructure to support charging of zero-emissions battery-electric lawn and garden equipment; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.
9. Approve an Agreement between the Antelope Valley Air Quality Management District (AVAQMD) and the City of Lancaster to provide administrative and operations services; Authorize the Chairman to finalize terms and conditions of the proposed Agreement; and Authorize the Chairman to execute the final Agreement. Presenter: Bret Banks, Executive Director/APCO.
10. Appoints and/or reappointments for the Antelope Valley Air Quality Management District (AVAQMD) effective October 1, 2022. Presenter: Allison Burns, Special Counsel.
11. Adopt a resolution authorizing the duly reappointed Treasurer and/or Controller for the Antelope Valley Air Quality Management District (AVAQMD) to issue warrants effective October 1, 2022. Presenter: Allison Burns, Special Counsel.
12. Reports: Governing Board Counsel, Executive Director/APCO, Staff.
13. Board Member Reports and Suggestions for Future Agenda Items.
14. Adjourn to Regular Governing Board Meeting of Tuesday, September 20, 2022.

In compliance with the Americans with Disabilities Act, if special assistance is needed to participate in the Board Meeting, please contact the Executive Director during regular business hours at 661.723.8070 x22. Notification received 48 hours prior to the meeting will enable the District to make reasonable accommodations. All accommodation requests will be processed swiftly and resolving any doubt in favor of accessibility.

I hereby certify, under penalty of perjury, that this agenda has been posted 72 hours prior to the stated meeting in a place accessible to the public. Copies of this agenda and any or all additional materials relating thereto are available at www.avaqmd.ca.gov or by contacting Adrianna Castaneda at 661.723.8070 ext. 21 or by email at acastaneda@avaqmd.ca.gov.

Mailed & Posted on: Friday, August 12, 2022.

Adrianna Castaneda

Adrianna Castaneda

The following page(s) contain the backup material for Agenda Item: [Approve Minutes from Regular Governing Board Meeting of July 19, 2022.](#)
Please scroll down to view the backup material.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD MEETING
TUESDAY, JULY 19, 2022
ANTELOPE VALLEY TRANSIT AUTHORITY DISTRICT OFFICE
LANCASTER, CA**

Draft Minutes

Board Members Present:

Marvin Crist, *Chair*, City of Lancaster
Austin Bishop, *Vice Chair*, City of Palmdale
Newton Chelette, Public Member
Howard Harris, Los Angeles County
Ron Hawkins, Los Angeles County
Raj Mahli, City of Lancaster

Board Members Absent:

Steven Hofbauer, City of Palmdale

CALL TO ORDER

Chair **CRIST** called the meeting to order at 10:02 a.m. Chair **CRIST** called for roll call, roll call was taken. Chair **CRIST** asked Board Member **HAWKINS** to lead the Pledge of Allegiance.

PUBLIC COMMENT

❖ Chair **CRIST** called for **PUBLIC COMMENT**. At this time, no public comment was made in person, or electronically, moved onto **CONSENT CALENDAR**.

CONSENT CALENDAR

CONSENT CALENDAR – The following consent items were acted upon by the Board at one time without discussion. Upon motion by Board Member **CHELETTE**, seconded by Board Member **BISHOP**, and carried by the following roll call vote, with six **AYES** votes by Board Members, **AUSTIN BISHOP**, **NEWTON CHELETTE**, **MARVIN CRIST**, **HOWARD HARRIS**, **RON HAWKINS**, and **RAJ MAHLI**, with Board Member **STEVEN HOFBAUER** absent, on the Consent Calendar, as follows:

Agenda Item #1 – Approve Minutes from Regular Governing Board Meeting of June 21, 2022.

Approved Minutes from Regular Governing Board Meeting of June 21, 2022.

Agenda Item #2 – Monthly Grant Funding Summary. Receive and file.

Presenter: Bret Banks, Executive Director/APCO.

Received and Filed Monthly Grand Funding Summary.

Agenda Item #3 – Monthly Activity Report. Receive and file.

Presenter: Bret Banks, Executive Director/APCO.

Received and Filed Monthly Activity Report.

Agenda Item #4 – Approve payment to MDAQMD in the amount of \$160,453.87 for May 2022 expenditures.

Presenter: Bret Banks, Executive Director/APCO.

Approved payment to MDAQMD in the amount of \$160,453.87 for May 2022 expenditures.

Agenda Item #5 – Receive and file the Financial Report. This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at May 31, 2022. The Financial Reports for May 2022 provide financial and budgetary performance information for the District for the period referenced.

Presenter: Bret Banks, Executive Director/APCO.

Received and filed the Financial Report. This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at May 31, 2022. The Financial Reports for May 2022 provide financial and budgetary performance information for the District for the period referenced.

Agenda Item #6 – Amend Governing Board Procedural Rules to reflect recent changes regarding the District Office location and Governing Board meeting location.

Presenter: Bret Banks, Executive Director/APCO.

Amended Governing Board Procedural Rules to reflect recent changes regarding the District Office location and Governing Board meeting location.

ITEMS FOR DISCUSSION

DEFERRED ITEMS

None.

NEW BUSINESS

Agenda Item #7 – Conduct a public hearing to consider the amendment of Regulation III – Fees: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions.

Presenter: Barbara Lods, Operations Manager.

Chair **CRIST** opened the public hearing. Barbara Lods, Operations Manager, presented the amendment to Regulation III - *Fees* and answered questions from the Board. Chair **CRIST** called for public comment, no public comment was made in person, or electronically, being none, Chair **CRIST** closed the public hearing. Upon motion by Board Member **HAWKINS**, seconded by Board Member **HARRIS**, and carried by the following roll call vote, with six **AYES** votes by Board Members **AUSTIN BISHOP**, **NEWTON CHELETTE**, **MARVIN CRIST**, **HOWARD HARRIS**, **RON HAWKINS**, and **RAJ MAHLI**, with board member **STEVEN HOFBAUER** absent, the Board, **adopted RESOLUTION 22-07, “A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, AMENDING RULE 301 – PERMIT FEES AND DIRECTING STAFF ACTIONS.”**

Agenda Item #8 – Approve an Agreement between the Antelope Valley Air Quality Management District (AVAQMD) and the City of Lancaster to provide administrative and operations services; Authorize the Chairman to finalize terms and conditions of the proposed Agreement; and Authorize the Chairman to execute the final Agreement.

Presenter: Bret Banks, Executive Director/APCO.

Item pulled by the Governing Board.

Draft Minutes 07.19.2022

Agenda Item #9– Reports.

Governing Board Counsel –

- No report.

Executive Director/APCO –

- The district has expanded the Lawn and Garden program to year round with a soft opening.
- The district is reducing the Alternate Fuel Vehicle incentive from \$1000 to \$500 for electric vehicles from local dealerships.
- Sacramento Air District and CARB will be visiting for a tour of AVTA and Build Your Dreams

Staff –

- No report.

Agenda Item #10– Board Member Reports and Suggestions for Future Agenda Items.

- Chair CRIST questioned if there is a map of locations of Electric Charging Stations, Bret Banks responded that staff will bring an update to the Board in August

Agenda Item #11– Adjourn to Regular Governing Board Meeting of Tuesday, August 16, 2022.

Being no further business, the meeting adjourned at 10:13 a.m. to the next regularly scheduled Governing Board Meeting of Tuesday, August 16, 2022.

The following page(s) contain the backup material for Agenda Item: [Monthly Grant Funding Summary. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)
Please scroll down to view the backup material.

Item #2 – Grant Funds Project Summary

July 2022

AB 2766 (\$4 DMV Fee)

\$655,000 Annually by Monthly Distribution

These fees fund the District’s Mobile Source Emission Reductions (MSER) Grant Program. The funds must be used “to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988”.

Funding Limits: No surplus emission reductions or cost-effectiveness limit requirements.

Current Balance: \$469,848.00

AB 923 (\$2 DMV Fee)

\$614,000 Annually by Monthly Distribution

These fees fund the District’s Mobile Source Emission Reductions (MSER) Grant Program. The funds must be used to remediate air pollution harms created by motor vehicles.

Funding Limits: Carl Moyer eligible projects; unregulated agriculture vehicles and equipment; school bus projects; light-duty vehicle retirement program; and alternative fuel and electric infrastructure projects.

Surplus emission reductions required. Subject to cost-effectiveness limit.

Current Balance: \$333,378.00

Carl Moyer Program

\$1,730,061.00 FY 21/22 Allocation

Carl Moyer Program (CMP) funds provide incentives to gain early or extra emission reductions by retrofitting, repowering, or replacing older more polluting engines with newer, cleaner engines including zero and near zero emission technologies. CMP funding categories include on-road heavy-duty vehicles, off-road equipment, locomotives, marine vessels, light-duty passenger vehicles, lawn mower replacement and alternative fuel infrastructure projects. Surplus emission reductions required. Subject to cost-effectiveness limit.

Current Balance: \$1,331,053.00

AB 134 Community Air Protection (CAP) Projects

\$855,673 FY 19/20 Allocation

The purpose of AB 134 funds is to implement projects under the Carl Moyer Program specifically for projects that meet the goals of AB 617. These funds are focused on replacing older polluting engines operating in disadvantaged and low-income communities with newer, cleaner engines prioritizing zero-emission projects. CMP funding categories include on-road heavy-duty vehicles, off-road equipment, locomotives, marine vessels, light-duty passenger vehicles, lawn mower replacement and alternative fuel infrastructure projects. Surplus emission reductions required. Subject to cost-effectiveness limit.

Current Balance: \$400,000.00

The following page(s) contain the backup material for Agenda Item: [Monthly Activity Report. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)
Please scroll down to view the backup material.



Agenda Item #3

Date: August 2, 2022

Subject: July Operations Activity Report

Permit Inspections - 182

Notices of Violation (NOV) Issued – 0

Vapor Recovery Tests Witnessed – 6

Complaints – 3

Complaint Investigations – 3

Asbestos Notifications – 12

Asbestos Project Inspections - 0

Active Companies - 276

Active Facilities - 535

Active Permits - 1126

Certificate of Occupancy/Building Permit Reviews - 0

CEQA Project Comment Letters - 13

State or Local Air Monitoring Stations (SLAMS) Network Air Monitoring Site:

Lancaster Site (full meteorology, CO, NO_x, O₃, PM₁₀, PM_{2.5})

Full meteorology (exterior temperature, wind speed, wind direction, exterior pressure and relative humidity)

Community Sensors:

13 **PurpleAir** particulate sensors (Del Sur School, Leona Valley Elementary, Anaverde Hills, Esperanza Elementary School, Joe Walker Middle School, Desert Willow Middle School, Amargosa Creek, Eastside High School, Littlerock High School, Knight High School, Westside School District Offices, (2) Wilsona School District.

AVAQMD CEQA PROJECTS							
BOARD MEETING							
8/16/2022							
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent	
7/5/2022	Palmdale	Amargosa Village	Pre-Application 22-025 for 20 to 50 acre multi-family use consisting of 10-50 buildings totaling 700,000 to 1,000,000 square feet located north of Brookdale Road on the east and west side of 20th Street West (APNs: 3003-064-060 through -075, 3003-068-054 through -069, 3003-004-022, -014, -015, 3003-030-017, -019, 3003-003-039 and -057)	Rule 302-Construction Excavation DCP Rule 219-Permitting CARB Equipment	7/13/2022	7/14/2022	
7/5/2022	Palmdale	Port-a-Potty Storage	Pre-Application 22-026 requesting to develop a port-a-potty storage use totaling 22,500 square feet located at the southwest corner of 30th Street East and Avenue L-4 (APN:3170-19-006)	No Comment	7/13/2022	7/14/2022	
7/5/2022	Palmdale	Industrial Warehouse	Pre-Application 22-027 requesting to develop 61.10 acres into an industrial warehouse use consisting of five buildings totaling 1,328,000 square feet located at the northwest corner of East Rancho Vista Boulevard and Sierra Highway (APNs: 3006-027-001 through -005)	Rule 302-Construction Excavation DCP Rule 219 Permitting CARB Equipment	7/13/2022	7/14/2022	
7/5/2022	Palmdale	Tract No. 81337	Pre-Application 22-028 requesting to subdivide 40 acres into 86 single-family residential lots with one lettered lot for trail purposes located between 65th and 70th Streets West and Avenue M (APN: 3204-025-048)	Rule 302-Construction Excavation DCP Rule 219 Permitting CARB Equipment	7/13/2022	7/18/2022	
7/5/2022	Palmdale	Microtel/Assisted Living	Pre-Application 22-029 requesting to develop 1.56 acres into a commercial use (90-unit, 4-story hotel with restaurant) located south of Palmdale Boulevard and east of 5th Street West (APN: 3004-002-900)	Dust Control Signage Rule 219-Permitting CARB Equipment	7/13/2022	7/14/2022	
7/5/2022	Palmdale	A S Aerospace	Pre-Application 22-030 requesting to develop 5.10 acres with one industrial building totaling 89,100 square feet located at the southwest corner of Division and Avenue O (APN: 3005-046-907)	Rule 302-Construction Excavation DCP Rule 219 Permitting CARB Equipment	7/13/2022	7/18/2022	
7/11/2022	Palmdale	Lockheed Martin Plant 10 Specific Plan Amendment EIR	City of Palmdale will prepare a Environmental Impact Report for Lockheed Martin Plant 10 Specific Plan Amendment	No Comment	8/4/2022	8/1/2022	
7/18/2022	Palmdale	Microtel/Assisted Living	Pre-Application 22-031 requesting to develop 1.56 acres into a commercial use (90-unit, 4-story assisted living with restaurant) located at the southeast corner of Palmdale Boulevard and 5th Street West (APN: 3004-002-900)	Dust Control Signage Rule 219-Permitting CARB Equipment	7/27/2022	8/1/2022	

7/18/2022	Palmdale	Industrial Bulding 8th Street East	SPR 22-012 requesting to develop 18 acres with an industrial building totaling 389,200 square feet located at 8th Street East and Rancho Vista Boulevard (APN: 3022-001-027)	Rule 302-Construction Excavation DCP Rule 219 Permitting CARB Equipment	7/27/2022	8/1/2022	
7/18/2022	Lancaster	TTM No. 83466 / VAR No. 22-01	TTM No. 83466 / VAR No. 22-01 NOA/NOI to adopt a Mitigated Negative Declaration that project will not result in significant environmental impacts with the implementation of the identified mitigation mesures	Rule 302-Construction Excavation DCP CARB Equipment	8/12/2022	8/1/2022	
7/18/2022	Palmdale	Palmdale 2045 General Plan Update (Palmdale 2045)	NOA Draft Environmental Impact Report-Palmdale 2045 General Plan Update	No Comment	8/29/2022	8/1/2022	
7/5/2022	Lancaster	8th Street East Cannabis	CUP 22-07 for the construction and operation of a proposed Cannabis facility located at 42254 8 th Street East (APN: 3126-016-028). The proposed project will include a 15,000 square foot building for cultivation and manufacturing	Rule 403 Rule 219 Permitting Cannabis Odor Control Plan CARB Equipment	7/26/2022	8/4/2022	
7/7/2022	Lancaster	New Commissary	SPR 22-09 requesting construction of a new commissary composed of a warehouse, ice making machine room and parking area located at 42235 Sierra Highway (APN: 3128-014-010)	Rule 403 Rule 219 Permitting CARB Equipment	7/28/2022	8/4/2022	

The following page(s) contain the backup material for Agenda Item: [Approve payments to MDAQMD in the amount of \\$217,071.49 for June 2022 expenditures. Presenter: Bret Banks, Executive Director/APCO.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #4

DATE: August 16, 2022

RECOMMENDATION: Approve payments to MDAQMD in the amount of \$217,071.49 for June 2022 expenditures.

SUMMARY: The District contracts for services with MDAQMD; an invoice for services is presented for payment.

BACKGROUND: Key Expenses: Staffing expenses of \$189,145.

The AVAQMD contracts with the MDAQMD for essential executive, administrative, fiscal, engineering, and air monitoring services. The month of June has an irregular three pay periods so expenses are thirty-three percent higher than usual.

REASON FOR RECOMMENDATION: The AVAQMD Governing Board must authorize all payments to the MDAQMD.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel as to legal form; and by Bret Banks, Executive Director/APCO, on or before August 1, 2022.

FINANCIAL DATA: The contract and direct expenditure amounts are part of the approved District budget for FY23. No change in appropriations is anticipated as a result of the approval of this item.

PRESENTER: Bret Banks, Executive Director/APCO



Mojave Desert AQMD
 14306 Park Avenue
 Victorville, CA 92392
 760.245.1661

Due Date **DUE UPON RECEIPT**
 Invoice Date **6/30/2022**
 Invoice Number **43444**

INVOICE

Bill To :
ANTELOPE VALLEY AQMD 43301 DIVISION ST. SUITE 206 LANCASTER, CA 93535
Company ID 10193

FY22 - June 2022		Amount
Program Staff	Program Staff	188,422.19
OVERHEAD	OVERHEAD	26,657.90
Travel & Training	Travel & Training	57.25
Office Expenses	Office Expenses	1,210.57
OPEB	OPEB	723.58
<p>TO INSURE PROPER CREDIT - PLEASE INCLUDE A COPY OF THE INVOICE WITH YOUR PAYMENT</p> <p>FOR CREDIT CARD PAYMENTS PLEASE VISIT www.mdaqmd.ca.gov</p>		
		Invoice Total 217,071.49
MAKE CHECKS PAYABLE TO MOJAVE DESERT AQMD		Amount Paid 0.00
PLEASE INCLUDE THE INVOICE NUMBER ON THE CHECK		Balance Due 217,071.49

The following page(s) contain the backup material for Agenda Item: [Receive and file the Financial Report. This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at June 30, 2022. Presenter: Bret Banks, Executive Director/APCO.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #5

DATE: August 16, 2022

RECOMMENDATION: Receive and file.

