



**ANTELOPE VALLEY AIR QUALITY MANAGEMENT
DISTRICT**

**GOVERNING BOARD
REGULAR MEETING**

AGENDA

TUESDAY, DECEMBER 20, 2016
10:30 A.M.

LOCATION

AVAQMD District Office
43301 Division Street, Suite 206
Lancaster, CA 93535
661-723-8070

BOARD MEMBERS

Marvin Crist, Chair, City of Lancaster
Mike Dispenza, Vice Chair, City of Palmdale
Jim Ledford, City of Palmdale
Ken Mann, City of Lancaster
Vern Lawson, Los Angeles County
Ron Hawkins, Los Angeles County
Newton Chelette, Public Member

Call to Order – 10:30 a.m.

Pledge of Allegiance.

Roll Call.

Election of Chair and Vice Chair for 2017.

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.

1. **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, staff member or member of the public requests an item be held for discussion under DEFERRED ITEMS.

2. Approve Minutes from Regular Governing Board Meeting of October 18, 2016.
Presenter: Crystal Goree.
3. Monthly Activity Report. Receive and File. Presenter: Bret Banks.
4. Monthly Grant Fund Summary. Receive and File. Presenter: Bret Banks.
5. The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at June 30, 2016, the close of Fiscal Year 2016. Receive and File. Presenter: Jean Bracy.
6. The annual financial audit for Fiscal Year 2015-16 is complete and presented for review. Receive and File. Presenter: Jean Bracy.
7. The Financial Report for FY 17, July through October 2016 is provided to the Governing Board for information concerning the current fiscal status of the District. Receive and File. Presenter: Jean Bracy.
8. Approve payment to MDAQMD in the amount of \$211,887.12, subject to availability of funds, for services provided during the months of September and October 2016.
Presenter: Jean Bracy.

ITEMS FOR DISCUSSION

DEFERRED ITEMS

PUBLIC HEARINGS

9. Conduct a public hearing to consider the adoption of the *Federal Negative Declarations for Seven Control Techniques Guidelines Source Categories*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act (CEQA) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, adoption of the *Federal Negative Declarations for Seven Control Techniques Guidelines Source Categories* and directing staff actions. Presenter: Bret Banks.

NEW BUSINESS

10. 1) Award an amount not to exceed \$48,819.20 in Mobile Source Emission Reductions Program (AB 923) funds to the City of Lancaster toward the purchase and installation of Electric Vehicle Charging Stations in part with Southern California Edison's Charge Ready Program Pilot Project; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan.
11. 1) Award an amount not to exceed \$63,377 in Mobile Source Emission Reductions Program (AB 923) funds to Antelope Valley Schools Transportation Agency for Compressed Natural Gas (CNG) tank replacements; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan.
12. 1) Award an amount not to exceed \$5,794 in Mobile Source Emission Reductions Program (AB 2766) funds to A-Z Bus Sales for Compressed Natural Gas (CNG) bus engine system repairs; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Bret Banks.

ADMINISTRATIVE ITEMS

13. Reports:

Governing Board Counsel

Executive Officer/APCO, Staff

14. Board Member Reports and Suggestions for Future Agenda Items.

Adjourn to Regular Governing Board Meeting of Tuesday, January 17, 2017.

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, time restrictions may be placed on oral testimony regarding the above proposals. You may wish to make your comments in writing to assure that you are able to express yourself adequately.

In compliance with the Americans with Disabilities act, if special assistance is needed to participate in the Board Meeting, please contact the Deputy Clerk of the Board during regular business hours at 661-723-8070, ext. 1. Notification received 48 hours prior to the meeting will enable the District to make reasonable accommodations.

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 the District Office at 43301 Division Street, Suite 206, Lancaster, CA 93535 or by contacting the Administrative Secretary at 661-723-8070, ext. 1 or by email at cgoree@avaqmd.ca.gov

Mailed & Posted on: Friday, 12/9/16

Crystal Goree, Administrative Secretary

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

******NOTICE OF REGULAR MEETING******

NOTICE IS HEREBY GIVEN that the Governing Board of the Antelope Valley Air Quality Management District (District) will conduct a Regular Meeting on Tuesday, December 20, 2016 at 10:30 a.m.

SAID MEETING will be conducted in the Antelope Valley Air Quality Management District Offices Conference Room, 43301 Division Street, Suite 206, Lancaster, California, 93535. Interested persons may attend and submit oral and/or written comments/statements at the meeting. It is requested that written comments/statements be submitted prior to the meeting.

A copy of the Agenda will be duly posted and may also be reviewed at the office of the Antelope Valley Air Quality Management District, 43301 Division Street, Suite 206, Lancaster, California 93535.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

**CRYSTAL GOREE
ADMINISTRATIVE SECRETARY
PHONE: (661) 723-8070, Ext. 1.**

Mailed and Posted: **Friday, 12/9/16**
DATE

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD MEETING
TUESDAY, OCTOBER 18, 2016
ANTELOPE VALLEY DISTRICT OFFICE
LANCASTER, CA**

MINUTES

Board Members Present:

Marvin Crist, Chair, City of Lancaster
Ron Hawkins, Los Angeles County
Newton Chelette, Public Member
Vern Lawson, Los Angeles County (absent items 1-6)
Mike Dispenza, Vice Chair, City of Palmdale
Ken Mann, City of Lancaster
Steve Hofbauer, City of Palmdale (Alt.)

Board Members Absent:

Jim Ledford, City of Palmdale

CALL TO ORDER

Chair Crist called the meeting to order at 10:30 a.m. Roll call was taken.
Board Member Hofbauer led the Pledge of Allegiance.

PUBLIC COMMENT

None.

Agenda Item #1

CONSENT CALENDAR – Consent items were acted upon by the Board at one time without discussion. Upon Motion by **CHELETTE**, Seconded by **DISPENZA**, and carried unanimously, the Board acted as follows:

Agenda Item #2 - Approve Minutes from Regular Governing Board Meeting of July 19, 2016. Presenter: Crystal Goree.

Approved Minutes from Regular Governing Board Meeting of July 19, 2016 with abstention from Board Member Hofbauer.

Agenda Item #3 – Monthly Activity Report. Receive and file. Presenter: Bret Banks.
Received and filed Monthly Activity Report.

Agenda Item #4 – Monthly Grant Summary. Receive and file. Presenter: Bret Banks.
Received and filed Monthly Grant Summary.

Agenda Item #5 - Approve payment to MDAQMD in the amount of \$107,277.48, subject to availability of funds, for services provided during the month of August 2016. Presenter: Jean Bracy.

Approved payment to MDAQMD in the amount of \$107,277.48, subject to availability of funds, for services provided during the month of August 2016.

Agenda Item #6 - Set date of November 15, 2016 to conduct a public hearing to consider the adoption of the *Federal Negative Declarations for Seven Control Techniques Guidelines Source Categories* and approval of California Environmental Quality Act (CEQA) documentation. Presenter: Bret Banks.

Set date of November 15, 2016 to conduct a public hearing to consider the adoption of the *Federal Negative Declarations for Seven Control Techniques Guidelines Source Categories* and approval of California Environmental Quality Act (CEQA) documentation.

PRESENTATION

Agenda Item #7 – New Source Review and Prevention of Significant Deterioration.

Presenter: Bret Banks.

Bret Banks shared PowerPoint presentation on New Source Review and Prevention of Significant Deterioration. Mr. Banks provided information on regulated air pollutants, AVAQMD federal attainment status, nonattainment permitting – new source review and prevention of significant deterioration. Mr. Banks also discussed USEPA’s request for local implementation of PSD, including proposal for a new PSD rule and modifications to Regulation XIII and expected impact. Report was received and filed.

(Clerk’s note: Vern Lawson arrives here)

ITEMS FOR DISCUSSION

DEFERRED

None.

PUBLIC HEARINGS

Agenda Item #8 - Conduct a public hearing to consider the amendment of Rule 219 – *Equipment Not Requiring a Permit*: 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 Rule 219 – *Equipment Not Requiring a Permit* and directing staff actions. Presenter: Bret Banks.

Chair Crist opened Public Hearing. Bret Banks provided background information and staff report. Mr. Banks answered questions from the board. Discussion ensued. Chair Crist solicited public comment. There was no public comment. Chair Crist closed public hearing. Upon Motion by LAWSON, Seconded by HOFBAUER, and carried unanimously, the Board made a determination that the CEQA Categorical Exemption applies; waived reading of Resolution; adopted Resolution #16-03, making appropriate

findings, certifying the Notice of Exemption amending Rule 219 – *Equipment Not Requiring a Permit*.

NEW BUSINESS

Agenda Item #9 - 1) Award an amount not to exceed \$50,000 in Mobile Source Emissions Reduction Program funds (AB 2766) to the Los Angeles County Sheriff's Department, Lancaster Station for the purchase of a clean diesel pickup truck capable of operating on B20 biofuel; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames, technical project details, and execute an agreement, approved as to legal form by the Office of District Counsel.

Presenter: Bret Banks.

Bret Banks provided background information, staff recommendation and answered questions from the Board. Upon Amended Motion by MANN to include Sheriff's Boosters as part of the recipient, Seconded by HAWKINS, and carried unanimously, the Board awarded an amount not to exceed \$50,000 in Mobile Source Emissions Reduction Program funds (AB 2766) to the Los Angeles County Sheriff's Department/Sheriff's Boosters, Lancaster Station for the purchase of a clean diesel pickup truck capable of operating on B20 biofuel; and authorized the Executive Director/APCO and staff to negotiate target time frames, technical project details, and execute an agreement, approved as to legal form by the Office of District Counsel.

Agenda Item #10 - 1) Award an amount not to exceed \$50,374 in Carl Moyer Program funds and Mobile Source Emission Reductions Program (AB 923) funds to Antelope Valley Farming for the replacement of one (1) older diesel-powered Tractor with newer, cleaner technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Presenter: Julie McKeehan.

Julie McKeehan provided background information, staff recommendation and answered questions from Chair Crist. Upon Motion by MANN, Seconded by HOFBAUER, and carried unanimously, the Board awarded an amount not to exceed \$50,374 in Carl Moyer Program funds and Mobile Source Emission Reductions Program (AB 923) funds to Antelope Valley Farming for the replacement of one (1) older diesel-powered Tractor with newer, cleaner technology; and authorized the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

ADMINISTRATIVE ITEMS

Agenda Item #11 - Reports

Governing Board Counsel – None.

Executive Director/APCO – Bret Banks provided update on Rosedin Electric and the solar project on Avenue L/90th Street West, Lancaster. Discussion ensued regarding traffic mitigation in new project areas.

Agenda Item #12 – Board Member Reports and Suggestions For Future Agenda Items.

None.

The meeting was adjourned at 11:00 a.m. to the next regularly scheduled Governing Board Meeting, Tuesday, November 15, 2016, 10:30 a.m.