SUMMARY: This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at June 30, 2022.

BACKGROUND: The Financial Reports for June 2022 provide pre-audit financial and budgetary performance information for the District for the period referenced.

BALANCE SHEET. The balance sheet summarizes the District's pre-audit financial position on June 30, 2022.

STATEMENT OF REVENUES & EXPENDITURES. A summary of all District revenue and related expenditures incurred in the day to day administration of District Operations.

STATEMENT OF ACTIVITY. The target variance for June is 100%.

The *District Wide* report details revenue and expenses for the District's operating account and grant funds. *Contracted Services* reports the expenses made by the (MDAQMD) and passed through to the District including salaries. *Report Recap* consolidates both reports.

BANK REGISTERS. This report details the Districts bank activity.

REASON FOR RECOMMENDATION: Receive and file.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel as to legal form and by Bret Banks, Executive Director/APCO (AVAQMD) on or about August 1, 2022.

PRESENTER: Bret Banks, Executive Director/APCO.

Antelope Valley AQMD
Balance Sheet - Governmental Funds
As of June 30, 2022

Financial Report

	<u>General Fund</u>	<u>AB2766 Mobile Emissions</u>	<u>AB923 Mobile Emissions</u>	<u>Carl Moyer</u>	<u>Total</u>
Assets					
Current Assets					
Cash	3,551,206.91	873,582.41	1,681,034.62	2,354,948.43	8,460,772.37
Cash Held For Other Fund	(138,275.72)	40,053.16	98,215.38	7.18	0.00
Receivables	230,082.58	0.00	0.00	0.00	230,082.58
Pre-Paid	1,914.05	0.00	0.00	0.00	1,914.05
Total Current Assets	3,644,927.82	913,635.57	1,779,250.00	2,354,955.61	8,692,769.00
Total Assets	3,644,927.82	913,635.57	1,779,250.00	2,354,955.61	8,692,769.00
Liabilities and Net Position					
Current Liabilities					
Payables	395,489.51	0.00	0.00	0.00	395,489.51
Accruals	(284.03)	0.00	0.00	0.00	(284.03)
Due to Others	(1,528.00)	0.00	0.00	0.00	(1,528.00)
Unearned Revenue	959,450.40	0.00	0.00	2,279,134.50	3,238,584.90
Total Current Liabilities	1,353,127.88	0.00	0.00	2,279,134.50	3,632,262.38
Restricted Fund Balance	0.00	649,150.86	1,650,543.42	75,817.45	2,375,511.73
Cash Reserves	577,718.00	0.00	0.00	0.00	577,718.00
Unassigned Fund Balance	1,858,297.84	0.00	0.00	0.00	1,858,297.84
Pre-Paid	914.05	0.00	0.00	0.00	914.05
Change in Net Position	(145,129.95)	264,484.71	128,706.58	3.66	248,065.00
Total Liabilities & Net Position	3,644,927.82	913,635.57	1,779,250.00	2,354,955.61	8,692,769.00

Antelope Valley AQMD
Statement of Revenues & Expenditures
For the Period Ending June 30, 2022

Financial Report

	<u>General Fund</u>	<u>AB2766 Mobile Emissions Program</u>	<u>AB923 Mobile Emissions Program</u>	<u>Carl Moyer Program</u>	<u>Total Governmental Funds</u>
Revenues					
Application and Permit Fees	100,802.19	0.00	0.00	0.00	100,802.19
AB 2766 and Other Program Revenues	117,177.16	54,977.31	54,977.31	0.00	227,131.78
Fines	2,091.18	0.00	0.00	0.00	2,091.18
Investment Earnings	1,651.36	0.00	0.00	0.00	1,651.36
Federal and State	39,973.09	0.00	0.00	0.00	39,973.09
Miscellaneous Income	0.00	0.00	0.00	0.00	0.00
Total Revenues	261,694.98	54,977.31	54,977.31	0.00	371,649.60
Expenditures					
Program Staff	189,145.77	0.00	0.00	0.00	189,145.77
Services and Supplies	37,653.79	14,000.00	0.00	0.00	51,653.79
Contributions to Other Participants	0.00	0.00	0.00	0.00	0.00
Capital Outlay Improvements and Equipment	0.00	0.00	0.00	0.00	0.00
Total Expenditures	226,799.56	14,000.00	0.00	0.00	240,799.56
Excess Revenue Over (Under) Expenditures	34,895.42	40,977.31	54,977.31	0.00	130,850.04

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 6/30/2022

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	93,451.40	1,133,520.49	1,047,500.00	(1.08)
Programs	227,131.78	2,212,684.22	2,833,400.00	(0.78)
Revenue - Other	0.00	57.00	0.00	0.00
Application Fees	7,882.00	54,075.97	30,500.00	(1.77)
State Revenue	39,973.09	1,219,748.04	1,096,000.00	(1.11)
Fines & Penalties	2,091.18	31,301.31	10,000.00	(3.13)
Interest Earned	1,651.36	21,313.21	17,500.00	(1.22)
Adjustments to Revenue	(531.21)	(16,248.21)	0.00	0.00
Total Revenues	371,649.60	4,656,452.03	5,034,900.00	(0.92)
Expenses				
Office Expenses	3,892.27	98,797.94	108,625.00	0.91
Communications	2,493.33	27,601.69	21,050.00	1.31
Vehicles	2,086.27	12,303.98	7,900.00	1.56
Program Costs	14,000.00	2,277,943.77	3,104,500.00	0.73
Travel	11.70	(304.24)	12,650.00	(0.02)
Professional Services				
Payroll Contract	0.00	911.42	0.00	0.00
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	5,737.50	3,000.00	1.91
Stipends	500.00	7,700.00	8,400.00	0.92
Maintenance & Repairs	0.00	6,392.03	6,500.00	0.98
Non-Depreciable Inventory	0.00	5,260.00	2,300.00	2.29
Dues & Subscriptions	2,500.00	38,669.15	46,400.00	0.83
Legal	1,609.72	17,062.18	44,000.00	0.39
Miscellaneous Expense	34.69	1,201.76	2,900.00	0.41
Suspense	(3,399.91)	157.02	0.00	0.00
Capital Expenditures	0.00	29,016.89	50,000.00	0.58
Total Expenses	23,728.07	2,528,451.09	3,424,225.00	0.74
Program Staff				
Excess Revenue Over (Under) Expenditures	347,921.53	2,128,000.94	1,610,675.00	(1.32)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 6/30/2022

10 Contracted Services

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
<u>Revenues</u>				
<u>Expenses</u>				
Office Expenses	1,210.57	5,801.18	1,500.00	3.87
Communications	0.00	229.51	0.00	0.00
Vehicles	0.00	547.39	0.00	0.00
Travel	57.25	57.25	2,500.00	0.02
Professional Services				
Payroll Contract	0.00	647.96	125.00	5.18
Financial Audit & Actuarial Svcs	26,657.90	238,269.74	212,625.00	1.12
Non-Depreciable Inventory	0.00	630.98	0.00	0.00
Dues & Subscriptions	0.00	95.54	250.00	0.38
Total Expenses	27,925.72	246,279.55	217,000.00	1.13
<u>Program Staff</u>				
Program Staff	189,145.77	1,633,656.39	1,389,000.00	1.18
Total Program Staff	189,145.77	1,633,656.39	1,389,000.00	1.18
Excess Revenue Over (Under) Expenditures	(217,071.49)	(1,879,935.94)	(1,606,000.00)	(1.17)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 6/30/2022

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	93,451.40	1,133,520.49	1,047,500.00	(1.08)
Programs	227,131.78	2,212,684.22	2,833,400.00	(0.78)
Revenue - Other	0.00	57.00	0.00	0.00
Application Fees	7,882.00	54,075.97	30,500.00	(1.77)
State Revenue	39,973.09	1,219,748.04	1,096,000.00	(1.11)
Fines & Penalties	2,091.18	31,301.31	10,000.00	(3.13)
Interest Earned	1,651.36	21,313.21	17,500.00	(1.22)
Adjustments to Revenue	(531.21)	(16,248.21)	0.00	0.00
Total Revenues	371,649.60	4,656,452.03	5,034,900.00	(0.92)
Expenses				
Office Expenses	5,102.84	104,599.12	110,125.00	0.95
Communications	2,493.33	27,831.20	21,050.00	1.32
Vehicles	2,086.27	12,851.37	7,900.00	1.63
Program Costs	14,000.00	2,277,943.77	3,104,500.00	0.73
Travel	68.95	(246.99)	15,150.00	(0.02)
Professional Services				
Payroll Contract	0.00	1,559.38	125.00	12.48
Financial Audit & Actuarial Svcs	26,657.90	238,269.74	212,625.00	1.12
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	5,737.50	3,000.00	1.91
Stipends	500.00	7,700.00	8,400.00	0.92
Maintenance & Repairs	0.00	6,392.03	6,500.00	0.98
Non-Depreciable Inventory	0.00	5,890.98	2,300.00	2.56
Dues & Subscriptions	2,500.00	38,764.69	46,650.00	0.83
Legal	1,609.72	17,062.18	44,000.00	0.39
Miscellaneous Expense	34.69	1,201.76	2,900.00	0.41
Suspense	(3,399.91)	157.02	0.00	0.00
Capital Expenditures	0.00	29,016.89	50,000.00	0.58
Total Expenses	51,653.79	2,774,730.64	3,641,225.00	0.76
Program Staff				
Program Staff	189,145.77	1,633,656.39	1,389,000.00	1.18
Total Program Staff	189,145.77	1,633,656.39	1,389,000.00	1.18
Excess Revenue Over (Under) Expenditures	130,850.04	248,065.00	4,675.00	(53.06)

Antelope Valley AQMD
Bank Register from 6/01/2022 to 6/30/2022
Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0004873	6/02/2022	[10460] ANTELOPE VALLEY SHERIFFS BOOSTERS-SPONSORSHIP FOR 2022 CASINO NIGHT	25,000.00	0.00	799,554.12
0004874	6/02/2022	[10006] BANK OF THE WEST-CREDIT CARD 1481 04/20/2022-05/19/2022	47.50	0.00	799,506.62
0004875	6/02/2022	[10012] CAPCOA-SPRING 2022 MEMBERSHIP MEETING	85.00	0.00	799,421.62
0000395	6/03/2022	Credit Card Transaction - Hertz	0.00	86.21	799,507.83
0000405	6/03/2022	CREDIT CARD TRANSACTIONS ASGA LEVEL 3 COMMUNICATIONS	0.00	1,347.82	800,855.65
0000406	6/06/2022	CREDIT CARD TRANSACTION FIRST TRANSIT US POLE COMPANY	0.00	1,008.73	801,864.38
0000407	6/06/2022	CREDIT CARD TRANSACTION KEVIN HARBISON-MAISONS RANGE	0.00	661.00	802,525.38
R22-46	6/09/2022	Operating Fund Replenishment #20	0.00	25,132.50	827,657.88
0000408	6/09/2022	CREDIT CARD TRANSACTION FEDERAL AVIATION ADMINISTRATION	0.00	1,062.42	828,720.30
0000409	6/10/2022	CREDIT CARD TRANSACTION JANUS CORPORATION	0.00	585.00	829,305.30
0000410	6/13/2022	CREDIT CARD TRANSACTION SOLAR STAR XLIV WESTSIDE CLEANERS	0.00	1,192.21	830,497.51
0000411	6/13/2022	CREDIT CARD TRANSACTION LOCKHEED MARTIN	0.00	11,996.00	842,493.51
0000412	6/15/2022	CREDIT CARD TRANSACTION LANCASTER, CITY OF	0.00	531.21	843,024.72
0004876	6/16/2022	[10006] BANK OF THE WEST-CREDIT CARD 1628	2,719.91	0.00	840,304.81
0004877	6/16/2022	[10006] BANK OF THE WEST-CREDIT CARD 1465	175.73	0.00	840,129.08
0004878	6/16/2022	[10012] CAPCOA-2022 CAPCOA MEMBERSHIP DUES	1,212.95	0.00	838,916.13
0004879	6/16/2022	[10014] CITY OF LANCASTER-SPONSORSHIP	2,500.00	0.00	836,416.13
0004880	6/16/2022	[10016] COUNTY OF LOS ANGELES-Bank Services - January - March 2022	82.20	0.00	836,333.93
0004881	6/16/2022	[10071] QUADIENT LEASING-POSTAGE METER LEASE 06/02/2022- 07/01/2022	78.17	0.00	836,255.76
0004882	6/16/2022	[10592] SPECTRUM BUSINESS-FIBER 6/08/22-7/07/22	770.00	0.00	835,485.76
0004883	6/16/2022	[10455] STRADLING YOCCA CARLSON & RAUTH-LEGAL SERVICES FOR PERIOD ENDING 4/30/2022	1,400.90	0.00	834,084.86
0004884	6/16/2022	[10483] STREAMLINE-WEB MEMBER JUNE 2022	200.00	0.00	833,884.86
0004885	6/16/2022	[11402] TIME WARNER CABLE-INTERNET 06/01/2022-06/30/2022	214.98	0.00	833,669.88
0004886	6/16/2022	[10046] VERIZON CALIFORNIA - NJ-LONG DISTANCE 05/28/2022-06/27/2022	33.27	0.00	833,636.61
0004887	6/16/2022	[11259] WEX BANK-FUEL PURCHASES 5/25/2022	1,201.50	0.00	832,435.11
0000416	6/22/2022	Credit Card Transaction LA RICS	0.00	531.21	832,966.32

Antelope Valley AQMD
Bank Register from 6/01/2022 to 6/30/2022
Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000413	6/24/2022	Credit Cards Transaction Pacific Communities-C OCampo Brickley Construction-C Ibarra	0.00	1,246.00	834,212.32
0000414	6/29/2022	Credit Card Transaction KB Home - R Singh Primrose and Sonora #2	0.00	1,322.00	835,534.32
0004888	6/30/2022	[10076] ANTELOPE VALLEY AQMD-Invoices 1618, 1624, 1648, 1665	74,338.41	0.00	761,195.91
0004889	6/30/2022	[10006] BANK OF THE WEST-CREDIT CARD 1481 5/20/22-6/19/22	372.81	0.00	760,823.10
0004890	6/30/2022	[10405] CANON FINANCIAL SERVICES-COPIER LEASE 6/01/2022-6/30/2022	280.26	0.00	760,542.84
0004891	6/30/2022	[10055] NEWTON CHELETTE-Attendance Governing Board meeting 06/21/2022	100.00	0.00	760,442.84
0004892	6/30/2022	[10057] MARVIN CRIST-Attendance Governing Board meeting 06/21/2022	100.00	0.00	760,342.84
0004893	6/30/2022	[10599] HOWARD HARRIS-Attendance Governing Board meeting 06/21/2022	100.00	0.00	760,242.84
0004894	6/30/2022	[10058] RONALD HAWKINS-Attendance Governing Board meeting 06/21/2022	100.00	0.00	760,142.84
0004895	6/30/2022	[10503] STEVEN D HOFBAUER-Attendance Governing Board meeting 06/21/2022	111.70	0.00	760,031.14
0004896	6/30/2022	[11405] IT SOLUTIONS INTEGRATED-Invoices 10244-R-0004, 10261	965.00	0.00	759,066.14
0004897	6/30/2022	[10026] MOJAVE DESERT AQMD-FY22 - April 2022	155,415.76	0.00	603,650.38
0004898	6/30/2022	[10036] SECURA COM INC-QUARTERLY ALARM MONITORING	116.85	0.00	603,533.53
0004899	6/30/2022	[10045] VERIZON BUSINESS-VOIP 6/01/2022-6/30/2022	390.08	0.00	603,143.45
0004900	6/30/2022	[11259] WEX BANK-FUEL PURCHASES 6/25/2022	747.77	0.00	602,395.68
0004901	6/30/2022	[00940] ANTELOPE VALLEY RESTAURANTS DBA BURGER KING-Refund: Invoices 5726, 5727, 5728, 5729, 5751 AV5581 PAID 4/05/2022	531.21	0.00	601,864.47
0004902	6/30/2022	[02805] FIRST TRANSIT INC #55374-Refund: 30594	184.91	0.00	601,679.56
0004903	6/30/2022	[00811] JANUS CORPORATION-Refund: MD ASBESTOS	585.00	0.00	601,094.56
0004904	6/30/2022	[01196] US POLE COMPANY INC-Refund: REFUND FOR LATE FEE PAID IN ERROR BY BARBARA COVELLO	951.26	0.00	600,143.30
0000415	6/30/2022	Credit Card Transaction Lancaster Homeless Group QCSC LLC	0.00	14,231.21	614,374.51
R22-55	6/30/2022	Operating Fund Replenishment #21	0.00	171,642.22	786,016.73
Total for Report:			271,113.13	232,575.74	

Antelope Valley AQMD
Bank Register from 6/01/2022 to 6/30/2022
General Fund P6A LA County

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000393	6/01/2022	Daily Deposit	0.00	4,259.72	2,575,066.43
	6/01/2022	Interest Earned	0.00	1,651.36	2,576,717.79
0000394	6/03/2022	Daily Deposit	0.00	187,333.43	2,764,051.22
R22-46	6/09/2022	Operating Fund Replenishment #20	25,132.50	0.00	2,738,918.72
0000395	6/14/2022	Daily Deposit	0.00	1,336,557.70	4,075,476.42
0000059	6/16/2022	[10437] SPOWER-Stop Payment Issued in error	1,983.00	0.00	4,073,493.42
R22-47	6/23/2022	AB923 Transfer - February 2022	47,471.04	0.00	4,026,022.38
R22-48	6/23/2022	AB2766 Transfer - February 2022	50,630.70	0.00	3,975,391.68
R22-49	6/23/2022	AB923 Transfer - March 2022	57,375.27	0.00	3,918,016.41
R22-50	6/23/2022	AB2766 Transfer - March 2022	61,194.17	0.00	3,856,822.24
R22-51	6/23/2022	Moyer Transfer - Boething Tree Farms	98,648.00	0.00	3,758,174.24
R22-52	6/23/2022	Moyer Transfer - Year 24 Admin & Project Funds	416,258.00	0.00	3,341,916.24
R22-53	6/23/2022	AB134 Transfer - Project Funds	21,940.33	0.00	3,319,975.91
R22-54	6/30/2022	Transfer Moyer Year 24 Project Funds	1,313,803.00	0.00	2,006,172.91
R22-55	6/30/2022	Operating Fund Replenishment #21	171,642.22	0.00	1,834,530.69
Total for Report:			2,266,078.23	1,529,802.21	