Item #3 - Monthly Activity Report – November 2016

	<u>Nov 2016</u>	<u>Nov 2015</u>	<u>YTD</u>
<u>(7/1/17)</u>			
Complaints	2	3	21
Complaint Investigations	2	3	21
Asbestos Notifications	8	8	16
Asbestos Inspections	0	0	0
Facility Inspections	50	40	170
Facility Inspections Completed (%)	86	99	97
Permit Inspections	144	157	312
Permit Inspections in Compliance (%)	100	100	99
Notice of Violation (NOV)	0	1	9

***Outstanding NOVs**

- AV00000187, Issued 2/2016
- AV00000193, Issued 6/2016
- AV00000195, Issued 7/2016
- AV00000199, Issued 9/2016

Project Comment Letters – November 2016

Attached

		BOARD MEETING				
		12/20/2016				
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
11/29/2016	COL	sPower	414 acres divided between two sites approx 307 acres gen bounded by Avenue G, Avenue F, 95th Street West and 100th Street West and approx 107 acres gen bounded by Avenue F, Avenue F-8, 100th Street West and 105th Street West	Dust Control Plan, Compliant Construction equip	12/19/2016	12/1/2016

ITEM #4 - MONTHLY FUND GRANT SUMMARY

AB 2766 (\$4 DMV Fee) Annual Allocation for Mobile Projects **\$407,605.00**

AB 923 (\$2 DMV Fee) Annual Allocation for Mobile Projects **\$545,000.00**

AB 2766 & AB 923 CURRENT BALANCES

AB 2766 PROJECT & ADMIN. FUNDS

<i>Action Date</i>	<i>Project Name</i>	<i>Approved Action</i>
Jan-14	AFV Program Add'l Funds	-100000.00 paid
Feb-14	City of Palmdale Yearly Allocation AV0214#10	-100000.00 paid
Feb-14	City of Lancaster Yearly Allocation AV0214#10	-100000.00 paid
Feb-14	Jaqua & Sons (2) Retrofit Project AV0214#9	-15530.00 paid
Mar-14	AFV Program Add'l Funds AV0314#12	-100000.00 paid
Mar-14	Sommer Haven Ranch International AV0314#15	-25000.00 paid
Mar-14	Hemme Hay & Feed (2) Retrofit Project AV0314#10	-16337.00 paid
Mar-14	AVC Equipment Replacement AV0314#14	-26160.00 paid
Mar-14	AFV Program Add'l Funds AV0414#11	-61200.92 paid
Apr-14	Antelope Valley Fair Assoc. CNG Bus Engine Repair AV0414#10	-11193.96 paid
Apr-14	AFV Program Add'l Funds AV0414#11	-101524.52 paid
Jun-14	AFV Program Add'l Funds AV0414#11	-24742.69 paid
May-14	Antelope Valley Mall Electric Infrastructure AV0514#13	-45817.00 paid
Jul-14	Antelope Valley HSD AV0714#9	-13500.00 paid
Jul-14	City of Palmdale Electric Infrastructure AV0714#10	-49729.00 paid
Aug-14	AFV Program Add'l Fnds AV0414#11	-14425.00 paid
Aug-14	AVEK Water Agency AV0814#9	-12000.00 paid
Aug-14	Yates Trucking Inc. AV0814#10	-15761.00 paid
Oct-15	AFV Program Add'l Funds AV0414#11	-14000.00 paid
Dec-14	City of Lancaster Traction Seal Project AV1214#9	-200000.00 paid
Jan-15	R & R Pipeline, Inc. Grant Funds Returned	20700.00 rec'd
Jan-15	AFV Program Add'l Funds AV0414#11	-17000.00 paid
Mar-15	Projected AFV applications for 2015	-60000.00 paid
Apr-15	Return of Truck Retrofit Funds	6718.00 rec'd
Jun-15	AVTA - Public Transit Programs AV0615#11 /0715#S-1	-178000.00 paid
Feb-16	LA County Sheriff's Alt. Patrol Project AV0216#9	-50000.00 paid
Mar-16	AVC Equipment Replacement AV0314#14	-1886.00 paid
Mar-16	AVLAW, LLC EV Charging Repair AV0316#11	-2117.00 paid
Apr-16	AV Produce TRU Replacement Project AV0416#12	-16203.00 paid
Apr-16	LA County Sheriff's Bio Diesel Truck Project AV0416#11	-50000.00 paid
Jul-16	City of Palmdale Electric Infrastructure ADA Req AV0716#10	-59700.00 paid
Aug-16	AFV Program Add'l Funds AV0816#9	-34500.00 paid
Aug-16	AVC Free Fare Pilot Program for Students AV0816#7	-30000.00 paid
Sep-16	LA Cty Sheriff's Bike Patrol Proj. Palmdale/Lancaster AV0916#11	-35143.00 pending
Sep-16	AVTA - Public Transit Programs AV0916#8	120000.00 pending

AB 2766 PROJECTS CURRENT BALANCE

\$274,292.11

Action Date *Project Name*

Dec-16 AVC Bus Transfer & Repair to AVSTA AV1216#

Pending Action

-3000.00

AB 2766 PROJECTS BALANCE PENDING APPROVAL

\$271,292.11

AB 923 PROJECT & ADMIN. FUNDS

<i>Action Date</i>	<i>Project Name</i>	<i>Approved Action</i>
Mar-14	AVTA Wave Project - Electric Infrastructure AV0314#16	-250000.00 pending
Mar-14	High Desert Dairy ERP Project #1 AV0314#09	-14985.16 paid
May-14	RPH CNG Upgrade Project AV0514#11	-230862.00 paid
May-14	Eastside School District Bus Replacement AV0514#12	-70009.67 paid
Jun-14	VAVR Program - Admin. to EES AV0614#11	-25000.00 paid
Nov-14	AVSTA CNG Tank Replacement AV1114#8	-31459.00 paid
Dec-14	VAVR Program - Admin to EES AV1214#8	-25000.00 paid
Jan-15	AVSTA CNG School Bus Purchase AV0115#7	-100000.00 paid
Apr-15	Calandri SonRise Farms ERP Project #3 AV0415#8	-78372.75 paid
May-15	Gene Wheeler Farms ERP Project #2 AV0515#10	-142010.00 paid
Aug-15	VAVR Program - Projects & Admin. to EES AV0815#6	-60000.00 paid
Nov-15	Calandri SonRise Farms Repower Project #4 AV1115#9	-116471.00 pending
Jan-16	Antelope Valley Farming ERP Project #1 AV0116#8	-181530.00 paid
Mar-16	Ebee Streetlight EV Charging Project AV0316#10	-25000.00 pending
Apr-16	VAVR Program - Admin to EES AV0416#10	-60000.00 paid
Aug-16	Calandri SonRise Farms Harvesting Project AV0816#	-406,065.00 pending
Oct-16	Antelope Valley Farming ERP Project #2 AV1016#	-11,445.38

AB 923 PROJECTS CURRENT BALANCE

<i>Action Date</i>	<i>Project Name</i>	<i>Pending Action</i>
Dec-16	AVSTA CNG Tank Replacement AV1216#	-63,377.00
Dec-16	SCE Charge Ready Pilot Project AV1216#	-48,819.20

AB 923 PROJECTS BALANCE PENDING APPROVAL

\$161,963.12
\$49,766.92

CARL MOYER PROGRAM PROJECT FUNDS

<i>Action Date</i>	<i>Project Name</i>	<i>Approved Action</i>
Jun-14	VAVR Program - Project funds to EES AV0614#11 CMP Rd. 16	-25000.00 paid
Jul-14	High Desert Dairy ERP Project #2 AV0714#11	-156386.00 paid
Jul-14	Valyermo Ranch ERP Project #2 AV0714#8	-154186.00 paid
Aug-14	Gene Wheeler Farms ERP Project #1 AV0814#8	-247459.00 paid
Dec-14	VAVR Program - Projects to EES AV1214#8	-50000.00 paid
Mar-15	Carl Moyer Prog. Funds Year 17 Awarded to AVAQMD	637511.00 recv'd
Mar-15	Carl Moyer Interest (FY 13-14) added to Year 16	834.45 recv'd
Apr-15	Calandri SonRise Farms ERP Project #3 AV0415#8	-284211.25 paid
Apr-15	High Desert Dairy ERP Project #3 AV0415#7	-134239.00 paid
Nov-15	Bill's Landscaping ERP Project #1 AV1115#7	-78873.00 paid
Nov-15	Gall Brothers Engineering ERP Project #1 AV1115#8	-138715.00 paid
Feb-16	MDAQMD Year 16 Transfer AV0216#7	324480.00 recv'd
Mar-16	High Desert Dairy ERP Project #4 AV0316#	-139,224.00 paid
Mar-16	Calandri SonRise Farms ERP Project #5 AV0316#9	-83,983.00 paid
Mar-15	Carl Moyer Prog. Funds Year 18 Awarded to AVAQMD	659588.00 pending
Apr-16	Lane Ranch & Co. ERP Project AV0416#8	-99,989.56 paid
Apr-16	Bill's Landscaping ERP Project #2 AV0416#9	-79,916.00 paid
Jun-16	Calandri SonRise Farms Forklift Project #6 AV0616#8	-60,985.00 paid
Jun-16	Antelope Valley Fair Assoc. Forklift Project AV0616#9	-51,460.00 pending
Jul-16	Bolthouse ERP Project AV0716#11	-18,927.00 pending
Jul-16	South Pac Industries ERP Project AV0716#9	-181,114.00 pending
Sep-16	High Desert Dairy ERP Project #5 AV0916#	-158,663.00 pending
Sep-16	Gall Brothers Engineering ERP Project #2 AV0916#	-77,896.00 pending
Oct-16	Antelop Valley Farming ERP Project #2 AV1016#	-36,438.62 pending

CARL MOYER PROJECTS CURRENT BALANCE

<i>Action Date</i>	<i>Project Name</i>	<i>Pending Action</i>
	No Items Pending	

CARL MOYER PROJECTS BALANCE PENDING APPROVAL

\$0.00
\$0.00

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

AGENDA ITEM 5

DATE: December 20, 2016

RECOMMENDATION: Receive and file.

SUMMARY: The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at June 30, 2016, the close of Fiscal Year 2016.

BACKGROUND: The Financial Reports provide financial and budget performance information and reflects the business activities of the District for the period referenced. Staff is available to answer questions as needed.

SUMMARY – Overall the District’s financial picture remains stable and “in the black” for the General Fund. Revenue received was less than expected yet performed well. The loss of permit revenue due to cancelling the permit of a large facility was offset by a number of other facilities applying for permits. Revenue underperformed by \$42,409, which is less than 1% of the expectations. Operating Expenses were less than budgeted by \$51,838, about 23%. Considering the revenue picture, it is apparent that staff adjusted its expenditures for the year accordingly. Funds were budgeted but unspent in areas such as maintenance, small equipment replacement, and research studies.

BALANCE SHEET – The Balance Sheet is a “snapshot” of the District’s resources, shown per fund.

STATEMENT OF REVENUES & EXPENDITURES – This report describes the financial activities for the month for each of the District’s funds. Negative numbers shown at the bottom of the columns in the grant funds indicates funds were spent from the funds accumulated to date.

STATEMENTS OF ACTIVITY (for all District funds) – *Report Recap* is the consolidated report which reflects the revenues received and expenses made during the period and year to date against the adopted budget for FY 16. The line item Program Costs includes those payments made from the District’s grant funds (AB 2766, AB 923, and Carl Moyer Fund). This Report Recap is supported by two additional reports: *District Wide* reports the expenses paid directly from the District’s operating account and grant funds. *Contracted Services* reports the expenses made by the contractor (MDAQMD) and passed through to the District.

cc: Jean Bracy
Laquita Cole
Michelle Powell

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

AGENDA ITEM 5

The target variance for June is 100% of Fiscal Year 2016. “Adjustments to Revenue” usually reflects the cancellation of permits. “Permitting” revenue reflects invoices issued for annual permit renewals and always assumes the expectation of revenue for those facilities with valid operating permits. Cancelling permits impacts the expected revenue. During this fiscal year the permits issued to the Palmdale Power Project were officially cancelled. In prior years this unpaid but expected revenue was reflected in the accounts receivable. When the permits are cancelled and the revenue is no longer expected, accounts receivable on financial statements are appropriately adjusted.

BANK REGISTER WELLS FARGO OPERATING – This report lists the deposits to and payments made from the District’s primary operating account which is deposited at Wells Fargo Bank. Periodically the account is reimbursed from the funds on deposit with the Los Angeles County Auditor/Controller.

BANK REGISTERS LA COUNTY: GENERAL FUND, AB 2766 U5R, LA COUNTY AB 923, and LA COUNTY CARL MOYER U5S – These reports list deposits to and payments made from the District’s Grant Fund Accounts, held in trust at the Los Angeles County Auditor/Controller. The items on these lists are shown on the Statement of Activity as “Program Costs.”

DISTRICT CARDS – This report shows the purchases made using the District’s Mastercard for the referenced period.

REASON FOR RECOMMENDATION: Receive and file.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel; and by Bret Banks, Executive Director/APCO (AVAQMD), on or before December 5, 2016.

FINANCIAL DATA: No change in appropriation is required at this time.