Antelope Valley AQMD

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Bank Register from 6/01/2022 to 6/30/2022

Page: 1

WF AB2766

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0022568	6/02/2022	[11462] LINDSEY BRUMMERT-AB 2766 GRANT	500.00	0.00	782,257.54
0022569	6/02/2022	[11465] BOBBIE JEANNE CURIEL-AB 2766 GRANT	500.00	0.00	781,757.54
0022570	6/02/2022	[11456] LULA FRIERSON DEAN-AB2766 GRANT	500.00	0.00	781,257.54
0022571	6/02/2022	[11466] ANA SOFIA DELGADO-AB 2766 VEHICLE GRANT	500.00	0.00	780,757.54
0022572	6/02/2022	[11458] DAVONE FLORENCE JR-AB2766 GRANT	1,000.00	0.00	779,757.54
0022573	6/02/2022	[11463] MARK B GARDEN-AB 2766 GRANT	500.00	0.00	779,257.54
0022574	6/02/2022	[11461] JAIME HERNANDEZ-AB 2766 GRANT	500.00	0.00	778,757.54
0022575	6/02/2022	[11455] SARAH LUCERO-AB2766 GRANT	500.00	0.00	778,257.54
0022576	6/02/2022	[11464] MARCIA L SMITH-AB 2766 GRANT	500.00	0.00	777,757.54
0022577	6/02/2022	[11459] VIVIAN TAUSCHER-AB2766 GRANT	1,000.00	0.00	776,757.54
0022578	6/02/2022	[11457] ALBERT KYEN THAM-AB2766 GRANT	500.00	0.00	776,257.54
0022579	6/02/2022	[11460] HORST D WETJEN-AB2766 GRANT	500.00	0.00	775,757.54
0022580	6/16/2022	[11467] JUDI BERRONG-AB 2766 GRANT	1,000.00	0.00	774,757.54
0022581	6/16/2022	[11476] RICARDO G CHAVEZ-AB 2766 GRANT	1,000.00	0.00	773,757.54
0022582	6/16/2022	[11474] DAVID COLEMAN-AB 2766 GRANT	500.00	0.00	773,257.54
0022583	6/16/2022	[11469] RICHARD ENRIQUEZ-AB 2766 GRANT	500.00	0.00	772,757.54
0022584	6/16/2022	[11473] JENIFER FERGUSON-AB 2766 GRANT	500.00	0.00	772,257.54
0022585	6/16/2022	[11475] EUNICE KIM-AB 2766 GRANT	500.00	0.00	771,757.54
0022586	6/16/2022	[11471] GLENDA PARTOSA-AB 2766 GRANT	500.00	0.00	771,257.54
0022587	6/16/2022	[11472] KIM SANDY SMITH-AB 2766 GRANT	500.00	0.00	770,757.54
0022588	6/16/2022	[11468] KATHY I VANDERZEE-AB 2766 GRANT	500.00	0.00	770,257.54
0022589	6/16/2022	[11470] WENDY WATSON-AB 2766 GRANT	500.00	0.00	769,757.54
R22-48	6/23/2022	AB2766 Transfer - February 2022	0.00	50,630.70	820,388.24
R22-50	6/23/2022	AB2766 Transfer - March 2022	0.00	61,194.17	881,582.41
0022590	6/30/2022	[11478] CLAUDIA DE HARO AGUIRRE-AB2766 GRANT	500.00	0.00	881,082.41
0022591	6/30/2022	[11318] JUAN CARRILLO-AB 2766 GRANT	500.00	0.00	880,582.41
0022592	6/30/2022	[11485] JONATHAN COLEN-AB 2766 GRANT	500.00	0.00	880,082.41
0022593	6/30/2022	[11481] DARLENE V ESPINO-AB 2766 GRANT	1,000.00	0.00	879,082.41
0022594	6/30/2022	[11482] WILLIAM MERIDA-AB 2766 GRANT	500.00	0.00	878,582.41
0022595	6/30/2022	[11480] JOHN ANDREW MILLAN-AB 2766 GRANT	500.00	0.00	878,082.41
0022596	6/30/2022	[11477] CHARLES W RUGG JR-AB2766 GRANT	1,000.00	0.00	877,082.41
0022597	6/30/2022	[11484] SUSANA SARAVIA-AB 2766 GRANT	1,000.00	0.00	876,082.41
0022598	6/30/2022	[11479] JEFFREY PAUL SCHAEFER-AB2766 GRANT	1,000.00	0.00	875,082.41
0022599	6/30/2022	[11486] CHRISTOPHER RAY STEWART-AB 2766 GRANT	1,000.00	0.00	874,082.41
0022600	6/30/2022	[11483] ARVIN TORRE-AB 2766 GRANT	500.00	0.00	873,582.41
Total for Report:			21,000.00	111,824.87	

Antelope Valley AQMD
Bank Register from 6/01/2022 to 6/30/2022
WF AB923

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
R22-47	6/23/2022	AB923 Transfer - February 2022	0.00	47,471.04	1,623,659.35
R22-49	6/23/2022	AB923 Transfer - March 2022	0.00	57,375.27	1,681,034.62
Total for Report:			0.00	104,846.31	

Antelope Valley AQMD
Bank Register from 6/01/2022 to 6/30/2022
WF Carl Moyer

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
R22-51	6/23/2022	Moyer Transfer - Boething Tree Farms	0.00	98,648.00	625,873.82
R22-52	6/23/2022	Moyer Transfer - Year 24 Admin & Project Funds	0.00	416,258.00	1,042,131.82
R22-54	6/30/2022	Transfer Moyer Year 24 Project Funds	0.00	1,313,803.00	2,355,934.82
Total for Report:			0.00	1,828,709.00	

Antelope Valley AQMD
Bank Register from 6/01/2022 to 6/30/2022
WF Special Revenue

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
R22-53	6/23/2022	AB134 Transfer - Project Funds	0.00	21,940.33	734,270.16
Total for Report:			0.00	21,940.33	

The following page(s) contain the backup material for Agenda Item: [1\) Authorize the acceptance of Community Air Protection \(CAP\) Funds](#); [2\) Accept the terms and conditions for the funds](#); and [3\) Authorize the Executive Director/APCO and staff to execute the agreement, approved as to legal form, and to negotiate and execute agreements for eligible projects](#). [Presenter: Julie McKeehan, Grants Analyst](#).
Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #6

DATE: August 16, 2022

RECOMMENDATION: 1) Authorize the acceptance of Community Air Protection (CAP) Funds; 2) Accept the terms and conditions for the funds; and 3) Authorize the Executive Director/APCO and staff to execute the agreement, approved as to legal form, and to negotiate and execute agreements for eligible projects.

SUMMARY: This action formally accepts the Community Air Protection Funding (CAP) Year 5 (Fiscal Year 21-22) in the amount of approximately \$1,216,360.65.00 allocated to the AVAQMD. The funding consists of approximately \$1,064,315.57 for projects and \$152,045.08 for administrative. This action also accepts the terms and conditions for the funds as appropriated, and authorizes staff to negotiate and execute project agreements consistent with the terms and conditions.

BACKGROUND: On September 16, 2017, the Governor approved AB 134 to amend the Budget Act of 2017. The amendment added appropriations to the Budget Act of 2017, taking effect immediately as a Budget Bill. Under Schedule 3 of this Bill, \$250 million was to be distributed by CARB to air districts for implementation of projects pursuant to the Carl Moyer Program. The purpose of the funds are to support Greenhouse Gas reductions and early actions that reduce emissions and improve public health in communities with high burdens of cumulative pollutant exposure, consistent with the goals of Assembly Bill (AB) 617 (Chapter 254, Statutes of 2017). Fiscal Year 21-22 CAP incentives will be used to reduce emissions in communities most heavily burdened by air pollution, in support of AB 617. The Air District will select projects eligible under the proposed 2019 Community Air Protection Incentives Guidelines and the Carl Moyer Program 2017 Guidelines with a focus on zero-emissions projects in low-income and disadvantaged communities.

REASON FOR RECOMMENDATION: CARB requires the Governing Board formally approve District acceptance of the funds and participation in the program.

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before August 1, 2022

FINANCIAL DATA: Community Air Protection Funds are supplementary to the AVAQMD budget.

PRESENTER: Julie McKeehan, Grants Analyst

cc: Laquita Cole
Michelle Powell
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: 1) Allocate an amount not to exceed \$99,000 in AB 134 (Community Air Protection Program) funds to Desert Haven Enterprises to replace gasoline lawn and garden equipment with zero-emissions battery-electric; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.
Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #7

DATE: August 16, 2022

RECOMMENDATION: 1) Allocate an amount not to exceed \$99,000 in AB 134 (Community Air Protection Program) funds to Desert Haven Enterprises to replace gasoline lawn and garden equipment with zero-emissions battery-electric; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel.

SUMMARY: This item authorizes the use AB 134 funds for Desert Haven Enterprises continued efforts in the transition of their lawn and garden maintenance/groundskeeping operations from gasoline powered equipment to zero-emissions battery-electric powered equipment.

BACKGROUND: In February the Board approved funding to Desert Haven for a proposed three-stage transition of their gasoline-powered lawn and garden equipment to zero-emissions battery-electric. Desert Haven's operations extend throughout the District at various locations, also located in low-income communities, that include school zones where school-aged children and other sensitive receptors are exposed to the air pollution caused by gasoline engines. Desert Haven's lawn and garden equipment replacement project is identified as beneficial in the reduction of localized air pollution caused by the use of gasoline-powered lawn and garden equipment. Lawn and garden equipment replacement projects remain highly valued and supported within the community as projects that provide emission reductions that directly benefit the community and encourages community participation to transition to zero emission. Desert Haven's L&GE replacement project received consultation and planning by the American Green Zone Alliance (AGZA) to ensure AGZA Green Zone Certification at completion. Desert Haven's successful transition in becoming a Green Zone Certified operation encourages early adoption of commercial-grade zero-emissions lawn and garden equipment and paves a path for other commercial operations to realize transition is attainable and beneficial.

cc: Laquita Cole
Michelle Powell
Julie McKeehan

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #7

PAGE 2

REASON FOR RECOMMENDATION: Governing Board approval is needed for the use of District funds.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before August 1, 2022.

FINANCIAL DATA: Funding will be provided by the District’s AB 134 funds or other applicable sources if warranted.

PRESENTER: Julie McKeehan, Grants Analyst

The following page(s) contain the backup material for Agenda Item: 1) Allocate an amount not to exceed \$2,000 in Mobile Source Emission Reductions Program (AB 923) funds to Desert Haven Enterprises to construct charging infrastructure to support charging of zero-emissions battery-electric lawn and garden equipment; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #8

DATE: August 16, 2022

RECOMMENDATION: 1) Allocate an amount not to exceed \$2,000 in Mobile Source Emission Reductions Program (AB 923) funds to Desert Haven Enterprises to construct charging infrastructure to support charging of zero-emissions battery-electric lawn and garden equipment; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel.

SUMMARY: This item authorizes the use Mobile Source Emission Reductions Program (AB 923) funds to provide Desert Haven Enterprises with 50 percent of the cost to construct charging infrastructure to support charging of batteries that power zero-emissions battery-electric lawn and garden equipment.

BACKGROUND: In February the Board approved funding to Desert Haven for a proposed three-stage transition of their gasoline-powered lawn and garden equipment to zero-emissions battery-electric. Desert Haven's operations extend throughout the District at various locations, also located in low-income communities, that include school zones where school-aged children and other sensitive receptors are exposed to the air pollution caused by gasoline engines. Desert Haven's lawn and garden equipment replacement project is identified as beneficial in the reduction of localized air pollution caused by the use of gasoline-powered lawn and garden equipment. Lawn and garden equipment replacement projects remain highly valued and supported within the community as projects that provide emission reductions that directly benefit the community and encourages community participation to transition to zero emission. Desert Haven's L&GE replacement project received consultation and planning by the American Green Zone Alliance (AGZA) to ensure AGZA Green Zone Certification at completion. Desert Haven's successful transition in becoming a Green Zone Certified operation encourages early adoption of commercial-grade zero-emissions lawn and garden equipment and paves a path for other commercial operations to realize transition is attainable and beneficial.

cc: Laquita Cole
Michelle Powell
Julie McKeehan

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #8

PAGE 2

REASON FOR RECOMMENDATION: Governing Board approval is needed for the use of District funds.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before August 1, 2022.

FINANCIAL DATA: Funding will be provided by the District’s Mobile Source Emission Reductions Program (AB 923) funds or other applicable sources if warranted.

PRESENTER: Julie McKeehan, Grants Analyst

The following page(s) contain the backup material for Agenda Item: [Approve an Agreement between the Antelope Valley Air Quality Management District \(AVAQMD\) and the City of Lancaster to provide administrative and operations services; Authorize the Chairman to finalize terms and conditions of the proposed Agreement; and Authorize the Chairman to execute the final Agreement. Presenter: Bret Banks, Executive Director/APCO.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM # 9

DATE: August 16, 2022

RECOMMENDATION: Approve an Agreement between the Antelope Valley Air Quality Management District (AVAQMD) and the City of Lancaster to provide administrative and operations services; Authorize the Chairman to finalize terms and conditions of the proposed Agreement; and Authorize the Chairman to execute the final Agreement.

SUMMARY: This item presents a proposed Agreement for the City of Lancaster to provide administrative and operational services for the AVAQMD; authorizes the Chairman to finalize terms and conditions of the proposed agreement; and authorize the Chairman to execute the final Agreement.

BACKGROUND: The Agreement for services between the AVAQMD and the City of Lancaster shall be for a period of five (5) years commencing on October 1, 2022 and ending on June 30, 2027, with an option to continue for two (2) more years under the same terms and conditions, unless earlier terminated, extended, or modified as provided herein. Although this Agreement will become effective as of October 1, 2022, and the parties will commence planning for the 2022/2023 fiscal year, it is intended that the provision of Services pursuant to this Agreement may commence prior to October 1, 2022, in preparation of the Agreement.

Certain services that are provided between October 1, 2022 and June 30, 2023 will be subject to the existing Agreement between the MDAQMD and AVAQMD for administrative services specific to certain software licenses. Staff has developed a draft agreement and legal counsel has reviewed it for matters of interest to the AVAQMD. This item includes a copy of the proposed contract and 2022/2023 adopted AVAQMD budget.

REASON FOR RECOMMENDATION: Governing Board approval is required to enter into contracts and agreements.

REVIEW BY OTHERS: This item was reviewed by Allison K. Burns, Special Counsel as to legal form on or about July 12, 2022.

FINANCIAL DATA: No increase in appropriation is anticipated action will not require any additional appropriation.

PRESENTER: Bret Banks, Executive Director/APCO

**AGREEMENT BETWEEN THE
ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
AND THE CITY OF LANCASTER**

This agreement (Agreement) is made between the ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT (AVAQMD) AND THE CITY OF LANCASTER (CITY).

RECITALS

WHEREAS, AVAQMD is the local agency with the Primary responsibility for the control of air pollution from all sources other than vehicular sources within the local jurisdiction (Health & Safety Code §39002, 40000); and

WHEREAS, AVAQMD has a jurisdiction as described in Health & Safety Code §41300(b) and more particularly described in AVAQMD Rule 103; and

WHEREAS, the CITY OF LANCASTER is within the jurisdiction as described in Health & Safety Code §41300(b);

WHEREAS, the AVAQMD agrees to contract from the CITY OF LANCASTER services necessary to provide air pollution control services including human resources, staffing and fiscal administration adequate to meet the regulatory and legislated responsibilities of an air quality management district within the AVAQMD jurisdiction; and

WHEREAS, the CITY agrees to provide such services consistent with all applicable laws and regulations pursuant to the provisions of this Agreement; and

WHEREAS, the AVAQMD and the CITY OF LANCASTER together agree to enter into this Agreement pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 of the California Government Code (commencing with §6500).

In consideration of the mutual covenants and conditions the AVAQMD and the CITY OF LANCASTER agree as follows:

TERMS AND CONDITIONS

1. PURPOSE

The purpose of this Agreement is for the AVAQMD to contract from the CITY OF LANCASTER certain administrative and operations services as AVAQMD and the CITY OF LANCASTER have determined are necessary to enable AVAQMD to meet the regulatory and legislated responsibilities of an air quality management district for compensation consistent with all applicable laws and regulations. This Agreement is entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 of the California Government Code (commencing with §6500).

2. TERM OF AGREEMENT

The term of this Agreement shall be for a period of five (5) years commencing on October 1, 2022 and ending on June 30, 2027, with an option to continue for two (2) more years under the same terms and conditions, unless earlier terminated, extended, or modified as provided herein. Although this Agreement will become effective as of October 1, 2022, and the parties will commence planning for the 2022/2023 fiscal year, it is intended that the provision of Services pursuant to this Agreement may commence prior to October 1, 2022, in preparation of the Agreement. Certain services that are provided between October 1, 2022 and June 30, 2023 will be subject to the existing Agreement between the MDAQMD and AVAQMD for administrative services specific to certain software licenses.

3. SCOPE OF SERVICES

The CITY OF LANCASTER agrees to provide the human resource, staffing and fiscal administration, as specified in “Scope of Materials and Services” (Exhibit “A”), attached and incorporated by this reference (collectively, the “Services”). The CITY OF LANCASTER and AVAQMD will mutually agree upon an annual budget for the Services based on a best estimate of the costs to provide such Services and historical data, which budget will be adopted by AVAQMD prior to the commencement of each fiscal year (“Annual Budget”). The Annual Budget for the fiscal year inclusive of October 1, 2022, is attached hereto as Exhibit “B”. The Annual Budget will be subject to amendment in accordance with changes in the actual costs of goods and services provided by the CITY OF LANCASTER as described in Section 5(c). Exhibit 1 may be amended in whole or in part to reflect any changes or adjustments as directed by the actions of the governing bodies of the AVAQMD and/or the CITY OF LANCASTER. For purposes of interpretation of the scope and nature of the Services, the governing order of document precedence shall be first Exhibit 1 and second the current fiscal year budget for the AVAQMD, as amended. For all subsequent fiscal years the annual budget will be effective July 1-June 30 of each year.

4. COMPENSATION

The CITY OF LANCASTER shall perform its obligations under this Agreement in accordance with the approved Annual Budget, as amended, each fiscal year during the term of this Agreement or until the termination or expiration of this Agreement. Compensation is based on the cost matrix as described below:

- A. The CITY OF LANCASTER may purchase materials and supplies which will be reimbursed by the AVAQMD at the actual cost of the material or supplies;
- B. AVAQMD shall pay the pro rata portion of the base salary and associated employment benefits for all time spent by Program Staff (as defined in Section 11) on AVAQMD matters as described in the Annual Budget.
- C. The CITY OF LANCASTER agrees to provide the following products and services in the scope of this Agreement to the level used by the CITY OF LANCASTER in the scope of its regular business practices: financial and payroll systems as needed to provide human resource, staffing and fiscal support. Where the AVAQMD has purchased and/or owns user licenses or enhancements, or chooses to enhance any of these services beyond the level used by the CITY OF LANCASTER, the AVAQMD agrees to pay the costs for the enhancements and related maintenance.
- D. Except as provided in Paragraph C above, the CITY OF LANCASTER may make available certain services or products for which they are the sole owner, or certain services or purchases from which both the CITY and AVAQMD derive relevant benefits. The CITY OF LANCASTER may assess a proportionate share of the purchase cost and/or service costs to the AVAQMD not to exceed a proportionate amount based on the ratio of Full-Time Equivalents or any other relevant use metric between both agencies at the end of current fiscal year or period of software use.
- E. If additional services are required or requested over and above the services described in Exhibit 1 or which exceed the Annual Budget, as amended, then such services and associated costs shall be provided when directed and approved by the AVAQMD Governing Board.
- F. AVAQMD will further pay a charge to cover administrative overhead and compensate the CITY OF LANCASTER for the indirect costs of delivering the services described herein. Said charge will be calculated as 10% of the total billed each month for services and will be added to the invoice.

5. PAYMENT OF COSTS

On a monthly basis or as necessary, the CITY OF LANCASTER shall deliver to the AVAQMD an invoice for materials and services provided. The invoice shall include a description of the materials and services provided.

- A. Payment for the costs of services and materials provided by the CITY OF LANCASTER to the AVAQMD pursuant to this Agreement shall be made at the direction of the AVAQMD Governing Board, according to the regular check approval process.
- B. Professional services of the CITY OF LANCASTER staff will be billed monthly at 1/12 of the contracted amount approved in the annual AVAQMD Budget as set forth in the line item, "Program Staff".
- C. Not less than quarterly, the CITY OF LANCASTER will reconcile the actual costs to deliver the Services against the estimates approved in the Annual Budget. If the actual cost to deliver the Services exceeds the estimate in the Annual Budget, then the CITY OF LANCASTER will be entitled to invoice AVAQMD for such excess cost. If the actual cost to deliver the Services is less than the estimate in the Annual Budget, then the CITY OF LANCASTER will credit AVAQMD for such cost saving. If an increase or decrease in actual cost is expected to continue for the remainder of the fiscal year, then the Annual Budget and the monthly billing will be modified accordingly, provided however, that with respect to increases in the Annual Budget, the CITY OF LANCASTER will cooperate with AVAQMD to find ways to mitigate such increases.
- D. The AVAQMD shall pay the amount indicated on the invoice within forty-five (45) days of the date of the invoice. If the AVAQMD does not pay the amount indicated on the invoice with forty-five (45) days, interest may accrue on the unpaid amount at the legal rate of interest per annum or such rate as allowed by any subsequent amendment to California Law.

In the event the AVAQMD disputes an amount indicated on an invoice, such dispute shall be resolved in accordance with the conflict resolution procedures as set forth in Section 8 below. In the event of such a dispute, interest will accrue on only that part of the disputed amount which is determined to be due and owing to the CITY OF LANCASTER as provided in Section 4 above.

In the event of a breach or termination of this Agreement, the CITY OF LANCASTER is entitled to payment for Services actually performed and materials actually provided as of the date of the breach or termination. In such event the CITY OF LANCASTER shall provide a final invoice as set forth above detailing the materials and services provided and hours expended for the period between the last date indicated on the previous invoice to the date of the breach or termination. The final invoice will include the cost of the CITY OF LANCASTER to transition all Dedicated Staff, as defined in Section 11, and for AVAQMD to assume all Personnel Costs as set forth in Section 11.

6. INDEMNITY AND LIABILITY

AVAQMD and the CITY OF LANCASTER shall, to the extent authorized by law, indemnify and hold harmless each other, their agents and employees against all liabilities arising out of or connected with the performance of this Agreement.

In the event litigation is threatened or commenced by a third party regarding negligent acts or omissions of the AVAQMD, its officers, volunteers and authorized agents while performing services for the AVAQMD to which the CITY OF LANCASTER becomes a party, the AVAQMD shall retain and bear all litigation costs of the AVAQMD and THE CITY OF LANCASTER engendered by such litigation.

In the event litigation is threatened or commenced by a third party regarding negligent acts or omissions of the CITY OF LANCASTER, its officers, employees, volunteers and authorized agents while performing services for the CITY OF LANCASTER to which the AVAQMD becomes a party, the CITY OF LANCASTER shall retain and bear all litigation costs of the AVAQMD and the CITY OF LANCASTER engendered by such litigation.

For the purposes of this section, negligent acts and omissions include, but are not limited to, the failure to lawfully perform the following: the adoption and implementation of rules, regulations, plans and policies; the issuance of permits; the issuance and management of grants and grant programs; the performance of duties under the California Environmental Quality Act Pub. Res. Code 21000 et seq.); and the enforcement of rules, regulations, and orders of either the AVAQMD or the CITY OF LANCASTER. Notwithstanding the foregoing the CITY OF LANCASTER staff will not be considered to be acting negligently if they properly carry out the rules, regulations, plans and policies adopted by AVAQMD. AVAQMD remains solely responsible for such rules, regulations, permit issuance, grant activities, plans and policies, as well as defending any third-party claim which challenges the enforceability and/or legality of same.

7. INSURANCE

Within thirty (30) days from the execution of this Agreement and for the term of this Agreement: the CITY OF LANCASTER will include the AVAQMD as an additional named insured on the CITY OF LANCASTER policies for workers' compensation insurance, and employment practices insurance.

The AVAQMD shall obtain and maintain general liability insurance, property insurance, vehicle comprehensive and collision insurance, errors and omissions insurance, and other insurance as approved by the AVAQMD Governing Board at the expense of the AVAQMD.

In the event the AVAQMD directly obtains the services of officers and employees outside the scope of this Agreement the AVAQMD shall obtain and maintain workers' compensation and employment practices insurance at the expense of the AVAQMD. Such additional insurance shall be obtained within thirty (30) days from the employment of officers or employees outside the scope of this Agreement. The AVAQMD will, as necessary, include the CITY OF LANCASTER as an additional named insurance on such policies.

8. CONFLICT RESOLUTION

Conflicts regarding the terms, provisions, nature, scope, delivery, provision of specific services or materials, or arising as a result of the implementation of this Agreement shall be resolved in the following manner:

- A. The chair of the Governing board of the AVAQMD (the “Chair”) or the Mayor of the CITY OF LANCASTER (the “Mayor”) shall contact the other, inform him or her of the nature and scope of the conflict and attempt to resolve the conflict.
- B. If the Chair and Mayor cannot resolve the conflict by discussion, each shall place an item on the agenda of the next regularly scheduled meetings for their respective Governing Board/City Council, respectively, regarding the conflict and appointment of Governing Board/City Council members to a Conflict Resolution Committee.
- C. The AVAQMD Governing Board and the CITY OF LANCASTER City Council shall each appoint two (2) members to the Conflict Resolution Committee.
- D. The Conflict Resolution committee shall schedule a meeting to occur within fifteen (15) days of the later of the AVAQMD or the CITY OF LANCASTER Governing Board/City Council meeting at which members were appointed to the Conflict Resolution Committee. The Conflict Resolution Committee shall have fifteen (15) days from the date of the first meeting of the committee to attempt to resolve the conflict.
- E. If the Conflict Resolution Committee fails to resolve the conflict within the time stated above, the matter shall be submitted to non-binding arbitration by either Party. Each Party agrees to bear one-half (1/2) the cost of obtaining such non-binding arbitration. An impartial arbitrator shall be selected by alternately striking from a list provided by the California State Mediation and Conciliation Service who shall hear the matter and render a decision.
- F. If either of the Governing Board/City Council elects not to accept the decision of the arbitrator at its next regularly scheduled meeting or the arbitrator fails to resolve the matter, either the AVAQMD or the CITY OF LANCASTER may terminate this Agreement in accordance with the terms set forth herein
- G. Each party reserves its rights and remedies to enforce the terms of this Agreement at law or in equity.

9. DUE DILIGENCE

Upon commencement of the term of this Agreement the CITY OF LANCASTER agrees to perform with due diligence the services specified herein.

10. EQUIPMENT

Equipment owned by the AVAQMD at the expiration or termination of this Agreement shall remain the property of the AVAQMD.

Equipment owned by the CITY OF LANCASTER prior to the expiration or termination of this Agreement but used in the performance of services under this Agreement shall remain the property of the CITY OF LANCASTER.

Equipment purchased and billed to the AVAQMD pursuant to the terms of this Agreement shall be the property of the AVAQMD.

The CITY OF LANCASTER agrees that upon expiration or termination of this Agreement, any property of the AVAQMD which is in the possession of the CITY OF LANCASTER shall be returned to the AVAQMD at a location designated by the AVAQMD within fifteen (15) days of the expiration or termination of this Agreement.

11. PROGRAM STAFF

The CITY OF LANCASTER will provide professional officers and employees of the CITY OF LANCASTER to perform the Services for AVAQMD pursuant to the terms of this Agreement. It is intended that the CITY OF LANCASTER will use both (a) existing CITY OF LANCASTER staff; and (b) staff which has been hired by the CITY OF LANCASTER solely to perform the Services (“Dedicated Staff”). All officers and employees of the CITY OF LANCASTER, including the Dedicated Staff, shall remain the officers and employees of the CITY OF LANCASTER. Notwithstanding the provisions of paragraph 4 above, the CITY OF LANCASTER shall remain solely responsible for the payment of all salaries and benefits, including but not limited to salary, health and dental benefits, employment related taxes and pension contributions (collectively, “Personnel Costs”), for its officers and employees when such officers and employees are performing the Services.

The duties which the officers and employees of the CITY OF LANCASTER may be required to perform for the AVAQMD pursuant to this Agreement shall conform to the job descriptions of such officers and employees in their duties with the CITY OF LANCASTER. For the purposes of this Agreement “job description” shall be the current and most recent job descriptions or as subsequently amended by the CITY OF LANCASTER for the CITY OF LANCASTER’s officers and employees.

Upon expiration or termination of this Agreement with the CITY OF LANCASTER, it is intended that the Dedicated Staff and its office location will be transitioned to AVAQMD. In the event the AVAQMD offers employment to such Dedicated Staff in the same or a similar capacity and subject to the personnel policies and procedures of the AVAQMD and other requirements as determined by the AVAQMD Governing Board, if any, AVAQMD will assume all Personnel Costs of the Dedicated Staff transferred to the AVAQMD employment on the transition date. The CITY OF LANCASTER and AVAQMD will cooperate to transition any existing pension benefits to the extent permitted by applicable law. Following the expiration or termination, if services will be performed by a third-party contractor, then AVAQMD may request 1) that the

third-party contractor offer position(s) to the Dedicated Employees; and 2) that the third-party contractor give priority offers of employment of same or similar positions to the Dedicated Employees. Notwithstanding the use of a third-party contractor, AVAQMD will remain financially responsible for the assumption of all Personnel Costs for transferred staff as of the transition date.

In the event that AVAQMD or any third-party contractor employed by AVAQMD fails to transition the Dedicated Staff, then the CITY OF LANCASTER will continue to treat the Dedicated Staff in accordance with the CITY OF LANCASTER's normal existing policies and procedures and Dedicated Staff will have the same rights and seniority in the same manner and to the same extent as the CITY OF LANCASTER staff who have not been dedicated to provide services to AVAQMD. Notwithstanding the foregoing, the CITY OF LANCASTER reserves the right to terminate Dedicated Staff if no position(s) are available and AVAQMD will be responsible for all reasonable costs and expenses incurred by the CITY OF LANCASTER in connection with such termination.

12. LEGISLATED POSITIONS

The Governing Board of the AVAQMD shall appoint an Air Pollution Control Officer (APCO) pursuant to H&S §41350(b); and legal counsel pursuant to H&S §41357.

13. OPERATIONAL OVERSIGHT

The CITY OF LANCASTER will provide the services of a Senior Manager to act in the capacity of the Air Pollution Control Officer (APCO)/Executive Director of AVAQMD. It is acknowledged and understood that the position of APCO/Executive Director is unique and that the person serving in this position must have the full confidence of the Governing Board of the AVAQMD. Accordingly, the Governing Board of the AVAQMD with a 75% majority will have the right, at any time, to request the removal of the APCO/Executive Director or any replacement thereof from the position of Executive Director. The replacement for the position of APCO/Executive Director will be subject to the review and approval of AVAQMD Governing Board and AVAQMD will be responsible for all costs incurred by the CITY OF LANCASTER to locate and hire any replacement. The initial APCO/Executive Director of AVAQMD will be Bret Banks.

The Governing Board of the AVAQMD reserves the right to contract separately for operation oversight of the AVAQMD office. The CITY OF LANCASTER will provide reasonable access to its records and personnel for such oversight. Such third party hired for oversight may direct day to day operations under this Agreement as well as oversee actions of staff to provide services under this Agreement, however such third party shall not have the right to change the scope or nature of Services under this Agreement nor exercise any personnel related authority under the CITY OF LANCASTER's policies and procedures including, but not limited to, performance reviews and discipline of CITY OF LANCASTER personnel. Nothing in this provision shall prevent either the AVAQMD Governing Board or any person contracted to

provide operation oversight from providing input, advice and consultation regarding AVAQMD issues.

14. FEES, FINES, SUBVENTIONS, GRANTS AND OTHER REVENUE

All fees, fines, subventions, grants and other revenue owed to the AVAQMD pursuant to Federal, State or AVAQMD law, rule, regulation, permit or order of a State or Federal Court of competent jurisdiction shall be received by the AVAQMD. In the event that any such fee, fine, subventions, grants and other revenue owed to the AVAQMD is received by the CITY OF LANCASTER, it shall be transferred to the AVAQMD immediately upon receipt and shall not affect payments made under this Agreement.

15. CONTRACT PERFORMANCE

The CITY OF LANCASTER agrees to make and maintain all records that are required by Federal or State law or AVAQMD rule, regulation, permit or order or by an order of a State or Federal Court of competent jurisdiction and to transfer such records to the AVAQMD upon expiration or termination of this Agreement.

A Governing Board member of the respective Governing Boards of the AVAQMD and the CITY OF LANCASTER may attend any open session of Governing Board meetings of the other agency and any public meetings of the other agency which directly relate to the materials and services provided pursuant to this Agreement.

16. COPYRIGHT MATERIALS

The AVAQMD reserves the right to any copyrightable materials. The AVAQMD shall have the right, title and interest including trade secret and copy right interest in the copyrightable materials. During the term of this Agreement, the CITY OF LANCASTER shall have a non-exclusive right to use, copy and otherwise benefit from such materials.

17. FISCAL AUDIT

The AVAQMD shall designate an auditor and a fiscal audit shall be conducted annually by a qualified accountancy firm. The results of the audit shall be presented to the Governing Board on completion.

In the event this agreement expires or terminates, an audit shall be provided to the Governing Board of the AVAQMD within ninety (90) days of the expiration or termination of this Agreement.

The CITY OF LANCASTER agrees that the AVAQMD or its duly authorized representative shall have access and the right to examine, audit, excerpt, transcribe and copy the CITY OF LANCASTER's financial records, documents, papers and records which are related or pertinent to this Agreement. Such materials shall be retained for a period of at least two (2) years

or such other longer period as required by State or Federal law, rule or regulation or by the CITY OF LANCASTER's policies or procedures.

The AVAQMD agrees that the CITY OF LANCASTER or its duly authorized representative shall have access and the right to examine, audit, excerpt, transcribe and copy the AVAQMD's financial records, documents, papers and records which are related or pertinent to this Agreement. Such materials shall be retained for a period of at least two (2) years or such other longer period as required by State or Federal law, rule or regulation or by AVAQMD's policies or procedures.

18. PRIVILEGES AND IMMUNITIES

Pursuant to the provisions of Government Code 6513 and any other applicable law, all of the privileges and immunities from liability, exceptions from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activity of officers, agents or employees of the CITY OF LANCASTER shall apply to the same degree and extent while such officers, agents or employees of the CITY OF LANCASTER are engaged in the performance of any of their functions and duties within the jurisdiction of the AVAQMD or the CITY OF LANCASTER.