PRESENTER: Jean Bracy, Deputy Director – Administration (MDAQMD)

Antelope Valley AQMD
Balance Sheet - Governmental Funds
As of June 30, 2016

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	737,868.11	485,123.03	762,371.79	1,190,951.68	3,176,314.61
Cash Held For Other Fund	25,479.47	7,412.38	(7,436.99)	(25,454.86)	0.00
Receivables	199,957.35	74,211.58	105,975.67	0.00	380,144.60
Pre-Paid	5,336.83	0.00	0.00	0.00	5,336.83
Total Current Assets	968,641.76	566,746.99	860,910.47	1,165,496.82	3,561,796.04
Total Assets	968,641.76	566,746.99	860,910.47	1,165,496.82	3,561,796.04
Liabilities and Net Position					
Current Liabilities					
Payables	330,827.69	0.00	7,250.15	92,418.88	430,496.72
Due to Others	(280.00)	0.00	0.00	0.00	(280.00)
Unearned Revenue	0.00	0.00	0.00	1,330,866.17	1,330,866.17
Total Current Liabilities	330,547.69	0.00	7,250.15	1,423,285.05	1,761,082.89
Restricted Fund Balance	0.00	566,746.99	853,660.32	(257,788.23)	1,162,619.08
Cash Reserves	370,000.00	0.00	0.00	0.00	370,000.00
Unassigned Fund Balance	262,757.24	0.00	0.00	0.00	262,757.24
Pre-Paid	5,336.83	0.00	0.00	0.00	5,336.83
Total Liabilities & Net Position	968,641.76	566,746.99	860,910.47	1,165,496.82	3,561,796.04

Antelope Valley AQMD
Statement of Revenues & Expenditures
For the Period Ending June 30, 2016

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	59,122.32	0.00	0.00	0.00	59,122.32
AB 2766 and Other Program Revenues	213,012.03	110,965.47	158,460.97	185,648.22	668,086.69
Fines	0.00	0.00	0.00	0.00	0.00
Investment Earnings	756.09	412.55	800.83	334.41	2,303.88
Federal and State	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	974.70	0.00	0.00	0.00	974.70
Total Revenues	273,865.14	111,378.02	159,261.80	185,982.63	730,487.59
Expenditures					
Program Staff	77,233.42	0.00	1,268.53	4,615.87	83,117.82
Services and Supplies	14,313.14	22,703.00	207,321.60	117,108.00	361,445.74
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	91,546.56	22,703.00	208,590.13	121,723.87	444,563.56
Excess Revenue Over (Under) Expenditures	182,318.58	88,675.02	(49,328.33)	64,258.76	285,924.03

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 6/30/2016

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	56,417.45	775,665.89	635,000.00	(1.22)
Programs	668,086.69	2,438,736.09	2,346,346.00	(1.04)
Revenue - Other	974.70	4,857.85	0.00	0.00
Application Fees	4,907.00	60,583.60	37,000.00	(1.64)
State Revenue	0.00	126,422.81	135,000.00	(0.94)
Fines & Penalties	0.00	64,280.14	29,700.00	(2.16)
Interest Earned	2,303.88	18,990.52	13,250.00	(1.43)
Adjustments to Revenue	(2,202.13)	(292,708.91)	0.00	0.00
Total Revenues	730,487.59	3,196,827.99	3,196,296.00	(1.00)
Expenses				
Office Expenses	2,592.57	79,263.02	82,275.00	0.96
Communications	1,427.02	19,347.29	19,500.00	0.99
Vehicles	637.81	9,882.83	10,500.00	0.94
Program Costs	351,010.10	1,867,054.09	1,704,235.00	1.10
Travel	(10.00)	2,646.64	5,000.00	0.53
Professional Services				
Financial Audit & Actuarial Svcs	0.00	12,000.00	12,000.00	1.00
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	5,615.00	15,000.00	0.37
Stipends	400.00	5,500.00	8,400.00	0.65
Maintenance & Repairs	225.00	2,676.00	7,000.00	0.38
Non-Depreciable Inventory	0.00	797.51	6,300.00	0.13
Dues & Subscriptions	156.52	8,779.43	9,800.00	0.90
Legal	1,554.20	8,785.60	14,000.00	0.63
Miscellaneous Expense	89.17	922.55	1,071.00	0.86
Capital Expenditures	0.00	15,950.00	0.00	0.00
Total Expenses	358,082.39	2,039,219.96	1,901,081.00	1.07
Program Staff				
Excess Revenue Over (Under) Expenditures	372,405.20	1,157,608.03	1,295,215.00	(0.89)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 6/30/2016

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	70.93	8,705.91	5,800.00	1.50
Communications	0.00	0.00	250.00	0.00
Vehicles	0.00	0.00	500.00	0.00
Program Costs	404.85	404.85	0.00	0.00
Travel	375.00	1,149.78	3,000.00	0.38
Professional Services				
Financial Audit & Actuarial Svcs	12.57	196.93	12,000.00	0.02
Consulting Fees	2,500.00	30,000.00	32,500.00	0.92
Non-Depreciable Inventory	0.00	37.31	0.00	0.00
Dues & Subscriptions	0.00	0.00	225.00	0.00
Capital Expenditures	0.00	0.00	15,000.00	0.00
Total Expenses	3,363.35	40,494.78	69,275.00	0.58
<u>Program Staff</u>				
Program Staff	83,117.82	1,217,895.04	1,237,940.00	0.98
Total Program Staff	83,117.82	1,217,895.04	1,237,940.00	0.98
Excess Revenue Over (Under) Expenditures	(86,481.17)	(1,258,389.82)	(1,307,215.00)	(0.96)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 6/30/2016

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	56,417.45	775,665.89	635,000.00	(1.22)
Programs	668,086.69	2,438,736.09	2,346,346.00	(1.04)
Revenue - Other	974.70	4,857.85	0.00	0.00
Application Fees	4,907.00	60,583.60	37,000.00	(1.64)
State Revenue	0.00	126,422.81	135,000.00	(0.94)
Fines & Penalties	0.00	64,280.14	29,700.00	(2.16)
Interest Earned	2,303.88	18,990.52	13,250.00	(1.43)
Adjustments to Revenue	(2,202.13)	(292,708.91)	0.00	0.00
Total Revenues	730,487.59	3,196,827.99	3,196,296.00	(1.00)
Expenses				
Office Expenses	2,663.50	87,968.93	88,075.00	1.00
Communications	1,427.02	19,347.29	19,750.00	0.98
Vehicles	637.81	9,882.83	11,000.00	0.90
Program Costs	351,414.95	1,867,458.94	1,704,235.00	1.10
Travel	365.00	3,796.42	8,000.00	0.47
Professional Services				
Financial Audit & Actuarial Svcs	12.57	12,196.93	24,000.00	0.51
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	2,500.00	35,615.00	47,500.00	0.75
Stipends	400.00	5,500.00	8,400.00	0.65
Maintenance & Repairs	225.00	2,676.00	7,000.00	0.38
Non-Depreciable Inventory	0.00	834.82	6,300.00	0.13
Dues & Subscriptions	156.52	8,779.43	10,025.00	0.88
Legal	1,554.20	8,785.60	14,000.00	0.63
Miscellaneous Expense	89.17	922.55	1,071.00	0.86
Capital Expenditures	0.00	15,950.00	15,000.00	1.06
Total Expenses	361,445.74	2,079,714.74	1,970,356.00	1.06
Program Staff				
Program Staff	83,117.82	1,217,895.04	1,237,940.00	0.98
Total Program Staff	83,117.82	1,217,895.04	1,237,940.00	0.98
Excess Revenue Over (Under) Expenditures	285,924.03	(100,781.79)	(12,000.00)	(8.40)

Antelope Valley AQMD
Bank Register from 6/01/2016 to 6/30/2016
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>
0000206	6/06/2016	Credit Card Transaction - Fox Field	0.00	332.24	41,047.85
0000206	6/07/2016	Wells Fargo ACH - FAA	0.00	332.24	41,380.09
0000206	6/07/2016	Wells Fargo ACH - FAA	0.00	332.24	41,712.33
0000206	6/10/2016	Credit Card Transactions - J&J Env Const	0.00	1,018.00	42,730.33
	6/13/2016	Service Charge	39.89	0.00	42,690.44
0002900	6/15/2016	[10045] VERIZON BUSINESS-Void check 0002900	0.00	1,368.06	44,058.50
Z5713629	6/15/2016	[10045] VERIZON BUSINESS-VOIP & Internet service April and June 2016	2,766.12	0.00	41,292.38
Z513629-1	6/15/2016	[10045] VERIZON BUSINESS-Phone Payment Convenience Fee	5.00	0.00	41,287.38
0002923	6/16/2016	[01148] ANTELOPE VALLEY PRESS-Notice of Prelim Det	315.45	0.00	40,971.93
0002924	6/16/2016	[10006] BANK OF THE WEST-Credit Card Charges May 2016	641.80	0.00	40,330.13
0002925	6/16/2016	[10007] BOHN'S PRINTING-Letterhead Printing	141.70	0.00	40,188.43
0002926	6/16/2016	[10009] CALIFORNIA AIR RESOURCES BOARD-2015-16 Hot Spots Fee	2,158.00	0.00	38,030.43
0002927	6/16/2016	[10059] ENTERPRISE FLEET MANAGEMENT-Fleet Maintenance Charges May 2016	77.92	0.00	37,952.51
0002928	6/16/2016	[10071] MAIL FINANCE-Postage Meter Rental July 2016	94.63	0.00	37,857.88
0002929	6/16/2016	[10260] QCS BUILDING SERVICES-Invoices 14811, 14875	286.53	0.00	37,571.35
0002930	6/16/2016	[10036] SECURA COM-Qrtly security monitoring June, July, August 2016	116.85	0.00	37,454.50
0002931	6/16/2016	[10039] SPARKLETTS-Water Delivery Service May 2016	39.95	0.00	37,414.55
0002932	6/16/2016	[10455] STRADLING YOCCA CARLSON & ROTH-Legal Services April 2016	1,250.00	0.00	36,164.55
0002933	6/16/2016	[10043] THE GAS CO-Gas Charges Nov 15 - May 16	309.95	0.00	35,854.60
0002934	6/16/2016	[10046] VERIZON CALIFORNIA - VERIZON CALIFORNIA-Long Distance charges May 16	23.80	0.00	35,830.80
0002935	6/16/2016	[10063] VOYAGER FLEET SYSTEMS-Fuel Card Charges May 2016	307.27	0.00	35,523.53
0000001	6/22/2016	Op Fund Rep #5	0.00	202,603.05	238,126.58
0002936	6/28/2016	[10076] ANTELOPE VALLEY AQMD-Invoices 243, 256	5,374.42	0.00	232,752.16
0002937	6/28/2016	[10405] CANON FINANCIAL SERVICES-Copier Lease June 2016	298.12	0.00	232,454.04
0002938	6/28/2016	[10016] COUNTY OF LOS ANGELES-Bank Service Fees Jan - March 2016	42.91	0.00	232,411.13
0002939	6/28/2016	[10057] MARVIN CRIST-GB Mtg 6/21/16	100.00	0.00	232,311.13
0002940	6/28/2016	[10058] RONALD HAWKINS-GB Mtg 6/21/16	100.00	0.00	232,211.13
0002941	6/28/2016	[10056] JAMES C LEDFORD JR-GB Mtg 6/21/16	100.00	0.00	232,111.13
0002942	6/28/2016	[10054] KENNETH MANN-GB Mtg 6/21/16	100.00	0.00	232,011.13
0002943	6/28/2016	[10033] PRIORITY MAILING SYSTEMS-Ink Cartridge Postage Meter	209.52	0.00	231,801.61
0002944	6/28/2016	[00069] SOUTHERN CALIFORNIA EDISON-Electric service June 2016	515.69	0.00	231,285.92
0002945	6/28/2016	[10021] THE GREEN STATION-Lawn Mower Exchange Event May 2016	3,800.00	0.00	227,485.92
0002946	6/28/2016	[10050] WOELFL FAMILY TRUST-Office Lease July 2016	4,330.76	0.00	223,155.16
0002947	6/30/2016	[01148] ANTELOPE VALLEY PRESS-Notice of Hearing	304.20	0.00	222,850.96
0002948	6/30/2016	[10324] CAPITOL ENQUIRY-2016 CA Congress Pocket Directory	156.52	0.00	222,694.44
0002949	6/30/2016	[10026] MOJAVE DESERT AQMD-MARCH FY16	105,774.52	0.00	116,919.92
0002950	6/30/2016	[10039] SPARKLETTS-Water Delivery Service June 2016	53.15	0.00	116,866.77
Total for Report:			129,834.67	205,985.83	

Antelope Valley AQMD
Bank Register from 6/01/2016 to 6/30/2016
LA County General Fund P6A

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000206	6/06/2016	Daily Deposit	0.00	7,097.35	713,210.99
0000207	6/08/2016	Daily Deposit	0.00	761,900.59	1,475,111.58
0082787	6/09/2016	Transfer Moyer Round 18 Project & Admin Funds	753,815.00	0.00	721,296.58
0082788	6/10/2016	Transfer AB2766 April 2016	36,753.89	0.00	684,542.69
0082789	6/10/2016	Transfer AB923 April 2016	52,485.30	0.00	632,057.39
0000208	6/10/2016	Daily Deposit	0.00	158,044.66	790,102.05
0000209	6/20/2016	Daily Deposit	0.00	7,787.36	797,889.41
0000210	6/22/2016	Daily Deposit	0.00	18,118.60	816,008.01
0000001	6/22/2016	Op Fund Rep #5	202,603.05	0.00	613,404.96
0000211	6/28/2016	Daily Deposit	0.00	2,728.42	616,133.38
	6/30/2016	Service Charge	6.37	0.00	616,127.01
	6/30/2016	Interest Earned	0.00	756.09	616,883.10
Total for Report:			1,045,663.61	956,433.07	

Antelope Valley AQMD
Bank Register from 6/01/2016 to 6/30/2016
LA County AB2766 U5R