19. SUCCESSORS

Neither party will assign or transfer any rights or obligations under this Agreement without the written consent of the other.

Each party and their successors, legal representatives and to the extent permitted herein, their assigns, are hereby bound to the other party and to the successors, legal representatives and the assigns of the other party in respect to all covenants, agreements and obligations of this Agreement.

20. AMENDMENT

This Agreement and its Exhibits, as amended from time to time in accordance with the terms of this Agreement, constitute the entire agreement between the Parties and will supersede all prior written or oral understandings. This Agreement and its Exhibits, as amended, may only be amended, supplemented and modified by an executed written instrument as approved the Governing Boards of the AVAQMD and the CITY OF LANCASTER. Notwithstanding the foregoing, the Governing Boards may specify a threshold for modifications to the Services and the Annual budget which are within the discretion of the General Managers of each entity.

For purposes of this Agreement, the annual adoption of the Annual Budget for each successive fiscal year until the expiration or termination of this Agreement as provided for in Paragraph 3 shall be deemed an amendment to Exhibit B of this Agreement upon mutual approval of the Annual Budget and its adoption by the Governing Board of the AVAQMD.

21. TERMINATION

The Governing Boards of the AVAQMD or the CITY OF LANCASTER may terminate this Agreement at any time by giving written notice to the other party 180 days in advance of the proposed termination, but not less than ninety (90) days before the effective date of the proposed termination.

In the event this Agreement is terminated, all finished and unfinished documents and other materials produced by the CITY OF LANCASTER pursuant to the terms of this Agreement shall be provided to the AVAQMD. If the Agreement is terminated by either party, the CITY OF LANCASTER shall be paid all amounts due and unpaid, whether or not such amounts had been billed to the AVAQMD, as of the date of the termination subject to the resolution of any disputed amounts pursuant to the conflict resolution procedure set forth in Section 8 above.

In the event this Agreement is terminated, AVAQMD Dedicated Staff will be transitioned in accordance with the terms of Section 11.

22. EFFECTIVE DATE

This Agreement shall be effective October 1, 2022 for the term specified in Section 2 above.

23. VENUE

The venue for any claims or actions brought related to or regarding this Agreement shall lie in the County of Los Angeles, California.

This Agreement is executed in the city of Lancaster, County of Los Angeles.

ANTELOPE VALLEY AIR QUALITY
MANAGEMENT DISTRICT

BY: _____
Bret Banks, APCO

DATED: _____

CITY OF LANCASTER

BY: _____
Jason Caudle, City Manager

DATED: _____

Approved as to Legal Form

Allison Burns, Special Counsel to
The Governing Board/City Council

END OF CONTRACT

EXHIBIT A
SCOPE OF MATERIALS AND SERVICES

The CITY OF LANCASTER agrees to provide services to the AVAQMD as specified in the Agreement, namely: provide administration and operations, adequate to meet the regulatory and legislated responsibilities of an air quality management district within the AVAQMD jurisdiction specified in Division 26 of the California Health & Safety Code (commencing with §39000). The scope of services that the CITY OF LANCASTER may provide as directed by the fiscal year budget are described below.

In the event the AVAQMD Governing Board redirects or appoints a third party to perform any of the services or functions listed herein to another party, contractor, consultant or vendor, the CITY OF LANCASTER will be relieved from any and all liabilities arising out of or connection with the performance of such services by any or all third parties from the effective date of such assignment. The AVAQMD shall indemnify and hold harmless the CITY OF LANCASTER, its agents and employees, against all liabilities arising out of or connected with the transfer of such assignment.

The CITY OF LANCASTER agrees to hire and provide staffing for the following positions to serve in the existing capacity on behalf of the AVAQMD operations:

City of Lancaster Title	City of Lancaster Employee Group	AVAQMD working Title	Starting Annual Salary Range Steps 1-6. (City of Lancaster: Effective July 1, 2022)					
Senior Manager	3000	Executive Director (APCO)	\$143,704.13	\$156,064.02	\$164,277.92	\$172,924.13	\$182,025.40	\$191,605.68
Manager	3000	Operations Manager	\$116,759.66	\$122,597.65	\$128,727.53	\$135,163.91	\$141,922.10	\$155,679.43
Coordinator II	4000	Grants Analyst	\$80,833.66	\$84,875.35	\$89,119.11	\$93,575.07	\$98,253.82	\$107,778.13
Inspector	4000	Air Quality Specialist III	\$80,833.66	\$84,875.35	\$89,119.11	\$93,575.07	\$98,253.82	\$107,778.13
Specialist II	4000	Air Quality Specialist I	\$71,852.00	\$75,444.60	\$79,216.83	\$83,177.68	\$87,336.56	\$95,802.84
Senior Administrative Assistant	4000	Office Assistant	\$71,852.00	\$78,032.01	\$82,138.96	\$86,462.06	\$91,012.70	\$95,802.84

The referenced salaries will be used as the initial salary basis for the employees involved in the initial transition. Annually, THE CITY OF LANCASTER and the AVAQMD will amend or confirm the titles and organizational structure in concurrence with the annual budget process. The CITY OF LANCASTER will provide all benefits for the above listed personnel as it does for all other CITY OF

LANCASTER employees. As such all listed positions will be subject to amendments and changes approved by the CITY OF LANCASTER governing body.

Grant Account/Management: all activities including, but not limited to, making application for available funds, soliciting projects that meet the objectives of each grant program, developing and administering contracts to ensure the grant program objectives are met; disbursing funds and performing reviews on contract performance. A portion of the CITY OF LANCASTER finance department staff will supervise and account for the grant's activity and the AVAQMD will be billed on a time and material basis for such support.

Administrative Services: all activities including, but not limited to, operations for a staffed office located in the AVAQMD jurisdiction with regular business operating hours, revenue collection and expenditure tracking, budget preparation and administration, development, implementation and maintenance of an automated system for tracking permits and permit activities, procurement and maintenance of facilities, operations and fixed assets as set forth in the annual budget, and miscellaneous expenses as identified in the annual budget. Financial and accounting services including, but not limited to, appropriate accounting procedures to maintain bank accounts, receive and expend funds and report accordingly, computer information systems.

Executive Services: all activities including, but not limited to services of the Air Pollution Control Officer/Executive Officer (via contract), direction and oversight of all operations of the AVAQMD, support for boards, commissions and committees, including the Governing Board and the Hearing Board.

FISCAL YEAR
2022-23



ADOPTED
BUDGET

City of
LANCASTER

City of
PALMDALE

**HIGH
DESERT**
*of Los
Angeles
County*

Pictured: Apollo Community Regional Park, Lancaster, Calif.

661.723.8070

 avaqmd.ca.gov

 [.com/avaqmd](https://www.facebook.com/avaqmd)

 [@avaqmd](https://twitter.com/avaqmd)

July 1, 2022

Antelope Valley Air Quality Management District
43301 Division St., Suite 206
Lancaster, CA 93535-4649

Bret Banks, Executive Director

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Antelope Valley Air Quality Management District

Bret Banks, *Executive Director*

43301 Division St., Antelope Valley, CA 93535-4649

661.723.8070 • www.AVAQMD.ca.gov



April 14, 2022

It is my pleasure to present for your consideration, the Antelope Valley Air Quality Management District's adopted Fiscal Year (FY) 2022-2023 General Fund Budget and Grant Programs. This budget is designed to serve as the financial plan for the District's programs, projects, and policies. It reflects the District's commitment to long-term financial planning, cost-effective services, and fiscal policies that recognize the need to fund future obligations.

The adopted budget for FY23 is optimistic. The COVID-19 pandemic took a significant toll on our local economy and changed how we financially prepare for the future. However, our conservative financial strategy assured the District's success through this tumultuous economic period which includes an unprecedented inflation of 8.1%. The FY23 consolidated budget is \$6.55 million with a General Fund budget of \$3.69 million (up from FY22) by \$.77 million dollars from funded programs. Recommendations include an increase to Regulation III, Fees, by proposing a 10.0% fee increase effective January 1, 2023.

The Antelope Valley AQMD is serviced based with 7 full time equivalents including one vacant FTE. Additional administrative and technical services are provided by 2.5 FTEs through our contract for services with the Mojave Desert AQMD. As such, the General Budget is composed of Personnel expenses of 55%, Program expenses of 34%, Capital Expenses of 1%, and Operating Expenses of 10%.

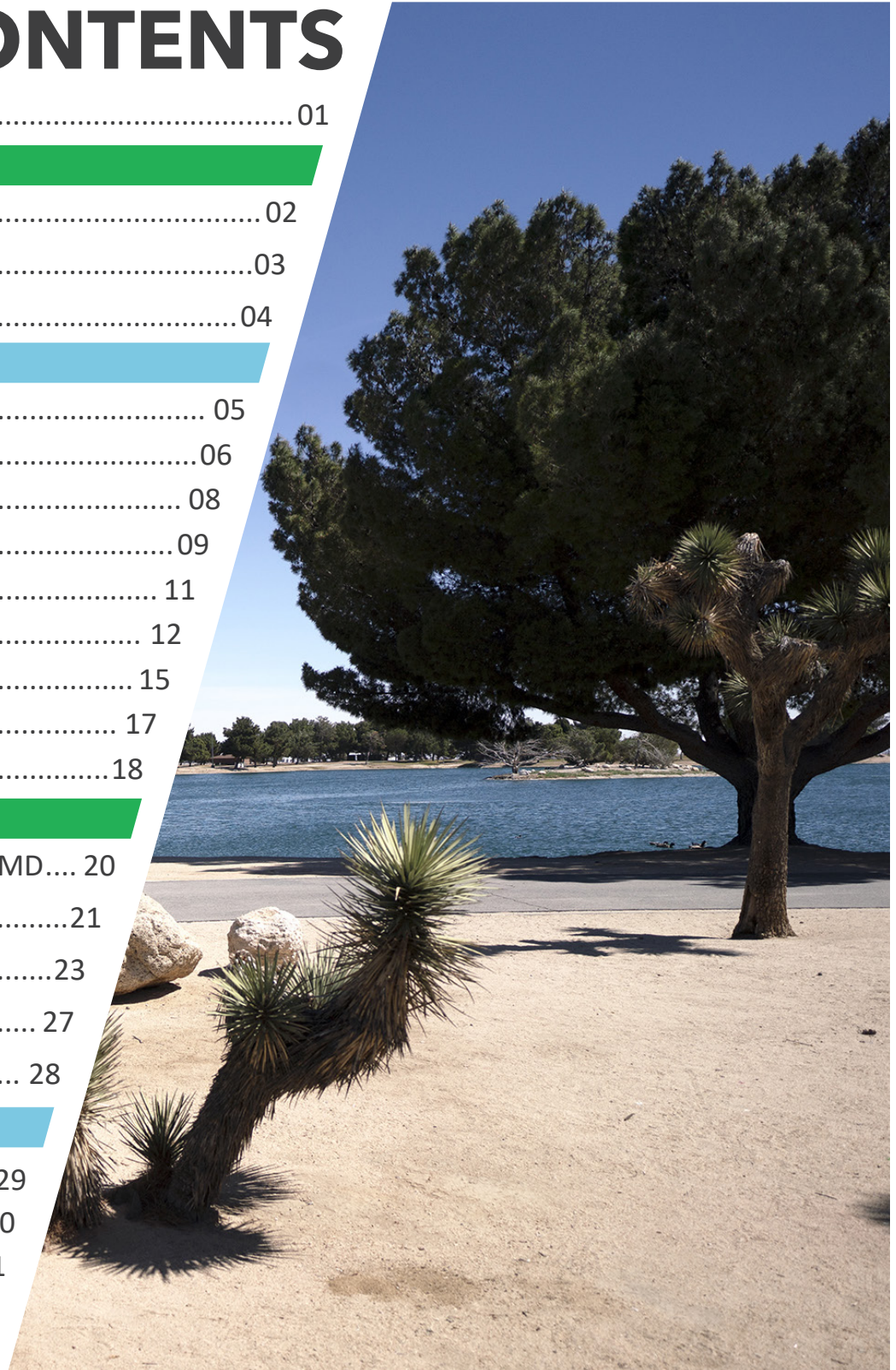
A Public Hearing will be held May 17, 2022 to receive public comments concerning this adopted budget and will be continued to June 21, 2022 for adoption on July 1, 2022. The FY23 Budget represents a financial strategy designed to meet this year's obligations and challenges, efficiently and transparently, while maintaining sensitivity towards industry and the general public.

Bret Banks
Air Pollution Control Officer

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ABOUT THE AVAQMD

INTRODUCTION

The Antelope Valley Air Quality Management District (AVAQMD) relies on transparency and community involvement to educate industries, businesses and individuals about current air quality regulations and ensure compliance with local, state and federal regulations through annual inspections. The District approaches air quality regulations in a manner that is responsive and accessible. Growth and new programs demand that the District continue to strive to streamline government, become more efficient, and conserve resources without limiting or decreasing the service provided to the regulated community.

AVAQMD WEBSITE

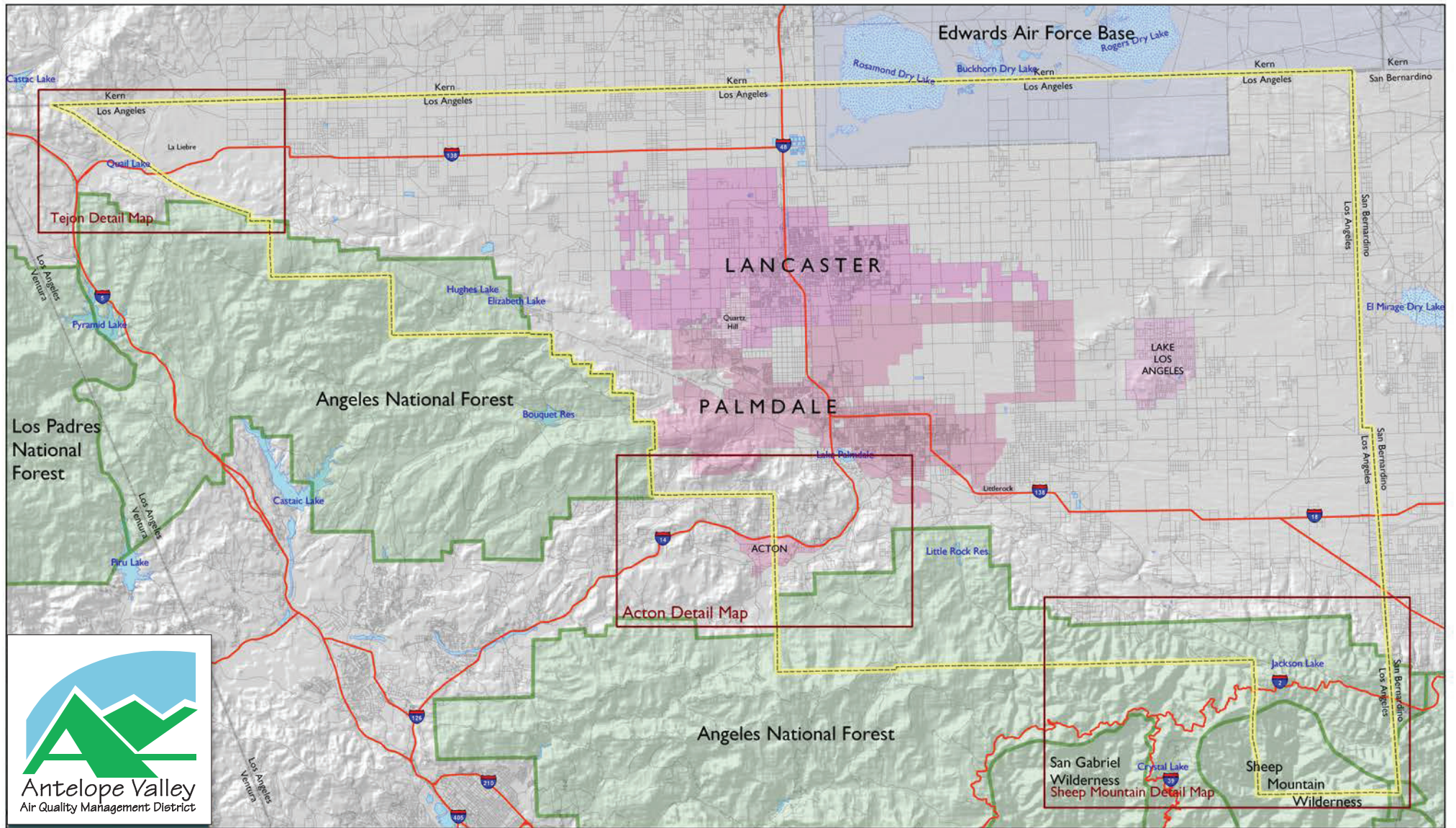
Educating the community is the most important investment the District can make to impact the future of air quality in the region. Using technology and social media the District is able to reach the public with the latest version of the District rulebook, application for permits, various forms, and air quality information – such as forecasts, ozone maps and real time air quality data provided through Purple Air monitoring stations throughout the community

COMMUNITY OUTREACH

The District strives to be known as a partner in the development of a sustainable local economy that values health and environmental conservation. This is achieved by providing information through involvement in community events such as the Antelope Valley Economic Development and Growth Enterprise's Business Outlook Conference, school education programs, attendance at regular meetings held by City Councils, local business and organizations.

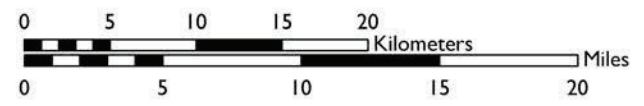


The District lies within the northern part of Los Angeles County. The District boundaries start on the south just outside of Acton, north to the Kern County line, east to the San Bernardino County line, and west to the Quail Lake area. The AVAQMD is located within the Mojave Desert air basin. An air basin is a geographical region to describe an area with a commonly shared air mass, since air pollution does not follow county, city, or political boundaries.



- Edwards Air Force Base
- National Forest
- Air Quality Management District Border
- County Lines
- Bodies of Water
- Dry Lakes
- Highways
- Roads

Antelope Valley Air Quality Management District Boundary



GOVERNING Board

CHAIR



Marvin Crist
City of Lancaster

VICE CHAIR



Austin Bishop
City of Palmdale



Newton Chelette
Public Member



Howard Harris
*Los Angeles County,
Fifth District*



Ron Hawkins
*Los Angeles County,
Fifth District*



Steven Hofbauer
City of Palmdale



Ken Mann
City of Lancaster



WHAT WE DO

- Adopt rules that limit pollution, issue permits to ensure compliance, and inspect pollution sources.
- Administer agricultural burning and dust plans to preserve the air quality in Antelope Valley, protect public health and safety, and to ensure agricultural activity continues in a safe regulated fashion.
- Inventory and assess the health risks of toxic air emissions.
- Monitor the county's air quality through the use of an air quality monitoring station.
- Administer the Motor Vehicle Emission Reduction Program funding projects which reduce air pollution from motor vehicles, and for related planning, monitoring, and enforcement activities.
- Prepare Clean Air Plans to identify how much pollution is in our air, where it comes from, and how to control it most effectively.
- Analyze the air quality impact of new businesses and land development projects. Respond to public complaints and inquiries.
- Work with other government agencies to ensure their decisions & coordinate with good air quality programs.
- Help individuals and businesses understand and comply with federal, state, and local air pollution control laws.
- Inform the public about air quality conditions and health implications.
- Issue permits to build, alter, and operate equipment to companies under our jurisdiction that either cause, contribute to, or control air pollution

Antelope Valley AQMD
ALL FUNDS, Consolidated

	Budget FY 2022	EOY Estimate FY 2022	Budget FY 2023
Revenues			
Permit Fees	1,047,500	1,124,947	1,199,200
Application Fees	30,500	31,176	32,500
Federal Revenue	0	0	63,982
Fines & Penalties	10,000	14,250	10,000
Interest Income	17,500	19,909	44,602
Revenue from Programs	2,833,400	2,510,794	3,755,106
State Revenue	1,096,000	1,179,925	1,446,315
Total Revenues	5,034,900	4,881,001	6,551,705
Expenses			
Personnel Expenses			
Program Staff	1,389,000	1,532,974	1,800,000
Total Personnel Expenses	1,389,000	1,532,974	1,800,000
Operating Expenses			
Communications	21,050	26,405	35,870
Dues & Subscriptions	46,650	19,050	21,100
Non-Depreciable Inventory	2,300	5,395	10,500
Legal	44,000	16,700	79,000
Professional Services	230,150	269,930	305,150
Maintenance & Repairs	6,500	4,700	7,000
Training & Travel	15,150	14,075	16,650
Vehicles	7,900	15,005	15,930
Office Expenses	110,125	109,701	132,761
Program Expenses	3,104,500	2,887,118	4,119,978
Miscellaneous Expenses	2,900	550	2,900
Total Operating Expenses	3,591,225	3,368,629	4,746,839
Capital Expenses			
Equipment	25,000	15,120	25,000
Software	25,000	0	25,000
Total Capital Expenses	50,000	15,120	50,000
Total Expenses	5,030,225	4,916,723	6,596,839
Cash To (From) Reserves	4,675	(35,722)	(45,134)



COST RECOVERY FISCAL YEAR 2022-2023

BACKGROUND

The District is responsible for protecting public health and the environment by achieving and maintaining health-based national and state ambient air quality standards which help with reducing public exposure to toxic air contaminants within our jurisdiction. Fulfilling this task involves reducing air pollutant emissions from sources of regulated air pollutants, and maintaining these emission reductions over time.

The District regulates and inventories criteria and toxic emissions and conducts regional scale air quality monitoring within our jurisdictional boundaries. The District's air quality programs are primarily funded by revenue from regulatory fees, government grants and subventions.

OBJECTIVES

The cost of programs to address air pollution should be borne by the individuals and businesses that cause air pollution through regulatory and service fees. The primary authority for recovering the cost of District programs and activities related to stationary sources is given in Section 41240 of the Health and Safety Code(HSC). Using this guideline, the District must

- Recover the costs of programs related to permitted stationary sources
- Recover the costs of programs related to area-wide and indirect sources of emissions which are regulated, but for which permits are not issued
- Recover the costs of certain Hearing Board proceedings
- Recover the costs related to programs that regulate toxic air contaminants

STUDY METHODOLOGY

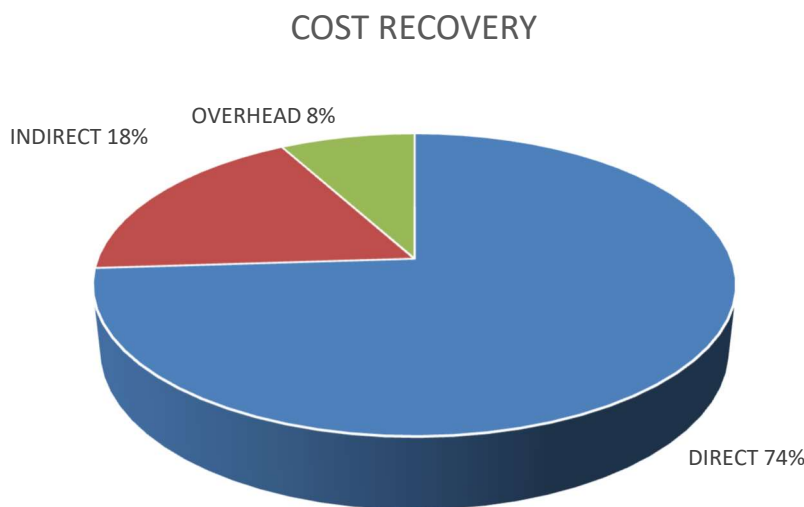
The measure of the revenue that may be recovered through source fees is the full cost of all programs related to these sources, including all direct program costs, a commensurate share of indirect program costs, and overhead unless otherwise funded. It is the District's practice that such fees are valid so long as they do not exceed the reasonable cost of the service or regulatory program for which the fee is charged, and are apportioned such that the costs allocated to each source bears a fair or reasonable relationship to its burden on, and benefits from, the regulatory system.

Cost accounting is the process of ascertaining, accumulating, and assigning the costs of District programs. It begins with a system of accounting that assigns costs directly to their cost centers. By classifying each cost to its center, we are able to calculate whether program revenues are covering their associated costs.

Costs are classified as direct, indirect or overhead.

Direct costs can be associated directly with a particular program or activity such as permitting activities. Indirect costs are associated indirectly with a particular program or activity such as administrative activities or professional services. Overhead costs are those necessary for the

general operation of the District as a whole and are not directly associated with a particular program or activity such as operating expenses.



Annually, the District's direct, indirect, and overhead rate are established based on the prior fiscal years audited financial information. These rates are used in determining fairly and conveniently within the boundaries of generally accepted accounting principles, what proportion of costs each program

should bear. For the FY23 budget, the direct rate is 74%, the indirect rate is 18% and overhead is 8%.

The cost recovery process is designed so that individual program revenue adequately addresses expenses. Through the use of cost accounting, we analyze Permit Revenue and other programs for accuracy, appropriateness, and controls. Further, we evaluate the need for, and calculate the rate for fee increases to our Permitting Program based on 100% cost recovery. Permit Revenue for FY23 is \$1.24M and covers 75% of the cost of permitting.

Antelope Valley AQMD
GENERAL FUND, Consolidated

	Budget FY 2022	EOY Estimates FY 2022	Budget FY 2023
Revenues			
Permit Fees	1,047,500	1,124,947	1,199,200
Application Fees	30,500	31,176	32,500
Federal Revenue	0	0	63,982
Fines & Penalties	10,000	14,250	10,000
Interest Income	15,000	9,922	10,000
Revenue from Programs	731,400	678,199	934,045
State Revenue	1,096,000	1,179,925	1,446,315
Total Revenues	2,930,400	3,038,419	3,696,042
Expenses			
Personnel Expenses			
Program Staff	1,389,000	1,532,974	1,800,000
Total Personnel Expenses	1,389,000	1,532,974	1,800,000
Operating Expenses			
Communications	21,050	26,405	35,870
Dues & Subscriptions	46,650	19,050	21,100
Non-Depreciable Inventory	2,300	5,395	10,500
Legal	44,000	16,700	79,000
Professional Services	230,150	269,930	305,150
Maintenance & Repairs	6,500	4,700	7,000
Training & Travel	15,150	14,075	16,650
Vehicles	7,900	15,005	15,930
Office Expenses	110,125	109,700	132,761
Program Expenses	1,000,000	1,044,536	1,264,315
Miscellaneous Expenses	2,900	550	2,900
Total Operating Expenses	1,486,725	1,526,046	1,891,176
Capital Expenses			
Equipment	25,000	15,120	25,000
Software	25,000	0	25,000
Total Capital Expenses	50,000	15,120	50,000
Total Expenses	2,925,725	3,074,140	3,741,176
Cash To (From) Reserves	4,675	(35,721)	(45,134)

GENERAL FUND



REVENUE

The greatest uncertainties facing Antelope Valley's AQMD's budgetary outlook stem from the potential for major economic disruption due to the COVID-19 global pandemic. We recognize the hardships that many are experiencing. We are making accommodations in many program areas and remain committed to protecting public health and helping business. The Antelope Valley AQMD staff will monitor the financial impacts and in the event that there are major changes in the economic landscape, we would make adjustments to the FY23 Budget being proposed.

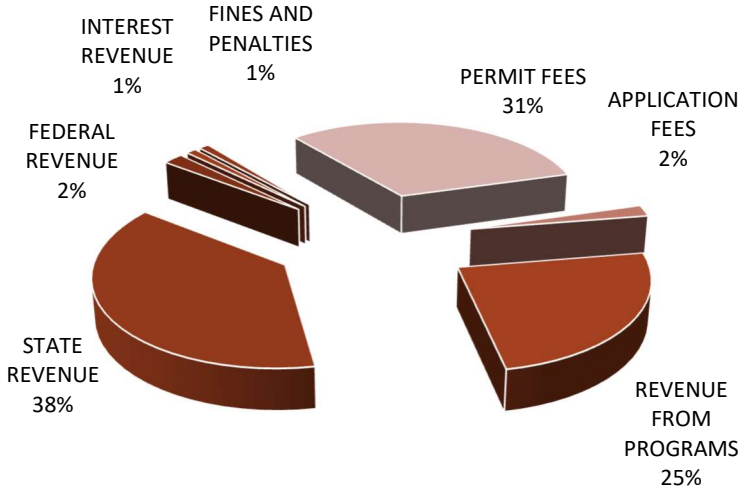


This budget includes a financial summary of all revenues, expenditures and staffing used by each of Antelope Valley AQMD's programs in the delivery of essential services to clean the air and to protect the health of all residents in the Antelope Valley AQMD through practical and innovative strategies.

The proposed General Fund budget for FY23 is not balanced budget with expenditures and revenues of \$3.7M million and 9.5 full time equivalents (FTE) including one vacant FTE. The FY23 proposed budget is 22% percent more than the FY22 adopted budget of \$2.9M. This is due in part to a 10% increase in fees effective January 1, 2023. Additionally, state and federally funded programs within the general fund are responsible for an additional \$.6M in FY23.

Staff is proposing a budget for FY23 that allows the Antelope Valley AQMD programs to operate efficiently, transparently, and in a manner sensitive to public agencies, businesses and the public, while providing continued emission reductions and health benefit improvements.

GENERAL FUND REVENUE



Recommendations include an increase to Regulation III, Fees, by proposing a 10.0% fee increase effective January 1, 2023. Interest projections are a conservative 1% due to current market performance. Permit revenue is 34% of general fund revenue. Revenue from programs is 25% while state and federal revenue is 41% of general fund revenue.

EXPENSES

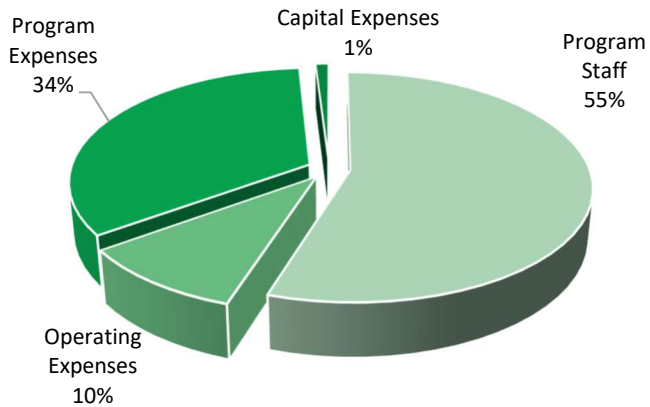
The Antelope Valley Air Quality Management District is in a five year contract for services with the Mojave Desert Air Quality Management District. Administrative and operational services were contracted

in order to meet the regulatory responsibilities of an air quality management district for compensation consistent with all applicable laws and regulations.

The FY23 General Fund expenses are \$3.7M including a Program staff budget of \$1.8M. Operating Expenses are \$627k, Capital Expenses are \$50k, and Program Expenses are \$1.26M. This is a 26% increase from the FY22 budget of \$1M. The additional revenue is from the AB134 Community Air Protection Grant Program revenue and is received from the California Air Resources Board (CARB).

Program staff is 30% more than FY22. This is due to an increase of 2 FTEs, a COLA of 5%, and other miscellaneous benefit increases. Staffing costs account for 55% of the General Fund Budget.

GENERAL FUND EXPENSES



Antelope Valley AQMD
GENERAL FUND, Revenue Detail

	<u>Budget FY 2022</u>	<u>EOY Estimate FY 2022</u>	<u>Budget FY 2023</u>
Revenues			
Permit Fees			
Permit Fees Rev	953,000	1,053,818	1,105,000
Asbestos Demo/Reno Rev	90,000	85,319	90,000
Title V Rev	4,500	4,000	4,200
Permit Fee Adjustments	0	(18,190)	0
	<u>1,047,500</u>	<u>1,124,947</u>	<u>1,199,200</u>
Application Fees			
Permit Application Fees	30,000	29,226	32,000
AG Application Fees	500	1,950	500
	<u>30,500</u>	<u>31,176</u>	<u>32,500</u>
Fines & Penalties			
Notice of Violations Fee	10,000	14,250	10,000
	<u>10,000</u>	<u>14,250</u>	<u>10,000</u>
Interest Income			
Interest Revenue	15,000	9,922	10,000
	<u>15,000</u>	<u>9,922</u>	<u>10,000</u>
Other Revenue			
Revenue from Programs			
Administrative Funding	100,000	25,000	247,045
AB2766 Program	630,000	651,729	650,000
AB923 Program	0	0	36,000
Hot Spots	1,400	1,470	1,000
	<u>731,400</u>	<u>678,199</u>	<u>934,045</u>
State and Federal Revenue			
PERP Regulation	40,000	33,057	35,000
State Contracts	959,000	1,049,868	1,314,315
State Subvention	97,000	97,000	97,000
ARB PM 2.5 Section 103	0	0	63,982
	<u>1,096,000</u>	<u>1,179,925</u>	<u>1,510,297</u>
Total General Fund Revenues	<u>2,930,400</u>	<u>3,038,419</u>	<u>3,696,042</u>



AVAQMD PROGRAMS

PROGRAM DESCRIPTIONS

U.S. Environmental Protection Agency

The sets nationwide air quality and emissions standards and oversees state efforts and enforcement.

California Air Resources Board

Focuses on unique air quality challenges by setting the state's emissions standards for a range of pollution sources including vehicles, fuels and consumer products.

COMUNICATIONS

The Antelope Valley Air Quality Management District conducts public information and education programs in order to educate businesses and residents in the Antelope Valley region about air pollution, its sources, health effects on humans, damage to the environment and the various programs offered by the Districts to reduce air emissions. Education is provided on methods of control and to encourage individual means of reducing pollution.

The programs are targeted to many audiences: academia, the general adult population, elementary to college level students, as well as business and industry. This information uses public workshops, conferences, presentations, social media and other multimedia promotions. In addition, press releases, press conferences and air quality forecasts are provided to the local media on an ongoing basis as a means of keeping the public informed.

AIR QUALITY MONITORING PROGRAM

The District operates an ambient air monitoring and meteorological network that tracks air quality trends within the Antelope Valley region. The station is an active part of the State and Local Air Monitoring System (SLAMS) network.

A computer operated data acquisition system collects daily and real time levels of pollutants. This data is reported to the California Air Resources Board (CARB), Federal Environmental Protection Agency (EPA), regulated industry and the general public. This information is also used to provide pollution episode forecast and notification to school systems and the general population in the event of harmful levels of pollution.



STATIONARY SOURCES

One of the District's primary responsibilities is to process applications for permits in accordance with all applicable local, State, and Federal regulations. These permits are required for projects that propose industrial and/or commercial processes that have the potential to emit specific air contaminants. The wide range of requirements applied depends on the type and size of the proposed project.

District staff provides technical reviews of various documents, such as permit applications, manufacturer's data, test reports, risk assessments, and emission inventory. The District implements and manages:

- Title III & V Programs. The Title III program is the federal toxic program specifically for Title V facilities. Title V (EPA Regulation) is a Federal Operating Permits Program required by the 1990 Clean Air Act. This program requires the District to develop and implement a Federal Permitting Program approved by the Environmental Protection Agency (EPA) for sources of a certain capacity.
- Emissions Inventory. This program maintains an active inventory of the sources of criteria air pollutants within the District and measures progress towards attainment and maintaining compliance with National and State Ambient Air Quality Standards. State and Federal Law require this program.
- Toxic Emissions Inventory. (Air Toxic "Hot Spot" Information and Assessment Act of 1987) This program assesses the amounts, types and health impacts of air toxics produced from stationary sources.