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
M16-58	6/06/2016	[10465] REYNOLDS, BETH-AB2766 Grant	1,000.00	0.00	469,659.59
M16-59	6/06/2016	[10466] BIRD, IAN-AB2766 Grant	1,000.00	0.00	468,659.59
M16-60	6/06/2016	[10467] MULLINS, MARIA NICOLE-AB2766 Grant	1,000.00	0.00	467,659.59
M16-61	6/06/2016	[10468] WILLIAMS, LASHAWN-AB2766 Grant	500.00	0.00	467,159.59
M16-62	6/06/2016	[10469] DANOS, JOSE D-AB2766 Grant	1,000.00	0.00	466,159.59
0082788	6/10/2016	Transfer AB2766 April 2016	0.00	36,753.89	502,913.48
M16-65	6/23/2016	[10325] ANTELOPE VALLEY PRODUCE-AB2766 Grant	16,203.00	0.00	486,710.48
M16-66	6/23/2016	[10472] SIM, THERESA-AB2766 Grant	1,000.00	0.00	485,710.48
M16-67	6/23/2016	[10473] STEPPO, NOAH-AB2766 Grant	1,000.00	0.00	484,710.48
	6/30/2016	Interest Earned	0.00	412.55	485,123.03
Total for Report:			22,703.00	37,166.44	

Antelope Valley AQMD
Bank Register from 6/01/2016 to 6/30/2016
LA County AB923

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
M16-63	6/07/2016	[10021] THE GREEN STATION-AB923 Grant	11,200.00	0.00	899,711.46
0082789	6/10/2016	Transfer AB923 April 2016	0.00	52,485.30	952,196.76
M16-64	6/23/2016	[10439] ANTELOPE VALLEY FARMING-AB923 Grant	181,530.00	0.00	770,666.76
M16-68	6/23/2016	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-AB923 Grant	9,095.80	0.00	761,570.96
	6/30/2016	Interest Earned	0.00	800.83	762,371.79
Total for Report:			201,825.80	53,286.13	

Antelope Valley AQMD
Bank Register from 6/01/2016 to 6/30/2016
LA County Carl Moyer U5S

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0082787	6/09/2016	Transfer Moyer Round 18 Project & Admin Funds	0.00	753,815.00	1,197,415.27
	6/30/2016	Interest Earned	0.00	334.41	1,197,749.68
0070414	6/30/2016	[10076] ANTELOPE VALLEY AQMD-Indirect Costs	6,798.00	0.00	1,190,951.68
Total for Report:			6,798.00	754,149.41	

Antelope Valley AQMD
Bank Register from 6/01/2016 to 6/30/2016
District Cards

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000067	6/15/2016	[10002] ANTELOPE VALLEY BOARD OF TRADE-May 2016 Business Briefing Lunch	20.00	0.00	-7.49
0000068	6/15/2016	[10069] BRET BANKS-Credit card payment for the May 2016 monthly rental payment for a stroage unit for long term storage of District documents and records.	139.00	0.00	-146.49
0000069	6/15/2016	[10069] BRET BANKS-Airfare CAPCOA Spring Meeting 2016	255.96	0.00	-402.45
0000070	6/15/2016	[10070] BARBARA LODS-Water & Paper	37.96	0.00	-440.41
0000071	6/15/2016	[10070] BARBARA LODS-Printer toner & Binder Clips	188.88	0.00	-629.29
0000013	6/15/2016	June 2016 Payment	0.00	641.80	12.51
Total for Report:			641.80	641.80	

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

AGENDA ITEM 6

DATE: December 20, 2016

RECOMMENDATION: Receive and file.

SUMMARY: The annual financial audit for Fiscal Year 2015-16 is complete and presented for review and to receive and file.

BACKGROUND: Burkey Cox Evans & Bradford Accountancy Corporation, of Palmdale, performed the audit services for the District.

A financial audit tests the internal controls, procedures and practices of an organization. Over all, the audit reported that the District and its contractor, the Mojave Desert Air Quality Management District, follow sound financial management practices. The Management Letter placed at the end of the audit report explains there were no significant findings.

REASON FOR RECOMMENDATION: The audit process is complete, the information is provided to the Governing Board for review to 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 December 5, 2016.

FINANCIAL DATA: Funds were budgeted for the service provided and sufficient funds were available to pay the obligation.

PRESENTER: Jean Bracy, Deputy Director – Administration (MDAQMD)

cc: Jean Bracy
Laquita Cole
Michelle Powell

**ANTELOPE VALLEY AIR QUALITY
MANAGEMENT DISTRICT**

**COUNTY OF LOS ANGELES
LANCASTER, CALIFORNIA**

**AUDITED FINANCIAL STATEMENTS
JUNE 30, 2016**

BURKEY COX EVANS & BRADFORD
Accountancy Corporation
1058 West Avenue M-14, Suite B
Palmdale, CA 93551

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
DISTRICT SUMMARY, GOVERNING BOARD AND PERSONNEL
JUNE 30, 2016**

DISTRICT SUMMARY

The Antelope Valley Air Quality Management District was created pursuant to Health and Safety Code Section 40106 and became operational on July 1, 1997. The District has the primary responsibility for the control of air pollution from all sources other than vehicles within its jurisdiction. The Antelope Valley Air Quality Management District contracted with the Mojave Desert Air Quality Management District to provide air pollution control services for all aspects of administration and operation.

GOVERNMENT

The Antelope Valley Air Quality Management District Governing Board consists of seven members:

- Two members of the City of Lancaster City Council as appointed by the City Council
- Two members of the City of Palmdale City Council as appointed by the City Council
- Two persons appointed by the Los Angeles County Board of Supervisors who represent a majority of the population of the District
- One public member appointed by the members above

As of June 30, 2016, the Governing Board consisted of the following:

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>REPRESENTED AREA</u>
Marvin Crist	Chair	City of Lancaster
Mike Dispenza	Vice Chair	City of Palmdale
Ron Hawkins	Member	County District Supervisor Appointment
Vern Lawson	Member	County District Supervisor Appointment
James Ledford	Member	City of Palmdale
Ken Mann	Member	City of Lancaster
Newton Chelette	Member	Public Member

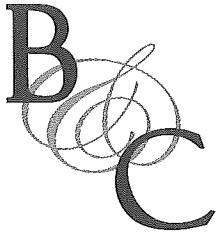
CONTRACTED SERVICES

Eldon Heaston - Executive Director / Air Pollution Control Officer
Bret Banks - Operations Manager (Executive Director / APCO for AVAQMD)
Crystal Goree - Clerk of the Board
Allison E. Burns - District Counsel
Jean Bracy – Deputy Director - Administration

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
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JUNE 30, 2016**

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FINANCIAL INFORMATION



BURKEY COX EVANS & BRADFORD

ACCOUNTANCY CORPORATION

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CARLSBAD, CALIFORNIA 92008-4342

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KENNETH S. EVANS, CPA
JENNIFER M. EVANS, CPA
CHARISSA CROUCH, CPA

INDEPENDENT AUDITORS' REPORT

Governing Board
Antelope Valley Air Quality Management District
Lancaster, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Antelope Valley Air Quality Management District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**BURKEY COX
EVANS & BRADFORD**

ACCOUNTANCY CORPORATION

Antelope Valley Air Quality Management District

Page 2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 27-30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Burkey & Cox CPAs

BURKEY COX EVANS & BRADFORD
Accountancy Corporation

Palmdale, California
November 3, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Antelope Valley Air Quality Management District
Management's Discussion and Analysis
June 30, 2016

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2016. Please read this in conjunction with the basic financial statements.

A. Financial Highlights

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$2,449,706 (*total net position*). Of this amount \$644,410 (*unrestricted*) may be used to finance the District's day-to-day operations without constraints established by legal requirements.

The District's governmental funds reported total fund balances of \$2,098,759 for the year; \$269,073 represented the unassigned fund balance.

B. Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements have three components: 1) Government-Wide Financial Statements; 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. The District's report also includes required supplementary information to the basic financial statements.

In general, the purpose of financial reporting is to provide the external parties that read the financial statements with information that will help them make decisions or draw conclusions about an entity. In order to address the needs of as many parties as reasonably possible, the District, in accordance with required reporting standards, presents government-wide financial statements and fund financial statements.

Government-Wide Financial Statements

The focus of government wide financial statements is the overall financial position and activities of the District. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to commercial enterprises or a private sector business. These financial statements include the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* reports all assets held and liabilities owed by the District on a full accrual basis. The difference between the two is reported as *net position*. This difference is comparable to the total stockholders' equity presented by a commercial enterprise. Over time, increases or decreases in net position may serve as a useful indicator or whether the financial position of the District is improving or deteriorating.

Antelope Valley Air Quality Management District
Management's Discussion and Analysis

The *Statement of Activities* reports the net cost of the District's activities by program and is prepared on the full accrual basis. Revenues and expenses are recognized as earned and incurred even though they may not have been received or paid in cash.

The focus of the *Statement of Activities* is the cost of various program activities performed by the District. The statement begins with a column that identifies the cost of each of the District's major programs. Another set of columns identifies the revenues that are specifically related to these activities. The difference between the expenses and the revenues related to specific program activities represents the net cost of benefit of the program activity.

The District's government-wide financial statements are presented on pages 8 to 9 of this report.

Fund Financial Statements

The focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. These financial statements are presented on pages 10 to 13 of this report.

The fund financial statements consist of the *Balance Sheet* and *Statement of Revenues, Expenditures, and Changes in Fund Balance*. These are prepared on the modified accrual basis of accounting. The government-wide financial statements are prepared on the full accrual basis.

In general, these financial statements under the modified accrual basis have a short-term emphasis and for the most part, measure and account for cash and receivables collectible within a very short period of time, as reported on the balance sheet. The capital assets such as land and buildings are not reported.

Fund liabilities include amounts that are to be paid within a very short period of time after the end of the fiscal year. The long-term liabilities are not included. The difference between a fund's total assets and total liabilities are not included. The difference between a fund's total assets and total liabilities represents the fund balance. The unreserved portion of the fund balance indicates the amount available to finance future activities.

The operating statements for governmental funds report only those revenues and expenditures that were collected in cash or paid with cash during the current period or very shortly after the end of the year.

The District's *Balance Sheet* is presented on page 10 and *Statement of Revenues, Expenditures, and Changes in Fund Balances* is presented on page 12 of this report.

The focus of the fund financial statement is narrower than that of the government-wide financial statements. Since different accounting bases are used to prepare the above statements, reconciliation is required to facilitate the comparison between the fund statements and the government-wide statements. The reconciliation between the *Statement of Revenues, Expenditures, and Changes in Fund Balance* can be found on page 13 of this report.

The reconciliation of the *Balance Sheet of Governmental Funds* to the *Statement of Net Assets* can be found on page 11 of this report.

Antelope Valley Air Quality Management District
 Management's Discussion and Analysis

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 14 to 26 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the budgetary comparison schedule and budgetary reconciliation.

C. Government-Wide Financial Analysis

Our analysis focuses on the net assets and the changes in net assets of the District's governmental activities.

The following schedule is a Condensed Statement of Net Position as of the year ending June 30, 2016, as compared to the prior year.

	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>Change</u>
Assets:			
Current Assets	\$ 3,267,885	\$ 3,561,796	\$ 293,911
Capital Assets	385,702	350,947	(34,755)
Total Assets	<u>\$ 3,653,587</u>	<u>\$ 3,912,743</u>	<u>\$ 259,156</u>
Liabilities:			
Current Liabilities	\$ 320,386	\$ 416,920	\$ 96,534
Deferred Inflows of Resources:			
Unearned Revenues	<u>721,088</u>	<u>1,046,117</u>	<u>325,029</u>
Total Liabilities and Deferred Inflows of Resources:	1,041,474	1,463,037	421,563
Net Position:			
Investments in Capital Assets	385,702	350,947	(34,755)
Restricted for Special Purposes	1,668,828	1,454,349	(214,479)
Unrestricted	<u>557,583</u>	<u>644,410</u>	<u>86,827</u>
Total Net Position	<u>2,612,113</u>	<u>2,449,706</u>	<u>(162,407)</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position:	<u>\$ 3,653,587</u>	<u>\$ 3,912,743</u>	<u>\$ 259,156</u>

At the close of the most recent fiscal year, the District's assets exceeded liabilities by \$2,449,706.

Of the District's net position, (26%) is unrestricted, and unreserved, and may be used to meet the District's ongoing obligations in carrying out day-to-day operations. Capital assets (14%) reflect

Antelope Valley Air Quality Management District
Management's Discussion and Analysis

the District's investment in capital assets used by the District (e.g. land, buildings, equipment, and vehicles). The District uses these capital assets in carrying out its mission of protecting public health while being sensitive to the economic needs of local businesses. Consequently, these assets are not available for future spending. The remaining portion of the District's net assets (60%) is restricted. These funds are restricted to expenditures for specific purposes.

The following schedule is a condensed statement of Changes in Net Position as of fiscal year ending June 30, 2016, as compared to the prior year. In FY16 the District issued grants with funds that had been accumulated from prior fiscal years resulting in a negative change in net position.

	June 30, 2015	June 30, 2016	Change
Revenues:			
Program Revenues	\$ 1,015,529	\$ 812,197	\$ (203,332)
Charge for Services	736,761	870,450	133,689
General Revenue	1,693,601	1,799,930	106,329
Total Revenues	<u>3,445,891</u>	<u>3,482,577</u>	<u>36,686</u>
Expenditures:			
Expenditures	<u>2,878,235</u>	<u>3,644,984</u>	<u>766,749</u>
Total Expenses	<u>2,878,235</u>	<u>3,644,984</u>	<u>766,749</u>
Net Position:			
Change in Net Position	<u>\$ 567,656</u>	<u>\$ (162,407)</u>	<u>\$ (730,063)</u>

Governmental Activities

The objective of the *Statement of Activities* is to report the full cost of providing government services for the year. The format also permits the reader to ascertain the extent to which each function is either self-financing or draws from the general funds of the District.

The *Statement of Activities* presents information showing how the District's net position changed during fiscal year 2015-16. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the cash flows.

Fees, grants, state subvention, penalties, and settlements predominantly support the governmental programs of the District. The primary governmental activities of the District include the following: Permit Services and Enforcement, Air Monitoring, Public Education, Air Quality Analysis, and the Mobile Source Emission Reduction Program.

D. Financial Analysis of the District's Funds

Governmental Funds

As of the end of the fiscal year, the District's Governmental Funds reported an ending balance of \$2,098,759, a decrease of \$127,652 in comparison with the prior year. Approximately 87% of this fund balance (\$1,829,686) is restricted for specific purposes (grant programs). The long-term contractual commitments related to restricted programs often involve multiple-year spending. At

the end of the fiscal year, the District's unassigned fund balance was \$269,073, an increase of \$86,827 in comparison with the prior year. Use of the unassigned fund balance is unrestricted.

E. Capital Assets

The District's investment in capital assets of \$667,941 is for its governmental activities. The book value was \$350,947 (net of accumulated depreciation of \$316,994) as of June 30, 2016. This investment in capital assets includes land, buildings, and improvements, equipment for air monitoring stations, computer and office equipment, video conferencing equipment and District vehicles.

Additional information on the capital assets can be found in the "Notes to Financial Statements," page 23 (Note 5) of this report.

F. Economic Factors and Next Year's Budget

The FY 2016-17 budget estimates expenses (all funds) totaling \$3,232,345 with sufficient funds to pay for those services. This is an overall decrease of 2.4% from the prior fiscal year and includes continuing projects to help streamline government and regulatory functions. The decrease is due in part to the reduction of contracted services. The District contracts all of its services from the Mojave Desert Air Quality Management District (MDAQMD). Under this contract, the MDAQMD will provide the full time equivalent (FTE) of 7.5 employees.

Revenues (all funds) for the District are projected to be \$3,232,345; less than 1% decrease over last year's projections due in part to a loss of revenue from an unrealized project. The revenue budget includes a 15% fee increase on all application and annual permit renewal fees adopted by the Governing Board for implementation January 1, 2016; and a 12% fee increase proposed on the same by the Governing Board for implementation January 1, 2017.

G. Requests for Information

This financial report is designed to provide a general overview of the District's finances for readers of the financial statements. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Deputy Director / Administration, Mojave Desert Air Quality Management District, contractor to the Antelope Valley Air Quality Management District, 43301 Division Street, Suite 206, Lancaster, CA 93535-4649.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 3,178,995
Receivables (net of allowances for uncollectibles)	377,464
Prepaid Items	5,337
Capital Assets (net of accumulated depreciation)	<u>350,947</u>
Total Assets	<u>3,912,743</u>
LIABILITIES	
Accounts Payable and Other Current Liabilities	416,920
DEFERRED INFLOWS OF RESOURCES	
Unearned Revenues	<u>1,046,117</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,463,037</u>
NET POSITION	
Invested in Capital Assets	350,947
Restricted for Special Programs	1,454,349
Unrestricted	<u>644,410</u>
Total Net Position	<u><u>\$ 2,449,706</u></u>

See accompanying notes to financial statements.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
PRIMARY GOVERNMENT				
Governmental Activities:				
Public Safety:				
Services and Supplies	\$ 2,344,051	\$ 559,777	\$ 522,315	\$ (1,261,959)
Contributions to Other Participants	<u>1,300,933</u>	<u>310,673</u>	<u>289,882</u>	<u>(700,378)</u>
Total Governmental Activities	<u>3,644,984</u>	<u>870,450</u>	<u>812,197</u>	<u>(1,962,337)</u>
Total Primary Government	<u><u>\$ 3,644,984</u></u>	<u><u>\$ 870,450</u></u>	<u><u>\$ 812,197</u></u>	<u><u>(1,962,337)</u></u>
General Revenues:				
AB 2766 and Other Program Revenues				1,776,091
Unrestricted Investment Earnings				18,981
Miscellaneous				<u>4,858</u>
Total General Revenues				<u>1,799,930</u>
Change in Net Position				(162,407)
Net Position - Beginning of Year				<u>2,612,113</u>
Net Position - End of Year				<u><u>\$ 2,449,706</u></u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016**

	<u>General Fund</u>	<u>Mobile Emissions Program (AB 2766)</u>	<u>Mobile Emissions Program (AB 923)</u>	<u>Carl Moyer Program</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Investments	\$ 733,750	\$ 485,123	\$ 762,372	\$ 1,197,750	\$ 3,178,995
Receivables (net of allowances for uncollectibles)	377,464	-	-	-	377,464
Due from Other Funds	32,892	81,624	105,976	-	220,492
Prepaid Items	5,337	-	-	-	5,337
Total Assets	<u>\$ 1,149,443</u>	<u>\$ 566,747</u>	<u>\$ 868,348</u>	<u>\$ 1,197,750</u>	<u>\$ 3,782,288</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Other					
Current Liabilities	\$ 317,433	\$ -	\$ 12,746	\$ 86,741	\$ 416,920
Due to Other Funds	187,600	-	7,437	25,455	220,492
Total Liabilities	<u>505,033</u>	<u>-</u>	<u>20,183</u>	<u>112,196</u>	<u>637,412</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned Revenues	-	-	-	1,046,117	1,046,117
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,046,117</u>	<u>1,046,117</u>
FUND BALANCES					
Nonspendable	5,337	-	-	-	5,337
Restricted	-	566,747	848,165	39,437	1,454,349
Committed	370,000	-	-	-	370,000
Unassigned	269,073	-	-	-	269,073
Total Fund Balances	<u>644,410</u>	<u>566,747</u>	<u>848,165</u>	<u>39,437</u>	<u>2,098,759</u>
Total Liabilities and Fund Balances	<u>\$ 1,149,443</u>	<u>\$ 566,747</u>	<u>\$ 868,348</u>	<u>\$ 1,197,750</u>	<u>\$ 3,782,288</u>

See accompanying notes to financial statements.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

Total Fund Balances - Governmental Funds	\$ 2,098,759
Capital assets used or governmental activities are not financial resources and therefore are not reported as assets in Governmental Funds. The cost of the assets is \$667,941 and the accumulated depreciation is \$316,994.	<u>350,947</u>
Total Net Position - Governmental Activities	<u>\$ 2,449,706</u>

See accompanying notes to financial statements.

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Mobile Emissions Program (AB2766)	Mobile Emissions Program (AB923)	Carl Moyer Program	Total Governmental Funds
REVENUES					
Application and Permit Fees	\$ 836,250	\$ -	\$ -	\$ -	\$ 836,250
AB 2766 and Other Program Revenues	1,776,091	-	-	-	1,776,091
Grants	126,422	-	-	685,775	812,197
Fines	34,200	-	-	-	34,200
Investment Earnings	5,375	3,322	6,647	3,637	18,981
Miscellaneous	4,858	-	-	-	4,858
Total Revenues	2,783,196	3,322	6,647	689,412	3,482,577
EXPENDITURES					
Public Safety:					
Services and Supplies	1,688,269	-	-	604,714	2,292,983
Contributions to Other Participants	3,600	481,562	736,608	79,163	1,300,933
Capital Outlay					
Improvements and Equipment	16,313	-	-	-	16,313
Total Expenditures	1,708,182	481,562	736,608	683,877	3,610,229
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,075,014	(478,240)	(729,961)	5,535	(127,652)
Other Financing Sources (Uses)					
Operating Transfers In	-	414,431	573,756	-	988,187
Operating Transfers Out	(988,187)	-	-	-	(988,187)
Total Other Financing Sources (Uses)	(988,187)	414,431	573,756	-	-
Net Change in Fund Balances	86,827	(63,809)	(156,205)	5,535	(127,652)
Fund Balance - Beginning of Year	557,583	630,556	1,004,370	33,902	2,226,411
Fund Balance - End of Year	<u>\$ 644,410</u>	<u>\$ 566,747</u>	<u>\$ 848,165</u>	<u>\$ 39,437</u>	<u>\$ 2,098,759</u>

See accompanying notes to financial statements.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds \$ (127,652)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Asset Additions	\$	16,313	
Current Year Depreciation		<u>(51,068)</u>	
			<u>(34,755)</u>
Total			<u>(34,755)</u>

Total Change in Net Position - Governmental Activities \$ (162,407)

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The basic financial statements of Antelope Valley Air Quality Management District (the District) include the accounts of all its operations. The Antelope Valley Air Quality Management District was created pursuant to Health and Safety Code Section 40106 and became operational on July 1, 1997. The District has the primary responsibility for the control of air pollution from all sources other than vehicles within its jurisdiction. The Antelope Valley Air Quality Management District contracted with the Mojave Desert Air Quality Management District to provide air pollution control services for all aspects of administration and operation.

The District's basic financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District
- the exclusion of the organization would result in misleading or incomplete financial statements

The Antelope Valley Air Quality Management District, for financial purposes, includes all funds relevant to the operations of the District. The Governing Board has governance responsibilities over all activities related to the District. The District receives funding from local, county, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" since board members are elected officials appointed by their respective jurisdictions, or by an elected official, or by the sitting members of the governing board (Health and Safety Code 41310), and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The District also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the District to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the District, its component units or its constituents; and 2) The District or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the District.

Based on these criteria, the District has no component units or potential component units.

B. Basis of Presentation

Government-wide Financial Statements: The statement of net assets and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through fees, intergovernmental revenues, and other non-exchange transactions.

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all fees, are presented as general revenues.

Fund Financial Statements: Fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General Fund is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Mobile Emissions Program (AB2766) was established by the District to account for the retention of funds allocated for the support of the District's mobile emissions grant program.

Mobile Emissions Program (AB923) was established by the District to account for the retention of funds allocated for the support of the District's mobile emissions grant program.

Carl Moyer Program was established by the District to account for revenues received pursuant to the Carl Moyer Memorial Air Quality Standards Attainment Program. Expenditures are restricted to providing incentive for participating entities to undertake reduced-emission heavy-duty engine projects.

C. Basis of Accounting and Measurement Focus

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include fees, grants, entitlements, and donations. On an accrual basis, revenue from fees is recognized in the fiscal year for which the fees are charged. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end.

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus (Continued)

Revenues from local sources consist primarily of permit fees and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, and then unrestricted resources.

D. Assets, Liabilities, Deferred Inflows of Resources, and Net Assets/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments are reported at fair value (generally based on quoted market prices) except for the position in the Los Angeles County Investment Pool. The District adopted an investment policy directing management to deposit funds in financial institutions. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

3. Inventories and Prepaid Items

The District records purchases of supplies as expenditures utilizing the purchase method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expense when consumed rather than when purchased.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Inflows of Resources, and Net Assets/Fund Balance (Continued)

4. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Description	Estimated Useful Lives
Buildings	20 - 50 years
Building and Improvements	20 years
Vehicles	5 years
Equipment	15 - 20 years
Computer Equipment	3 - 15 years

5. Accounts Receivable

Accounts receivable are deemed by management to be fully collectible at June 30, 2016, and therefore no allowance for doubtful accounts has been established.

6. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures of expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfer in and transfers out are netted and presented as a single "transfers" line on the government-wide statement of activities.

7. Deferred Inflows of Resources

Certain payments received for the Carl Moyer Fund reflect revenue applicable to future accounting periods and are recorded as deferred inflows of resources.