COMPLIANCE

The District's responsibility is to protect the health and welfare of the public by assisting the regulated community in complying with Federal, State and Local regulatory requirements. This responsibility is carried out through various programs and activities:

- Comprehensive annual inspections performed to verify compliance to air quality regulations and permit requirements.
- Investigation of citizen complaints pertaining to air related matters
- Legal case development when necessary to address non-complying situations
- Federal Asbestos Demolition and Renovation Program
- State-mandated Variance Program
- Continuous Emissions Monitoring Programs
- Reporting to the Environmental Protection Agency's AIRS and Significant Violator programs
- Source testing or stack sampling is the process that evaluates the emissions for industrial facilities to determine compliance with permit conditions.

PLANNING & RULEMAKING

The District promulgates rules and plans in accordance with State and Federal planning requirements in order to achieve and maintain regional compliance with the ambient air quality standards. Planning staff serve as the District liaison with regional, State and Federal governments, ensuring District compliance with applicable requirements. Planning staff also performs California Environmental Quality Act (CEQA) review in the District's role as the expert agency for air quality. Staff in Planning and Rulemaking implement and maintain the following programs:

- California Ambient Air Quality Standards Attainment Planning, in the California Clean Air Act and subsequent state legislation. This program currently focuses on the California ozone standard.
- National Ambient Air Quality Standards (NAAQS) in the Federal Clean Air Act, the Clean Air Act Amendments and subsequent Federal legislation. This program currently focuses on the National eight-hour ozone standard and the National 24-hour annual PM10 and PM 2.5 standards.
- Federal General and Transportation Conformity, entailing regional project review and comment.
- California Environmental Quality Act (CEQA), requiring local and regional project review.

Antelope Valley AQMD
DISTRICT WIDE, Expense Detail

	<u>Budget FY 2022</u>	<u>EOY Estimate FY 2022</u>	<u>Budget FY 2023</u>
Expenses			
Personnel Expenses			
Operating Expenses			
Communications			
Telephones	6,000	5,140	6,000
Long Distance Charges	500	320	500
Video/Teleconference	150	150	150
Internet	10,000	10,395	11,820
Web Hosting	2,400	2,400	2,400
Tech Support	2,000	2,000	10,000
Computers	0	6,000	5,000
	<u>21,050</u>	<u>26,405</u>	<u>35,870</u>
Dues & Subscriptions			
Memberships & Sponsorships	45,000	18,750	20,000
Publications & Subscriptions	800	300	500
Professional Dues	600	0	600
	<u>46,400</u>	<u>19,050</u>	<u>21,100</u>
Non-Depreciable Inventory			
Furniture & Fixtures Exp	100	220	2,500
Machinery & Equipment Exp	1,200	5,000	7,000
Safety Equipment Exp	1,000	170	1,000
	<u>2,300</u>	<u>5,390</u>	<u>10,500</u>
Legal			
Legal Notices	4,000	615	4,000
Legal Services	40,000	16,085	75,000
	<u>44,000</u>	<u>16,700</u>	<u>79,000</u>
Professional Services			
Payroll Contract	0	1,215	1,000
Research Studies	6,000	6,000	6,000
Consulting Fees	3,000	8,220	25,000
Stipends	8,400	8,400	8,400
	<u>17,400</u>	<u>23,835</u>	<u>40,400</u>
Maintenance & Repairs			
General Bldg. Maintenance	2,000	0	2,000
Custodial Services	3,000	2,700	3,000
Equipment Repair	1,500	2,000	2,000
	<u>6,500</u>	<u>4,700</u>	<u>7,000</u>
Training & Travel			
Training	4,500	5,000	4,500
Travel	8,000	9,000	12,000
Mileage	150	75	150
	<u>12,650</u>	<u>14,075</u>	<u>16,650</u>

Antelope Valley AQMD
DISTRICT WIDE, Expense Detail

	<u>Budget FY 2022</u>	<u>EOY Estimate FY 2022</u>	<u>Budget FY 2023</u>
Vehicles			
Vehicle Gas & Oil	1,500	3,775	4,000
Vehicle Maintenance	2,000	2,000	2,000
Vehicle Repairs	3,000	3,000	3,000
Vehicle Insurance	1,400	5,680	6,930
	<u>7,900</u>	<u>14,455</u>	<u>15,930</u>
Office Expenses			
Software	1,300	2,000	25,000
Utilities	8,600	8,600	8,860
Supplies	3,000	3,000	3,000
Facility Leases	60,100	60,100	60,000
Equipment Lease	5,000	5,000	5,000
Postage	0	300	2,000
Courier	175	175	300
Printing/Shredding Services	1,350	1,350	1,350
Security	500	675	600
Liability Insurance	18,100	12,436	14,726
Meeting Expenses	1,000	1,225	1,225
Community Relations	9,500	9,500	9,500
	<u>108,625</u>	<u>104,361</u>	<u>131,561</u>
Program Expenses			
Program Expenditures	900,000	1,041,286	1,264,315
Program Expenditures Administrative	100,000	3,250	0
	<u>1,000,000</u>	<u>1,044,536</u>	<u>1,264,315</u>
Miscellaneous Expenses			
Bank Fees	2,900	550	2,900
	<u>2,900</u>	<u>550</u>	<u>2,900</u>
Total Operating Expenses	<u>1,269,725</u>	<u>1,274,057</u>	<u>1,625,226</u>
Capital Expenses			
Equipment	25,000	15,120	25,000
Software	25,000	0	25,000
Total Capital Expenses	<u>50,000</u>	<u>15,120</u>	<u>50,000</u>
Total Expenses	<u>1,319,725</u>	<u>1,289,177</u>	<u>1,675,226</u>



SUPPORT STAFF

EXECUTIVE SERVICES

The Executive Office is responsible to the Governing Board for the general administration and coordination of all District operations and programs, including those programs mandated by the Federal Environmental Protection Agency and the California Air Resources Board. This office monitors state and federal legislation affecting the District and advises the Governing Board on actions required to protect the interests of the District.

The Governing Board, with seven members, meets monthly and members receive \$100.00 stipend per meeting plus travel expenses. The Hearing Board, with six members, meets as needed and members may receive \$100.00 stipend per meeting plus travel expenses.

LEGAL COUNSEL

Special Counsel to the Governing Board serves as general legal counsel to the Governing Board, the Air Pollution Control Officer and the District, providing general public agency legal services regarding the Brown Act, the Political Reform Act, California Environmental Quality Act, as well the Administrative Code, contracts, personnel matters, civil actions, and related litigation. District Counsel also provides legal advice and opinions on mandates specific to air districts such as the Federal Clean Air Act, California air pollution control laws and air quality rules and regulations. District Counsel exercises authority to bring civil actions in the name of the people of the State of California for violations of various air quality laws and regulations. The District Counsel also represents the District in actions brought before the Hearing Board.

ADMINISTRATIVE SERVICES

The Administrative Services office provides financial, administrative and personnel management services to the operating divisions of the District. Finance staff prepares the annual budget and controls expenditures by providing information regarding expenditures and the availability of budgeted funds. Finance also purchases equipment and supplies. Invoices for a variety of fees are issued, collected, deposited and accounted for through the Compliance and Permit System (CAPS). This office also manages the District's risk management, fleet and facility management, and fixed assets.

**Antelope Valley AQMD
CONTRACT, Expense Detail**

	<u>Budget FY 2022</u>	<u>EOY Estimate FY 2022</u>	<u>Budget FY 2023</u>
Expenses			
Personnel Expenses			
Program Staff	1,389,000	1,532,974	1,800,000
Total Personnel Expenses	1,389,000	1,532,974	1,800,000
Operating Expenses			
Communications			
Dues & Subscriptions			
Publications & Subscriptions	250	0	0
	250	0	0
Non-Depreciable Inventory			
Safety Equipment Exp	0	5	0
	0	5	0
Legal			
Professional Services			
Payroll Contract	125	200	250
Financial Services	212,625	245,895	264,500
	212,750	246,095	264,750
Maintenance & Repairs			
Training & Travel			
Training	500	0	0
Travel	2,000	0	0
	2,500	0	0

**Antelope Valley AQMD
CONTRACT, Expense Detail**

	<u>Budget FY 2022</u>	<u>EOY Estimate FY 2022</u>	<u>Budget FY 2023</u>
Vehicles			
Vehicle Gas & Oil	0	550	0
	<u>0</u>	<u>550</u>	<u>0</u>
Office Expenses			
Software	0	3,750	0
Supplies	500	450	0
Postage	1,000	1,000	1,000
Courier	0	140	200
	<u>1,500</u>	<u>5,340</u>	<u>1,200</u>
Program Expenses			
Miscellaneous Expenses			
Total Operating Expenses	<u>217,000</u>	<u>251,990</u>	<u>265,950</u>
Capital Expenses			
Total Expenses	<u>1,606,000</u>	<u>1,784,964</u>	<u>2,065,950</u>



THE CONTRACT - MDAQMD

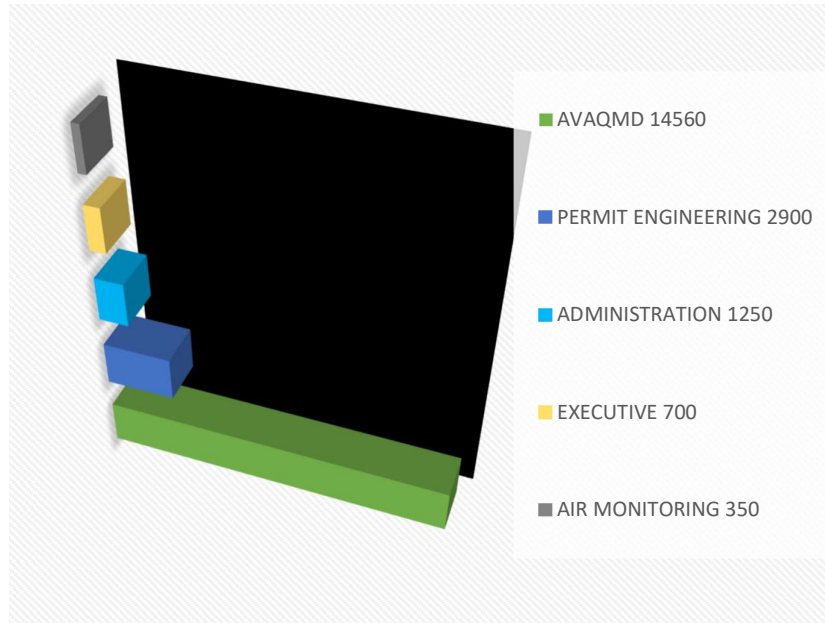
PROGRAM STAFF: 19,760 HOURS • 9.5 FTE • 1.80M

PERIOD JULY 1, 2022 – JUNE 30, 2023

TERMS AND CONDITIONS

The Antelope Valley Air Quality Management District contracts with the Mojave Desert Air Quality Management District for administrative and operations services as necessary to enable AVAQMD to meet the regulatory and legislated responsibilities of an air quality management district for compensation consistent with all applicable laws and regulations. On March 15, 2022, the AVAQMD initiated the process of ending the 25 year contract for services with the MDAQMD with an effective date of September 30, 2022. After September 30, 2022, any services contracted by the AVAQMD, through the MDAQMD, could be considered on a temporary as needed basis.

This agreement is pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 of the California Government Code (commencing with §6500).



CONTRACT HOURS

The total contracted hours for FY2023 is 19,760. The Antelope Valley AQMD office located in Lancaster, CA is staffed by 6 full time equivalents (FTE) with one vacant FTE.

Additionally, 2.5 FTEs provide administrative, executive, air monitoring, permit engineering, and other technical services. On a monthly basis, the Mojave Desert AQMD shall deliver to the Antelope Valley AQMD an itemized invoice for actual materials and services provided.

AVAQMD GRANTS

AB2766

The District's air quality programs are primarily funded by revenue from regulatory fees, government grants and subventions. The AB2766 program is funded through a \$4 (four dollar) assessment by the District's Governing Board, and collected by the California Department of Motor Vehicles on motor vehicle registrations. Calls for projects, eligibility determinations, and Governing Board award are all part of the process that makes funds available to the region for qualified emission reducing projects.

The FY23 AB2766 Program Budget is unchanged at \$620k ; which represents 22% of all program revenue.

AB923

The District regulates and inventories criteria and toxic emissions and conducts regional scale air quality monitoring within our jurisdictional boundaries. Funds collected under AB923 allows air districts in state non-attainment areas to adopt an additional \$2 (two dollar) surcharge on motor vehicle registration fees to be used strictly for incentive-based emission reduction funding programs.



The use of the fees is limited to projects eligible for grants under the Carl Moyer Program, the purchase of school buses under the Lower-Emission School Bus Program, light-duty scrap or repair programs and unregulated agricultural sources. The FY23 AB923 Program Budget is \$546k; which represents 19% of all program revenue.



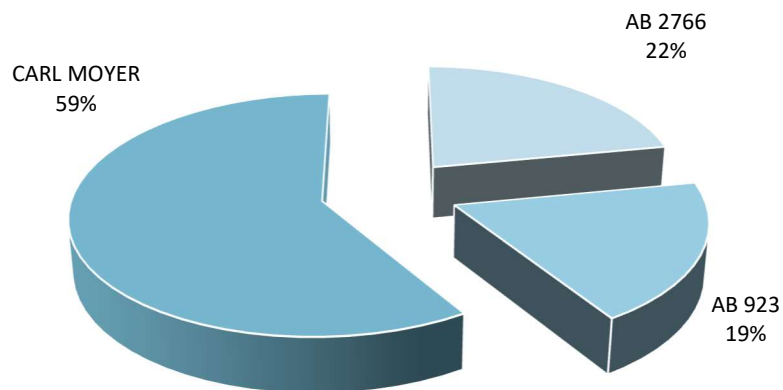
CARL MOYER

The Moyer Program complements California’s regulatory program by providing incentives to obtain early or extra emission reductions, especially from emission sources in minority and low-income communities and areas disproportionately impacted by air pollution. Incentives encourage customers to purchase cleaner technologies, and stimulate the marketplace to manufacture cleaner technologies.

Although the Moyer Program has grown in scope, it retains its primary objective of obtaining cost-effective and surplus emission reductions to be credited toward California’s legally enforceable obligations in the State Implementation Plan (SIP) – California’s road map for attaining health-based national ambient air quality standards.

Carl Moyer Grant Program Funds are distributed by the California Air Resources Board for projects obligated by the District under this state regulated program.

Projects are awarded to qualifying applicants on a formula basis according to specific criteria and cost effectiveness. The FY23 Carl Moyer Program Budget is \$1.5M compared to \$800k in FY22; which represents 59% of all program revenue.



Antelope Valley AQMD
Program Funds Consolidated GRANT PROGRAMS

	<u>Budget FY 2022</u>	<u>EOY Estimate FY 2022</u>	<u>Budget FY 2023</u>
<u>Revenues</u>			
Administrative Funding	100,000	67,557	141,258
AB2766 Program	620,000	620,000	620,000
Carl Moyer Program Round 21	800,000	599,413	1,513,803
AB923 Program	582,000	545,625	546,000
Interest Revenue	2,500	9,987	34,602
	<hr/>	<hr/>	<hr/>
Total Consolidated Program Revenue	2,104,500	1,842,582	2,855,663
<u>Expenses</u>			
Program Expenditures	2,004,500	1,811,400	2,714,405
Program Expenditures Administrative	100,000	31,182	141,258
	<hr/>	<hr/>	<hr/>
Total Consolidated Program Expense	2,104,500	1,842,582	2,855,663

Antelope Valley AQMD
Program Funds AB2766 GRANT PROGRAMS

	Budget FY 2022	EOY Estimate FY 2022	Budget FY 2023
<u>Revenues</u>			
AB2766 Program	620,000	620,000	620,000
Interest Revenue	500	0	0
Total AB2766 Program Revenue	620,500	620,000	620,000
<u>Expenses</u>			
Program Expenditures	620,500	620,000	620,000
Total AB2766 Program Expense	620,500	620,000	620,000

Antelope Valley AQMD
Program Funds AB923 GRANT PROGRAMS

	<u>Budget FY 2022</u>	<u>EOY Estimate FY 2022</u>	<u>Budget FY 2023</u>
<u>Revenues</u>			
Administrative Funding	0	36,375	0
AB923 Program	582,000	545,625	546,000
Interest Revenue	<u>1,500</u>	<u>0</u>	<u>0</u>
Total AB923 Program Revenue	583,500	582,000	546,000

<u>Expenses</u>			
Program Expenditures	<u>583,500</u>	<u>582,000</u>	<u>546,000</u>
Total AB923 Program Expense	583,500	582,000	546,000

Antelope Valley AQMD
Program Funds Carl Moyer GRANT PROGRAMS

	<u>Budget FY 2022</u>	<u>EOY Estimate FY 2022</u>	<u>Budget FY 2023</u>
<u>Revenues</u>			
Administrative Funding	100,000	31,182	141,258
Carl Moyer Program	800,000	599,413	1,513,803
Interest Revenue	500	9,987	34,602
	<hr/>	<hr/>	<hr/>
Total Carl Moyer Program Revenue	900,500	640,582	1,689,663

<u>Expenses</u>			
Program Expenditures	800,500	609,400	1,548,405
	100,000	31,182	141,258
	<hr/>	<hr/>	<hr/>
Total Carl Moyer Program Expense	900,500	640,582	1,689,663

Antelope Valley AQMD
ALL FUNDS, Consolidated Historical

	Budget FY 2019	Budget FY 2020	Budget FY 2021	Budget FY 2022	Budget FY 2023
Revenues					
Permit Fees	792,150	1,019,500	971,500	1,047,500	1,199,200
Application Fees	42,000	30,000	41,500	30,500	32,500
Federal Revenue	0	0	0	0	63,982
Fines & Penalties	59,000	62,000	63,000	10,000	10,000
Interest Income	14,300	22,435	58,000	17,500	44,602
Revenue from Programs	2,603,044	2,570,566	2,667,385	2,833,400	3,755,106
State Revenue	141,500	206,305	169,500	1,096,000	1,446,315
Total Revenues	3,651,994	3,910,806	3,970,885	5,034,900	6,551,705
Expenses					
Personnel Expenses					
Salaries & Wages	1,200,218	1,338,000	1,425,175	1,389,000	1,800,000
Total Personnel Expenses	1,200,218	1,338,000	1,425,175	1,389,000	1,800,000
Operating Expenses					
Communications	23,500	20,500	18,500	21,050	35,870
Dues & Subscriptions	10,500	20,500	46,100	46,650	21,100
Non-Depreciable Inventory	11,000	10,000	1,000	2,300	10,500
Legal	19,000	19,000	19,000	44,000	79,000
Professional Services	207,650	217,400	217,400	230,150	305,150
Maintenance & Repairs	6,500	6,500	6,500	6,500	7,000
Training & Travel	11,000	10,150	12,150	15,150	16,650
Vehicles	12,000	10,000	5,500	7,900	15,930
Office Expenses	107,425	102,575	97,475	110,125	132,761
Program Expenses	1,753,826	2,060,266	2,036,085	3,104,500	4,119,978
Miscellaneous Expenses	800	915	1,000	2,900	2,900
Total Operating Expenses	2,163,201	2,477,806	2,460,710	3,591,225	4,746,839
Capital Expenses					
Furniture & Fixtures	25,000	0	0	0	0
Equipment	0	40,000	40,000	25,000	25,000
Vehicles	30,000	30,000	20,000	0	0
Computers	35,000	0	0	0	0
Software	0	25,000	25,000	25,000	25,000
Total Capital Expenses	90,000	95,000	85,000	50,000	50,000
Total Expenses	3,453,419	3,910,806	3,970,885	5,030,225	6,596,839

5 YEAR BUDGET RECAP

Over the last 5 years, the Antelope Valley budget has focused on streamlining many of its operations while still meeting its program commitments despite new federal and state mandates and increased workload complexity. The focus has been, and continues to be, on reducing or maintaining operating expenditure levels in General Fund and maximizing the efficient use of staff resources to enable select vacant positions to remain vacant, be deleted or be unfunded whenever possible.