8. Fund Balance Reserves and Designations

Restricted Fund Balance The portion of fund balance representing resources subject to externally imposed and legally enforceable constraints imposed either by external resource providers, e.g., grantors or creditors, or by law through constitutional provisions or enabling legislation.

Mobile Emissions Reduction Grant (AB2766) These funds are collected on motor vehicle registrations (\$4 each) in the Antelope Valley region. Funds are allocated on a competitive basis to local government entities and other organizations capable of effectively using funds to reduce mobile emissions. A Work Plan adopted by the Governing Board provides the grant program guidelines.

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Inflows of Resources, and Net Assets/Fund Balance (Continued)

8. Fund Balance Reserves and Designations (Continued)

Incentive Based Emission Reduction Funding (AB 923) These funds are collected on motor vehicle registrations (\$2 each) in the Antelope Valley region beginning October 1, 2005. Funds are granted by the Governing Board for specific projects as set forth in the Health and Safety Code Section 44229.

Carl Moyer Grant Program Funds These funds may be distributed by the California Air Resources Board for projects obligated by the District under this state regulated program. Projects are awarded on a competitive basis.

Committed Fund Balance The portion of fund balance representing resources whose use is constrained by limitations self-imposed by the District through formal action of its highest level of decision-making authority. The constraints can be modified or removed only through the same process by which they were imposed. The action imposing the constraint must be made by the end of the reporting period. The actual amounts may be determined at a later date, prior to the issuance of the financial statements.

Operating Cash Reserves The amount is set equivalent to 25% of the operating expenses from the combined budget totals for Salaries and Benefits and Supplies and Services. The fund may be increased to provide protection against uncertain economic times.

Unassigned Fund Balance The portion of fund balance not classified as restricted or committed.

In all governmental funds including the general fund, the excess of non-spendable, restricted, and committed fund balance over total fund balance (deficits), assigned amounts must be reduced or estimated if a deficit exists.

E. Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses, as appropriate, during the reporting period. Actual results could differ from those estimates.

F. Budgets and Budgetary Accounting

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of the fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain comments from those subject to District fees.
3. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the Governing Board.

Once a budget is approved, it can be amended only by approval of a majority of the members of the Governing Board. As required by law, such amendments are made before the fact, reflected in the official minutes of the Governing Board and not made after fiscal year end. During the year, the budget was amended as necessary.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgets and Budgetary Accounting (Continued)

Budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts are as originally adopted; individual amendments were not material in relation to the original budget.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments consisted of the following at June 30, 2016:

	Unrestricted		Restricted		Total
	General Fund	Mobile Emissions Program (AB2766)	Mobile Emissions Program (AB923)	Carl Moyer	
Pooled Investments	\$ 616,883	\$ 485,123	\$ 762,372	\$ 1,197,750	\$ 3,062,128
Cash in Bank	116,867	-	-	-	116,867
Total	<u>\$ 733,750</u>	<u>\$ 485,123</u>	<u>\$ 762,372</u>	<u>\$ 1,197,750</u>	<u>\$ 3,178,995</u>

Investments Authorized by the California Government Code and the District's Investment Policy

The following table identifies the investment types that are authorized by the District in accordance with the California Government Code or the District's investment policy, where more restrictive. The table also identifies certain provisions of the California Government Code or the District's investment policy, where more restrictive that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 2 – CASH AND INVESTMENTS (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Minimum Quality Requirements</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA And Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S Agency Obligations	5 years	None	None
Bankers' Acceptances	180 days	40%	None
Commercial Paper — Pooled Funds	270 days	40% of the agency's money	Highest letter and member rating by a NRSRO
Commercial Paper— Non-Pooled Funds	270 days	25% of the agency's money	Highest letter and member rating by a NRSRO
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	30% (inclusive of placement service CDs)	None
Placement Service Certificates of Deposit	5 years	30% (combine with placement service deposits)	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None
Medium-Term Notes	5 years	30%	"A" Rating
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	"AA" Rating
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None
Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	"AA" Rating

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools such as the Los Angeles County Investment Pools.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 2 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk (Continued)

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Investment in Los Angeles County Investment Pool

The District is a voluntary participant in the Los Angeles County Investment Pool that is regulated by the California Government Code under the oversight of the Treasurer of the County of Los Angeles. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by Los Angeles County for the entire Los Angeles County portfolio (in relation to the amortized cost of that portfolio). There are no limitations or restrictions on withdrawals and the fund's authority does not impose liquidity fees or redemption gates.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments to market rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date.

Investments at June 30, 2016, consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Adjustment *</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>	
				<u>12 months or less</u>	<u>Over 12 months</u>
Los Angeles County Investment Pool - Unrestricted	\$ 610,721	\$ 6,162	\$ 616,883	\$ 327,318	\$ 289,565
Los Angeles County Investment Pool - Restricted - Mobile Emission AB 2766	480,277	4,846	485,123	257,406	227,717
Los Angeles County Investment Pool - Restricted - Mobile Emission AB 923	754,757	7,615	762,372	404,515	357,857
Los Angeles County Investment Pool - Restricted - Carl Moyer	1,185,786	11,964	1,197,750	635,526	562,224
Total	<u>\$ 3,031,541</u>	<u>\$ 30,587</u>	<u>\$ 3,062,128</u>	<u>\$ 1,624,765</u>	<u>\$ 1,437,363</u>

* Due to the immaterial nature of the Fair Value Adjustment, the Los Angeles County Investment Pool balances are reflected at their carrying amount in the financial statements.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 2 – CASH AND INVESTMENTS (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by, where applicable, the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type

Credit ratings as of June 30, 2016, consisted of the following:

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt from Disclosure</u>	<u>Ratings AAA</u>
Los Angeles County Investment Pool - Unrestricted	\$ 616,883	N/A	\$ 616,883	-
Los Angeles County Investment Pool - Restricted - Mobile Emission AB 2766	485,123	N/A	485,123	-
Los Angeles County Investment Pool - Restricted - Mobile Emission AB 923	762,372	N/A	762,372	-
Los Angeles County Investment Pool - Restricted - Carl Moyer	1,197,750	N/A	1,197,750	-
Total	<u>\$ 3,062,128</u>		<u>\$ 3,062,128</u>	

NOTE 3 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The excess of expenditures over appropriations as of June 30, 2016 were as follows:

General Fund	
Public Safety:	
Services and Supplies	\$ 201,558
Contributions to Other Participants	\$ 3,600
Capital Outlay:	
Improvements and Equipment	\$ 1,313
Operating Transfers Out	\$ 988,187
Mobile Emissions Program (AB923)	
Public Safety:	
Services and Supplies	\$ 244,619

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4 – ACCOUNTS RECEIVABLE

Receivables at June 30, 2016, consist of the following:

	General Fund
State Government:	
Department of Motor Vehicles	\$ 317,959
Total State	317,959
Local Government:	
Local Sources	59,505
Total Local	59,505
Total Accounts Receivable	\$ 377,464

NOTE 5 – CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2016, are shown below:

	Balance July 01, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Capital Assets being depreciated:					
Improvements Not Buildings	\$ 15,875	\$ -	\$ -	\$ -	\$ 15,875
Furniture & Fixtures	59,943	-	-	-	59,943
Machinery & Equipment	125,654	-	-	-	125,654
Vehicles	70,090	-	-	-	70,090
Computers	53,703	-	(22,971)	-	30,732
Software	349,334	16,313	-	-	365,647
Total capital assets being depreciated	674,599	16,313	(22,971)	-	667,941
Less accumulated depreciation for:					
Improvements Not Buildings	(7,540)	(1,588)	-	-	(9,128)
Furniture & Fixtures	(38,773)	(4,097)	-	-	(42,870)
Machinery & Equipment	(96,003)	(6,729)	-	-	(102,732)
Vehicles	(56,627)	(5,204)	-	-	(61,831)
Computers	(50,460)	(2,362)	22,971	-	(29,851)
Software	(39,494)	(31,088)	-	-	(70,582)
Total accumulated depreciation	(288,897)	(51,068)	22,971	-	(316,994)
Total capital assets being depreciated, net	385,702	(34,755)	-	-	350,947
Governmental activities capital assets, net	\$ 385,702	\$ (34,755)	\$ -	\$ -	\$ 350,947
Depreciation was charged to functions as follows:					
Public Safety - Other	\$ 51,068				
Total Depreciation Expense	\$ 51,068				

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 – INTERFUND TRANSACTIONS

Due From / Due To Other Funds – All interfund balances are expected to be repaid within the next fiscal year and are considered ordinary in nature. The composition of interfund balances as of June 30, 2016, is as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 32,892	\$ 187,600
Mobile Emissions Program AB 2766	81,624	-
Mobile Emissions Program AB 923	105,976	7,437
Carl Moyer Program	-	25,455
Totals	\$ 220,492	\$ 220,492

Transfers In / Transfers Out – Individual fund interfund transfers for the fiscal year ended June 30, 2016, were as follows:

Transfers In	Transfers Out	Amount	Purpose
Mobile Emissions Fund (AB2766)	General Fund	\$ 414,431	To transfer mobile emissions program revenue to the mobile emissions fund.
Mobile Emissions Fund (AB 923)	General Fund	573,756	To transfer mobile emissions program revenue to the mobile emissions fund.
	Total	\$ 988,187	

NOTE 7 – RELATED PARTY TRANSACTIONS

The District reimburses Mojave Desert Air Quality Management District (MDAQMD) for the cost of providing administrative support. Amounts charged by MDAQMD are expensed during the period incurred. Amounts charged by MDAQMD and expensed during the year ended June 30, 2016, were \$1,277,922 and payable to MDAQMD as of June 30, 2016, was \$211,793.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 8 – LEASE OBLIGATIONS

The District has entered into operating leases for facilities and equipment as of June 30, 2016, that require payments extending for a period longer than twelve months. During the year ended June 30, 2016, rent expense totaled \$59,925.

Future payments as of June 30, 2016, are as follows:

Year Ending June 30,	Amount
2017	\$ 54,887
2018	54,887
2019	53,751
2020	53,751
2021	-
Total	<u>\$ 217,276</u>

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year ended June 30, 2016, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for any of the past three fiscal years.

The District is a participant in the Special District Risk Management Authority (SDRMA) formed for the purpose of providing insurance to its member agencies.

At June 30, 2016, SDRMA maintained general liability, automobile liability, property liability, and public officials' liability insurance coverage of \$5,000,000 per occurrence with \$500,000 self-insurance retention covered by a purchased policy. Inasmuch as SDRMA is acting as a broker obtaining low cost policies for its members, joint venture disclosure is not applicable.

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 – UNEARNED REVENUE

The State of California Air Resources Board established the Carl Moyer Memorial Air Quality Standards Attainment Program to provide incentives for participating entities to undertake reduced-emission heavy-duty engine projects. The District applied for the Program and received funding under this program as follows:

	Round of Funding			Total
	XVI	XVII	XVIII	
<u>Grant Funding</u>				
Amount Received to Date	\$ 1,126,359	\$ 637,511	\$ 659,588	\$ 2,423,458
Amount Expended to Date	(826,499)	(637,511)	(76,961)	(1,540,971)
Total Grant Deferred	299,860	-	582,627	882,487
<u>Administrative Support Funding</u>				
Amount Received to Date	95,201	70,835	94,277	260,313
Amount Expended to Date	(95,201)	(1,482)	-	(96,683)
Total Administrative Deferred	-	69,353	94,277	163,630
Total Amount Deferred	\$ 299,860	\$ 69,353	\$ 676,904	\$ 1,046,117

As of June 30, 2016, the District had identified and committed funds per grant requirements, but had not yet expended all of the program revenues. Since the District would be required to repay program revenue not used, the criteria for recognizing this program revenue as income is not met until District expenditures are actually made. The Carl Moyer Program income will be reflected as unearned revenue until the expenditures are made in subsequent periods.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

B. Litigation

The District may become involved in several matters of litigation that remain pending as June 30, 2016. The outcomes of these matters of litigation are uncertain as of June 30, 2016.

C. State and Federal Allowances, Awards and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

REQUIRED SUPPLEMENTARY INFORMATION

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Application and Permit Fees	\$ 654,500	\$ 672,000	\$ 836,250	\$ 164,250
AB 2766 and Other Program Revenues	612,000	602,500	1,776,091	1,173,591
Grants and Donations	126,000	135,000	126,422	(8,578)
Fines	11,700	29,700	34,200	4,500
Investment Earnings	3,500	3,200	5,375	2,175
Miscellaneous	-	-	4,858	4,858
	<hr/>		<hr/>	
Total Revenues	1,407,700	1,442,400	2,783,196	1,340,796
EXPENDITURES				
Public Safety:				
Services and Supplies	1,477,250	1,486,711	1,688,269	201,558
Contributions to Other Participants	-	-	3,600	3,600
Capital Outlay:				
Improvements and Equipment	50,000	15,000	16,313	1,313
	<hr/>		<hr/>	
Total Expenditures	1,527,250	1,501,711	1,708,182	206,471
Excess (Deficiency) of Revenues Over (Under) Expenditures	(119,550)	(59,311)	1,075,014	1,134,325
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	-	-	(988,187)	988,187
	<hr/>		<hr/>	
Total Other Financing Sources (Uses)	-	-	(988,187)	988,187
Net Change in Fund Balances	(119,550)	(59,311)	86,827	146,138
Fund Balance - Beginning of Year	557,583	557,583	557,583	-
Fund Balance - End of Year	<u>\$ 438,033</u>	<u>\$ 498,272</u>	<u>\$ 644,410</u>	<u>\$ 146,138</u>

See independent auditors' report.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
 BUDGETARY COMPARISON SCHEDULE - MOBILE EMISSIONS PROGRAM (AB2766)
 FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ 8,000	\$ 2,250	\$ 3,322	\$ 1,072
Total Revenues	<u>8,000</u>	<u>2,250</u>	<u>3,322</u>	<u>1,072</u>
EXPENDITURES				
Public Safety Services and Supplies	551,000	492,750	481,562	(11,188)
Total Expenditures	<u>551,000</u>	<u>492,750</u>	<u>481,562</u>	<u>(11,188)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(543,000)</u>	<u>(490,500)</u>	<u>(478,240)</u>	<u>12,260</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	543,000	490,500	414,431	(76,069)
Total Other Financing Sources (Uses)	<u>543,000</u>	<u>490,500</u>	<u>414,431</u>	<u>(76,069)</u>
Net Change in Fund Balances	-	-	(63,809)	(63,809)
Fund Balance - Beginning of Year	<u>630,556</u>	<u>630,556</u>	<u>630,556</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 630,556</u></u>	<u><u>\$ 630,556</u></u>	<u><u>\$ 566,747</u></u>	<u><u>\$ (63,809)</u></u>

See independent auditors' report.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
BUDGETARY COMPARISON SCHEDULE - MOBILE EMISSIONS PROGRAM (AB923)
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ 6,800	\$ 6,800	\$ 6,647	\$ (153)
Total Revenues	<u>6,800</u>	<u>6,800</u>	<u>6,647</u>	<u>(153)</u>
EXPENDITURES				
Public Safety Services and Supplies	549,800	491,989	736,608	244,619
Total Expenditures	<u>549,800</u>	<u>491,989</u>	<u>736,608</u>	<u>244,619</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(543,000)</u>	<u>(485,189)</u>	<u>(729,961)</u>	<u>(244,772)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	543,000	545,000	573,756	28,756
Total Other Financing Sources (Uses)	<u>543,000</u>	<u>545,000</u>	<u>573,756</u>	<u>28,756</u>
Net Change in Fund Balances	-	59,811	(156,205)	(216,016)
Fund Balance - Beginning of Year	<u>1,004,370</u>	<u>1,004,370</u>	<u>1,004,370</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 1,004,370</u>	<u>\$ 1,064,181</u>	<u>\$ 848,165</u>	<u>\$ (216,016)</u>

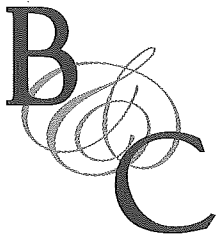
See independent auditors' report.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
BUDGETARY COMPARISON SCHEDULE - CARL MOYER PROGRAM
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Grants and Donations	\$ 1,387,868	\$ 708,346	\$ 685,775	\$ (22,571)
Investment Earnings	1,035	1,500	3,637	2,137
Total Revenues	<u>1,388,903</u>	<u>709,846</u>	<u>689,412</u>	<u>(20,434)</u>
EXPENDITURES				
Public Safety:				
Services and Supplies	1,389,253	709,846	604,714	(105,132)
Contributions to Other Participants	-	-	79,163	79,163
Total Expenditures	<u>1,389,253</u>	<u>709,846</u>	<u>683,877</u>	<u>(25,969)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(350)</u>	<u>-</u>	<u>5,535</u>	<u>5,535</u>
Net Change in Fund Balances	(350)	-	5,535	5,535
Fund Balance - Beginning of Year	<u>33,902</u>	<u>33,902</u>	<u>33,902</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 33,552</u>	<u>\$ 33,902</u>	<u>\$ 39,437</u>	<u>\$ 5,535</u>

See independent auditors' report.

OTHER INDEPENDENT AUDITORS' REPORT



BURKEY COX EVANS & BRADFORD

ACCOUNTANCY CORPORATION

1058 WEST AVENUE M-14, SUITE B
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CHARISSA CROUCH, CPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Governing Board
Antelope Valley Air Quality Management District
Lancaster, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Antelope Valley Air Quality Management District (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 3, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

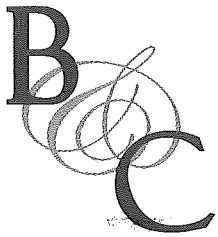
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Burkey & Cox CPAs

BURKEY COX EVANS & BRADFORD
Accountancy Corporation

Palmdale, California
November 3, 2016



BURKEY COX EVANS & BRADFORD

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November 3, 2016

AVAQMD
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Board of Directors
Antelope Valley Air Quality Management District
43301 Division #206
Lancaster, California 93534

Dear Board of Directors:

We have audited the financial statements of the governmental activities, general fund, each major fund, and the aggregate remaining fund information of Antelope Valley Air Quality Management District (the District) for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 19, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the current fiscal year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates used by management during the current fiscal year.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no significant disclosures used by management during the current fiscal year.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Antelope Valley Air Quality Management District
Letter to the Board
Page 2

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 3, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Communication of Deficiencies

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Antelope Valley Air Quality Management District
Letter to the Board
Page 3

During the course of our audit, however, we did identify the following matter, which we believe warrants your further consideration:

2016-01

Transfers In/Out and Due To/Due From

The basic financial statements of the Antelope Valley Air Quality Management District are prepared using fund accounting. During the course of our audit, we made adjustments to properly reflect the transactions between funds. We would recommend that a process be established to review these inter-fund transactions to assure that they are properly reflected in the financial statements.

Restrictions On Use

This information is intended solely for the use of the Board of Directors and management of Antelope Valley Air Quality Management District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Burkey & Cox CPAs

BURKEY COX EVANS & BRADFORD
Accountancy Corporation

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

AGENDA ITEM 7

DATE: December 20, 2016

RECOMMENDATION: Receive and file.

SUMMARY: The Financial Report for FY 17, July through October 2016 is provided to the Governing Board for information concerning the current fiscal status of the District.

BACKGROUND: The Financial Reports provide financial and budget performance information and reflects the business activities of the District for the period referenced. Staff is available to answer questions as needed.

BALANCE SHEET – The Balance Sheet is a “snapshot” of the District’s resources, shown per fund. The Change in Net Position indicates the dynamic status of revenue and expenses for the period; it does not reflect the District’s cash position.

STATEMENT OF REVENUES & EXPENDITURES – This report describes the financial activities only for the month for each of the District’s funds and does not reflect the District’s cash position.

STATEMENTS OF ACTIVITY (for all District funds) – The target variances for Fiscal Year 2017 are 8% for July, 17% for August, 25% for September, and 33% for October.

- ***District Wide*** reports the expenses paid directly from the District’s operating account and grant funds. Negative amounts usually indicate expenses made in accumulated grant funds.
- ***Contracted Services*** reports the expenses made by the contractor (MDAQMD) and passed through to the District. “Adjustments to Revenue” usually reflects the cancellation of permits. “Permitting” revenue represents invoices issued for annual permit renewals and always assumes the expectation of revenue for those facilities with valid operating permits. Cancelling permits impacts the expected revenue.
- ***Report Recap*** is the consolidated report which reflects the revenues received and expenses made during the period and year to date against the adopted budget for FY 17. The line item Program Costs includes those payments made from the District’s grant funds (AB 2766, AB 923, and Carl Moyer Fund).

cc: Jean Bracy
Laquita Cole
Michelle Powell

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

AGENDA ITEM 7

BANK REGISTER WELLS FARGO OPERATING – This report lists the deposits to and payments made from the District’s primary operating account which is deposited at Wells Fargo Bank. Periodically the account is reimbursed from the funds on deposit with the Los Angeles County Auditor/Controller.

BANK REGISTERS LA COUNTY: GENERAL FUND, AB 2766 U5R, LA COUNTY AB 923, and LA COUNTY CARL MOYER U5S – These reports list deposits to and payments made from the District’s Grant Fund Accounts, held in trust at the Los Angeles County Auditor/Controller. The items from the Grand Fund accounts are the activity are shown on the Statement of Activity as “Program Costs.”

DISTRICT CARDS – This report shows the purchases made using the District’s Mastercard for the referenced period(s).

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 December 5, 2016.

FINANCIAL DATA: No change in appropriation is required at this time.

PRESENTER: Jean Bracy, Deputy Director – Administration

Antelope Valley AQMD
Balance Sheet - Governmental Funds
As of October 31, 2016

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	1,096,348.25	451,011.49	900,357.00	495,665.31	2,943,382.05
Cash Held For Other Fund	(90,541.64)	45,435.37	45,106.27	0.00	0.00
Receivables	28,782.69	0.00	0.00	0.00	28,782.69
Pre-Paid	7,515.33	0.00	0.00	0.00	7,515.33
Total Current Assets	1,042,104.63	496,446.86	945,463.27	495,665.31	2,979,680.07
Total Assets	1,042,104.63	496,446.86	945,463.27	495,665.31	2,979,680.07
Liabilities and Net Position					
Current Liabilities					
Payables	421,640.96	0.00	5,794.46	23,828.30	451,263.72
Due to Others	385.00	0.00	0.00	0.00	385.00
Unearned Revenue	0.00	0.00	0.00	892,909.17	892,909.17
Total Current Liabilities	422,025.96	0.00	5,794.46	916,737.47	1,344,557.89
Restricted Fund Balance	0.00	566,746.99	853,660.32	(257,788.23)	1,162,619.08
Cash Reserves	370,000.00	0.00	0.00	0.00	370,000.00
Unassigned Fund Balance	260,578.74	0.00	0.00	0.00	260,578.74
Pre-Paid	7,515.33	0.00	0.00	0.00	7,515.33
Change in Net Position	(18,015.40)	(70,300.13)	86,008.49	(163,283.93)	(165,590.97)
Total Liabilities & Net Position	1,042,104.63	496,446.86	945,463.27	495,665.31	2,979,680.07

Antelope Valley AQMD
Statement of Revenues & Expenditures
For the Period Ending October 31, 2016

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	37,389.23	0.00	0.00	0.00	37,389.23
AB 2766 and Other Program Revenues	133,142.53	71,586.16	102,226.51	181,114.00	488,069.20
Fines	4,800.00	0.00	0.00	0.00	4,800.00
Investment Earnings	493.28	287.69	534.29	515.06	1,830.32
Federal and State	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	0.00	0.00	0.00	0.00	0.00
Total Revenues	175,825.04	71,873.85	102,760.80	181,629.06	532,088.75
Expenditures					
Program Staff	86,077.80	0.00	1,649.47	4,886.48	92,613.75
Services and Supplies	26,529.50	5,000.00	8,324.02	182,829.68	222,683.20
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	112,607.30	5,000.00	9,973.49	187,716.16	315,296.95
Excess Revenue Over (Under) Expenditures	63,217.74	66,873.85	92,787.31	(6,087.10)	216,791.80

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 10/31/2016

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	34,610.04	244,658.45	614,480.00	(0.40)
Programs	488,069.20	745,332.20	2,396,065.00	(0.31)
Application Fees	5,159.00	21,276.00	47,500.00	(0.45)
State Revenue	0.00	30,517.12	126,000.00	(0.24)
Fines & Penalties	4,800.00	17,175.00	35,000.00	(0.49)
Interest Earned	1,830.32	6,960.23	13,300.00	(0.52)
Adjustments to Revenue	(2,379.81)	(2,379.81)	0.00	0.00
Total Revenues	532,088.75	1,063,539.19	3,232,345.00	(0.33)
Expenses				
Office Expenses	6,237.62	28,770.24	90,180.00	0.32
Communications	1,593.54	6,173.84	23,500.00	0.26
Vehicles	1,009.65	3,609.83	9,500.00	0.38
Program Costs	196,153.70	740,108.73	1,637,438.00	0.45
Travel	404.98	2,101.47	6,500.00	0.32
Professional Services				
Financial Audit & Actuarial Svcs	0.00	0.00	12,000.00	0.00
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	3,415.00	3,000.00	1.14
Stipends	500.00	1,600.00	8,400.00	0.19
Maintenance & Repairs	1,960.00	2,635.00	7,000.00	0.38
Non-Depreciable Inventory	75.20	6,310.33	6,300.00	1.00
Dues & Subscriptions	0.00	4,138.90	10,500.00	0.39
Legal	1,396.50	5,221.50	17,000.00	0.31
Miscellaneous Expense	50.74	301.04	800.00	0.38
Capital Expenditures	0.00	0.00	10,000.00	0.00
Total Expenses	209,381.93	804,385.88	1,848,118.00	0.44
Program Staff				
Program Staff	0.00	0.00	94,227.00	0.00
Total Program Staff	0.00	0.00	94,227.00	0.00
Excess Revenue Over (Under) Expenditures	322,706.82	259,153.31	1,290,000.00	(0.20)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 10/31/2016