In FY19 the District began to receive funding from the California Resource Board under AB 617 to reduce exposure in neighborhoods most impacted by air pollution as well as

funding under the AB 134 Community Air Protection Fund. Additionally, the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program provides funding through local air districts for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations.

Permit Revenue is up 48% from FY19 as a result of strategic fee increases designed to measure the revenue that may be recovered through source fees against the full cost of providing the services. The cost of all programs related to these sources includes all direct program costs, a commensurate share of indirect program costs, and overhead unless otherwise funded. It is the District's practice that such fees are valid so long as they do not exceed the reasonable cost of the service or regulatory program for which the fee is charged, and are apportioned such that the costs allocated to each source bears a fair or reasonable relationship to its burden on, and benefits from, the regulatory system. Revenue from General Fund Programs increased by 26% from FY2019 as a result of a state and federal funding.

Staffing costs increased by 30% from the FY22 budget commensurate with the increase in FTEs. Excluding programs, Operating expenses have increased 29% since FY19. The rise in costs are the direct result of staffing increases of 30% recommendations for procedural changes to the Districts contract with the Mojave Desert AQMD.

Antelope Valley AQMD
GENERAL FUND, Consolidated Historical

	Budget FY 2019	Budget FY 2020	Budget FY 2021	Budget FY 2022	Budget FY 2023
Revenues					
Permit Fees	792,150	1,019,500	971,500	1,047,500	1,199,200
Application Fees	42,000	30,000	41,500	30,500	32,500
Federal Revenue	0	0	0	0	63,982
Fines & Penalties	59,000	62,000	63,000	10,000	10,000
Interest Income	4,000	6,435	30,000	15,000	10,000
Revenue from Programs	774,300	611,300	659,300	731,400	934,045
State Revenue	141,500	206,305	169,500	1,096,000	1,446,315
Total Revenues	1,812,950	1,935,540	1,934,800	2,930,400	3,696,042
Expenses					
Personnel Expenses					
Salaries & Wages	1,100,000	1,338,000	1,425,175	1,389,000	1,800,000
Total Personnel Expenses	1,100,000	1,338,000	1,425,175	1,389,000	1,800,000
Operating Expenses					
Communications	23,500	20,500	18,500	21,050	35,870
Dues & Subscriptions	10,500	20,500	46,100	46,650	21,100
Non-Depreciable Inventory	11,000	10,000	1,000	2,300	10,500
Legal	19,000	19,000	19,000	44,000	79,000
Professional Services	207,650	217,400	217,400	230,150	305,150
Maintenance & Repairs	6,500	6,500	6,500	6,500	7,000
Training & Travel	11,000	10,150	12,150	15,150	16,650
Vehicles	12,000	10,000	5,500	7,900	15,930
Office Expenses	107,425	102,575	97,475	110,125	132,761
Program Expenses	15,000	85,000	0	1,000,000	1,264,315
Miscellaneous Expenses	800	915	1,000	2,900	2,900
Total Operating Expenses	424,375	502,540	424,625	1,486,725	1,891,176
Capital Expenses					
Furniture & Fixtures	25,000	0	0	0	0
Equipment	0	40,000	40,000	25,000	25,000
Vehicles	30,000	30,000	20,000	0	0
Computers	35,000	0	0	0	0
Software	0	25,000	25,000	25,000	25,000
Total Capital Expenses	90,000	95,000	85,000	50,000	50,000
Total Expenses	1,614,375	1,935,540	1,934,800	2,925,725	3,741,176



FINANCIAL RESERVES

It is the policy of the Governing Board of the Antelope Valley Air Quality Management District (District) to direct the Air Pollution Control Officer (APCO) to establish and maintain certain fund balances to ensure the sound fiscal management of District resources.

The purposes of the District's fund balance policy include maintaining prudent level of financial resources to protect against reducing service levels or raising fees because of temporary revenue shortfalls or unpredicted one-time expenditures. Another purpose is to reserve funds for unanticipated large expenditures, such as capital expenses; or extraordinary costs associated with defending the District's regulatory activities.

CLASSIFICATION OF FUNDS

Restricted Fund Balance is designated for the specific purposes stipulated by the external source, government code, enabling legislation, or other legal restriction. Following are an example of this classification: Mobile Emission Reduction Revenue (AB 2766), Incentive Based Emission Reduction Funding (AB 923), and Carl Moyer Grant Program Funds. These funds are held in separate trust accounts and are reported separate from the District's General Fund.

Committed Fund Balance is designated by policy and includes amounts that can be used only for the specific purposes determined by a formal action of the Governing Board. Commitments may be changed only by action of the Governing Board. The District's Operating Cash Reserves is an example of this classification. The FY23 Cash Reserves are \$1M or 27% of the annual operating Budget.

Assigned Fund Balance is used to describe the portion of the fund balance that reflects the intended use of resources; the intent being established by the Governing Board, or the Board's designee. Such fund balance will be allocated and defined in the District's annual adopted budget. The District's Budget Stabilization Reserves is an example of this classification.

REVENUES

Permit Fees

Permit Fees Rev	Operating and Annual Renewal Permit Fees
Asbestos Demo/Reno Rev	Fees for Permits related to Asbestos Removal - Rule 302
Title V Permit Rev	Permit fees for Federal Permit Program

Application Fees

ERC Application Fees	Emission Reduction Credit
New Source Review	Project Evaluation for Complex Source-Rule 301
Permit Application Fees	Filing of new permits and permit changes
Variance Filing Fees	Filing fee for each petition to District Hearing Board -Rule 303
AG Application Fee	

Fine & Penalties

Excess Emissions Fees	Fee charged when a variance is granted by Hearing Board - Rule 303
Notice of Violations Fees	Fee Charged for unpermitted source, or violation of permit condition
Interest Revenue	Interest on funds held on deposit, all funds

Revenue from Programs

Administrative Funding	Program pass thru funds for administration costs of the program
AB2766 Program	Revenue received through DMV vehicle registration
California Clean Air Act Fees	State mandated fee collected on behalf of Carb
Hot Sports	State mandated fee: "Air Toxic "Hot Spot"

State Revenue

PERP State Funds	Portable Engine Registration Program
State Subvention	Funds received from state budget to supplement Permitting and Air Monitoring

EXPENSES

Program Staff

Contracted costs to provide staff for District operations

Operating Expenses

Communications	Telephones, teleconferencing, internet, cable, hosting, tech support
Dues & Subscriptions	District memberships, sponsorships, publications, subscriptions
Non-Depreciable Inventory	Furniture, equipment, machinery, and safety equipment < \$5,000
Legal	Legal services for Governing Board, Hearing Board; publications
Professional Services	Financial services, audit, research studies, consulting fees, stipends
Maintenance & Repairs	General building maintenance, custodial services, and repairs
Training and Travel	Employee training; professional development and related travel
Vehicles	Fuel and oil, maintenance and repair, insurance for District's fleet
Office Expenses	Software, utilities, supplies, leases, postage, courier, printing and shredding services, security, insurance, meeting expenses and community relations

PROGRAM EXPENSES

Expenses attributable to the use of special funds

CAPITAL EXPENSES

Furniture & fixtures, Equipment, vehicles, computers, and software over \$5K

ACRONYMS

AB2766	Enabling legislation for collection of fees for mobile source reduction projects
AIRS	Aerometric Information Retrieval System
APCD	Air Pollution Control District
APCO	Air Pollution Control Officer
AQMD	Air Quality Management District
ARB	Air Resources Board
AVAQMD	Antelope Valley Air Quality Management District
BACT	Best Available Control Technology
CAA	Clean Air Act
CAPCOA	California Air Pollution Control Officers Association
CAPP	Clean Air Patrol Program
CAPS	Compliance and Permit System (permit tracking database)
CARB	California Air Resources Board
CNGVG	California Natural Gas Vehicle Coalition
CRE	Community Relations and Education
CREEC	California Regional Environmental Education Community
CSDA	California Special Districts Association
DAPCO	Deputy Air Pollution Control Officer
EPA	Environmental Protection Agency
ERC	Emission Reduction Credit
FY	Fiscal Year
ICTC	Interstate Clean Transportation Corridor
MACT	Maximum Achievable Control for Toxics
MEEC	Mojave Environmental Education Consortium
MDAQMD	Mojave Desert Air Quality Management District
MOU	Memorandum of Understanding
NAAQS	National Ambient Air Quality Standards
NESHAP	National Emissions Standard for Hazardous Pollutants
NSPS	New Source Performance Standards
OPEB	Other Post Employment Benefits
PARS	Public Agency Retirement Services
PERP	Portable Equipment Registration Program
PSD	Prevention of Significant Deterioration
PTBS	Permit Tracking and Billing System
SDRMA	Special Districts Risk Management Authority
SLAMS	State and Local Air Monitoring Stations
TAC	Technical Advisory Committee
VPN	Virtual Private Network

The following page(s) contain the backup material for Agenda Item: [Appoints and/or reappointments for the Antelope Valley Air Quality Management District \(AVAQMD\) effective October 1, 2022. Presenter: Allison Burns, Special Counsel.](#)
Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #10

DATE: August 16, 2022

RECOMMENDATION: Appoint and/or reappoint for the Antelope Valley Air Quality Management District (AVAQMD) effective October 1, 2022:

1. Bret Banks as Air Pollution Control Officer (APCO).
2. Allison Burns as legal counsel.
3. Auditor Controller of the County of Los Angeles as the controller.
4. Treasurer Tax Collector of the County of Los Angeles as the treasurer.

SUMMARY: This item officially appoints the aforementioned officers of the AVAQMD pursuant to statute.

BACKGROUND: California Health and Safety Code §41350 et seq. require the AVAQMD Governing Board to officially appoint certain officers, including an APCO, legal counsel, controller, and treasurer. Previously, some of these roles were designated by contract with the MDAQMD and then subsequently appointed by the Governing Board. As the contract with the MDAQMD will be terminated pursuant to mutual agreement of the parties as of September 30, 2022, to avoid ambiguity and ensure continuity of services, the AVAQMD Governing Board should appoint/reappoint these officers to comply with the legislative mandates.

REASON FOR RECOMMENDATION: Pursuant to statute, the Governing Board action is required to appoint these officers.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel to the AVAQMD Governing Board on or about July 29, 2022.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Allison Burns, Special Counsel

The following page(s) contain the backup material for Agenda Item: [Adopt a resolution authorizing the duly reappointed Treasurer and/or Controller for the Antelope Valley Air Quality Management District \(AVAQMD\) to issue warrants effective October 1, 2022.](#)
[Presenter: Allison Burns, Special Counsel.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #11

DATE: August 16, 2022

RECOMMENDATION: Adopt a resolution authorizing the duly reappointed Treasurer and/or Controller for the Antelope Valley Air Quality Management District (AVAQMD) to issue warrants effective October 1, 2022.

SUMMARY: This item and resolution will officially allow the issuance of warrants at the direction of the AVAQMD pursuant to statute.

BACKGROUND: California Health and Safety Code §41334 allows the AVAQMD Governing Board to authorize the issuance of warrants in its name by resolution. Previously this function was authorized to the prior Treasurer and Controller of the AVAQMD (See Action Item #11 of 1/15/2002). This function was administered pursuant to contract by the MDAQMD and via a series of revolving bank accounts (See Action Items #9, 10/16/2012 and #4, 7/16/2019).

As the contract with the MDAQMD will be terminated pursuant to mutual agreement of the parties as of September 30, 2022 and the administration of financial services transferred to the City of Lancaster to ensure continuity of services and avoid ambiguity regarding authority to act, the AVAQMD Governing Board will need to reauthorize the Treasurer and/or Controller to issue warrants to comply with the legislative mandate.

REASON FOR RECOMMENDATION: Pursuant to statute a Resolution of the Governing Board action is required to implement a warrant procedure.

REVIEW BY OTHERS: This item was reviewed by Bret Banks, APCO and Allison Burns, Special Counsel to the Governing Board on or about July 29, 2022.

FINANCIAL DATA: The costs for services for issuance of Warrants are included in the District's budget. No increase in appropriation is anticipated.

PRESENTER: Allison Burns, Special Counsel

RESOLUTION NO. ____

A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT AUTHORIZING THE ISSUANCE AND PAYMENT OF WARRANTS TO BE EFFECTIVE OCTOBER 1, 2022.

On August 16, 2022, on motion by Member [name], seconded by Member [name], and carried, the following resolution is adopted:

WHEREAS, the Antelope Valley Air Quality Management (AVAQMD) was created pursuant to Health & Safety Code §§41300 et seq. effective January 1, 2002; and

WHEREAS, as an air pollution control district, California law grants and imposes certain powers and duties and requires the AVAQMD to execute such powers and duties (See Health & Safety Code, Division 26); and

WHEREAS, Health & Safety Code §40701(f) provides the authority for the AVAQMD to cooperate and contract with any Federal, State or local governmental agencies, private industries or civic groups necessary or proper to accomplish the purposes of the District; and

WHEREAS, the AVAQMD had previously appointed a Treasurer (Governing Board Action Item #10, 1/15/2002) and a Controller (Governing Board Action Item #9, 1/15/2002); and

WHEREAS, the AVAQMD previously contracted with the MDAQMD to administer its financial relationships with the Treasurer and Controller both directly and via a series of revolving bank accounts established for that purpose (Governing Board Action Items #9, 10/16/2012 and #4, 7/16/2019); and

WHEREAS, the contract with the MDAQMD will be terminated pursuant to the mutual agreement of the parties as of September 30, 2022; and

WHEREAS, the responsibility for AVAQMD's financial services will be transferred to the City of Lancaster via contractual agreement on or about that date (Governing Board Action Item # 9, August 16, 2022; and

WHEREAS, to avoid ambiguity and to continue to facilitate the implementation of the financial provisions relative to providing air pollution control services, the Governing Board of the AVAQMD has reappointed the Treasurer and Controller; and

WHEREAS, the Board desires to reaffirm its prior authorizations of the duly appointed Treasurer and/or Controller the authority to issue warrants; and

RESOLUTION NO. ____

1 WHEREAS, pursuant to Health & Safety Code §41334, the AVAQMD is authorized to implement
2 a procedure to issue warrants.

3 NOW THEREFORE BE IT RESOLVED, that the Governing Board of the AVAQMD hereby
4 authorizes the Treasurer and/or Controller to issue and pay warrants as follows:

5 All warrants to be drawn by the Treasurer and/or Controller against all funds, except for debt service,
6 of the AVAQMD for payment of expenses;

7 The duly appointed Treasurer and/or Controller to issue warrants in favor of persons entitled to
8 payment of all claims chargeable against the AVAQMD which have been legally examined, allowed, and
9 ordered paid by the Governing Board of the AVAQMD.

10 BE IT FURTHER RESOLVED, that this resolution be effective on October 1, 2022 and
11 implemented as soon as practicable by the duly appointed Treasurer and/or Controller

12 PASSED, APPROVED AND ADOPTED by the Governing Board of the Antelope Valley Air Quality
13 Management District by the following vote:

14 AYES: MEMBER:
15 NOES: MEMBER:
16 ABSENT: MEMBER:
17 ABSTAIN: MEMBER:

18 STATE OF CALIFORNIA)
19) SS:
20 COUNTY OF LOS ANGELES)

21
22 I, Adrianna Castaneda, Executive Assistant of the Governing Board of the Antelope Valley Air
23 Quality Management District, hereby certify the foregoing to be a full, true and correct copy of the record
24 of the action as the same appears in the Official Minutes of said Governing Board at its meeting of August
25 16, 2022.

26 Adrianna Castaneda _____
27 Executive Assistant
28 Antelope Valley Air Quality Management District.