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	0.00	824.00	6,200.00	0.13
Vehicles	0.00	0.00	500.00	0.00
Travel	283.24	305.60	3,000.00	0.10
Professional Services				
Payroll Contract	10.90	32.50	300.00	0.11
Financial Audit & Actuarial Svcs	13,007.13	52,745.47	155,635.00	0.34
Maintenance & Repairs	0.00	333.33	0.00	0.00
Non-Depreciable Inventory	0.00	48.38	0.00	0.00
Capital Expenditures	0.00	0.00	13,000.00	0.00
Total Expenses	13,301.27	54,289.28	178,635.00	0.30
<u>Program Staff</u>				
Program Staff	92,613.75	370,455.00	1,111,365.00	0.33
Total Program Staff	92,613.75	370,455.00	1,111,365.00	0.33
Excess Revenue Over (Under) Expenditures	(105,915.02)	(424,744.28)	(1,290,000.00)	(0.33)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 10/31/2016

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	34,610.04	244,658.45	614,480.00	(0.40)
Programs	488,069.20	745,332.20	2,396,065.00	(0.31)
Application Fees	5,159.00	21,276.00	47,500.00	(0.45)
State Revenue	0.00	30,517.12	126,000.00	(0.24)
Fines & Penalties	4,800.00	17,175.00	35,000.00	(0.49)
Interest Earned	1,830.32	6,960.23	13,300.00	(0.52)
Adjustments to Revenue	(2,379.81)	(2,379.81)	0.00	0.00
Total Revenues	532,088.75	1,063,539.19	3,232,345.00	(0.33)
Expenses				
Office Expenses	6,237.62	29,594.24	96,380.00	0.31
Communications	1,593.54	6,173.84	23,500.00	0.26
Vehicles	1,009.65	3,609.83	10,000.00	0.36
Program Costs	196,153.70	740,108.73	1,637,438.00	0.45
Travel	688.22	2,407.07	9,500.00	0.25
Professional Services				
Payroll Contract	10.90	32.50	300.00	0.11
Financial Audit & Actuarial Svcs	13,007.13	52,745.47	167,635.00	0.31
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	3,415.00	3,000.00	1.14
Stipends	500.00	1,600.00	8,400.00	0.19
Maintenance & Repairs	1,960.00	2,968.33	7,000.00	0.42
Non-Depreciable Inventory	75.20	6,358.71	6,300.00	1.01
Dues & Subscriptions	0.00	4,138.90	10,500.00	0.39
Legal	1,396.50	5,221.50	17,000.00	0.31
Miscellaneous Expense	50.74	301.04	800.00	0.38
Capital Expenditures	0.00	0.00	23,000.00	0.00
Total Expenses	222,683.20	858,675.16	2,026,753.00	0.42
Program Staff				
Program Staff	92,613.75	370,455.00	1,205,592.00	0.31
Total Program Staff	92,613.75	370,455.00	1,205,592.00	0.31
Excess Revenue Over (Under) Expenditures	216,791.80	(165,590.97)	0.00	0.00

Antelope Valley AQMD
Bank Register from 10/01/2016 to 10/31/2016
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>
R17-03	10/04/2016	Op Fund Rep #3	0.00	114,893.32	241,700.74
	10/11/2016	Service Charge	50.74	0.00	241,650.00
0000231	10/17/2016	Credit Card Transaction - Duffee Construction	0.00	212.00	241,862.00
0003027	10/19/2016	[01148] ANTELOPE VALLEY PRESS-Legl notices Sep 2016	743.40	0.00	241,118.60
0003028	10/19/2016	[10006] BANK OF THE WEST-CC Charges Sept 2016	187.60	0.00	240,931.00
0003029	10/19/2016	[10069] BRET BANKS-Invoices 344, 345	105.18	0.00	240,825.82
0003030	10/19/2016	[10059] ENTERPRISE FLEET MANAGEMENT-Fleet Managment Sep 2016	32.00	0.00	240,793.82
0003031	10/19/2016	[10023] LOS ANGELES COUNTY CLERK-Amendment of Federal Negative Declaration	75.00	0.00	240,718.82
0003032	10/19/2016	[10023] LOS ANGELES COUNTY CLERK-Amendment of Rule 219 Equipment Not Requiring a Permit	75.00	0.00	240,643.82
0003033	10/19/2016	[10026] MOJAVE DESERT AQMD-JUNE FY16	106,120.17	0.00	134,523.65
0003034	10/19/2016	[10063] VOYAGER FLEET SYSTEMS-Fuel card Charges Sept 2016	340.69	0.00	134,182.96
0000230	10/24/2016	Credit Card Transactions - Solar Star & Lockheed Martin	0.00	904.33	135,087.29
0003035	10/28/2016	[10405] CANON FINANCIAL SERVICES-Copier Lease October 2016	298.12	0.00	134,789.17
0003036	10/28/2016	[10480] GREG'S GENERAL CONTRACTING SERVICES-Install electrical circuit, mount three outlet boxes, ceiling mount projector, mount monitor to wall and install Entrance Notification Door Beam	1,735.00	0.00	133,054.17
0003037	10/28/2016	[10071] MAIL FINANCE-Postage Meter Rental Nov 2016	94.63	0.00	132,959.54
0003038	10/28/2016	[10260] QCS BUILDING SERVICES-Invoices 15304, 15354	321.69	0.00	132,637.85
0003039	10/28/2016	[10039] SPARKLETTS-Water Delivery Service	43.32	0.00	132,594.53
0003040	10/28/2016	[10455] STRADLING YOCCA CARLSON & ROTH-Legal Services Aug 2016	1,250.00	0.00	131,344.53
0003041	10/28/2016	[10045] VERIZON BUSINESS-VOIP & Internet Service Oct 16	1,366.70	0.00	129,977.83
0003042	10/28/2016	[10046] VERIZON CALIFORNIA-Long Distance Charges September 16	26.84	0.00	129,950.99
0003043	10/28/2016	[10050] WOELFL FAMILY TRUST-Office Lease November 2016	4,330.76	0.00	125,620.23
0000230	10/28/2016	Credit Card Transaction - Maggie Hicks	0.00	584.00	126,204.23
Total for Report:			117,196.84	116,593.65	

Antelope Valley AQMD
Bank Register from 10/01/2016 to 10/31/2016
LA County General Fund P6A

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	10/01/2016	Interest Earned	0.00	493.28	709,020.36
R17-03	10/04/2016	Op Fund Rep #3	114,893.32	0.00	594,127.04
0000229	10/04/2016	Daily Deposit	0.00	18,260.44	612,387.48
0082795	10/11/2016	Transfer AB2766 - July 2016	47,928.90	0.00	564,458.58
0082796	10/11/2016	Transfer AB2766 - July 2016	33,563.17	0.00	530,895.41
0000231	10/14/2016	Daily Deposit	0.00	240,330.48	771,225.89
0000232	10/25/2016	Daily Deposit	0.00	182,170.75	953,396.64
0000233	10/28/2016	Daily Deposit	0.00	10,974.68	964,371.32
Total for Report:			196,385.39	452,229.63	

Antelope Valley AQMD
Bank Register from 10/01/2016 to 10/31/2016
LA County AB2766 U5R

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	10/01/2016	Interest Earned	0.00	287.69	422,448.32
M17-14	10/06/2016	[10498] CUEVAS, ESTHER-AB2766 Grant	1,000.00	0.00	421,448.32
M17-13	10/06/2016	[10497] ROUGHTON, JOSHUA-AB2766 Grant	1,000.00	0.00	420,448.32
0082796	10/11/2016	Transfer AB2766 - July 2016	0.00	33,563.17	454,011.49
M17-15	10/11/2016	[10484] ALLEN, VANESSA-AB2766 Grant	1,000.00	0.00	453,011.49
M17-18	10/27/2016	[10485] LIMA, JEM ALVARENGA-AB2766 Grant	1,000.00	0.00	452,011.49
M17-19	10/27/2016	[10486] BALSAM, THEORA-AB2766 Grant	1,000.00	0.00	451,011.49
Total for Report:			5,000.00	33,850.86	

Antelope Valley AQMD
Bank Register from 10/01/2016 to 10/31/2016
LA County AB923

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	10/01/2016	Interest Earned	0.00	534.29	860,752.12
0082795	10/11/2016	Transfer AB2766 - July 2016	0.00	47,928.90	908,681.02
M17-16	10/11/2016	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-AB923 Grant	6,324.02	0.00	902,357.00
M17-17	10/11/2016	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-AB923 Grant	2,000.00	0.00	900,357.00
Total for Report:			8,324.02	48,463.19	

Antelope Valley AQMD
Bank Register from 10/01/2016 to 10/31/2016
LA County Carl Moyer U5S

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	10/01/2016	Interest Earned	0.00	515.06	678,494.99
C17-6	10/11/2016	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-Moyer Grant	660.68	0.00	677,834.31
C17-7	10/11/2016	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-Moyer Grant	1,055.00	0.00	676,779.31
C17-8	10/27/2016	[10479] SOUTH PAC INDUSTRIES INC-Moyer Grant	181,114.00	0.00	495,665.31
Total for Report:			182,829.68	515.06	

Antelope Valley AQMD
Bank Register from 10/01/2016 to 10/31/2016
District Cards

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000099	10/19/2016	[10069] BRET BANKS-Creating and engraving name plate for 15/16 AIRE Award trophy and wall plaque.	17.44	0.00	-4.93
0000100	10/19/2016	[10069] BRET BANKS-Monthly lease payment for storage unit for long term storage of District records and documents.	139.00	0.00	-143.93
0000101	10/19/2016	[10070] BARBARA LODS-Water	11.16	0.00	-155.09
0000102	10/19/2016	[10240] RAUSCH, VICKIE-Profile Seminar	20.00	0.00	-175.09
0000018	10/20/2016	Oct 2016 Payment	0.00	187.60	12.51
Total for Report:			187.60	187.60	

Antelope Valley AQMD
Balance Sheet - Governmental Funds
As of September 30, 2016

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	915,756.07	422,160.63	860,217.83	677,979.93	2,876,114.46
Cash Held For Other Fund	(4,105.44)	7,412.38	(7,922.81)	4,615.87	0.00
Receivables	58,181.07	0.00	0.00	0.00	58,181.07
Pre-Paid	8,316.30	0.00	0.00	0.00	8,316.30
Total Current Assets	978,148.00	429,573.01	852,295.02	682,595.80	2,942,611.83
Total Assets	978,148.00	429,573.01	852,295.02	682,595.80	2,942,611.83
Liabilities and Net Position					
Current Liabilities					
Payables	421,127.07	0.00	5,413.52	23,557.69	450,098.28
Due to Others	140.00	0.00	0.00	0.00	140.00
Unearned Revenue	0.00	0.00	0.00	1,074,023.17	1,074,023.17
Total Current Liabilities	421,267.07	0.00	5,413.52	1,097,580.86	1,524,261.45
Restricted Fund Balance	0.00	566,746.99	853,660.32	(257,788.23)	1,162,619.08
Cash Reserves	370,000.00	0.00	0.00	0.00	370,000.00
Unassigned Fund Balance	255,548.51	0.00	0.00	0.00	255,548.51
Pre-Paid	12,545.56	0.00	0.00	0.00	12,545.56
Change in Net Position	(81,213.14)	(137,173.98)	(6,778.82)	(157,196.83)	(382,362.77)
Total Liabilities & Net Position	978,148.00	429,573.01	852,295.02	682,595.80	2,942,611.83

Antelope Valley AQMD
Statement of Revenues & Expenditures
For the Period Ending September 30, 2016

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	102,336.32	0.00	0.00	0.00	102,336.32
AB 2766 and Other Program Revenues	210.00	0.00	0.00	256,843.00	257,053.00
Fines	3,725.00	0.00	0.00	0.00	3,725.00
Investment Earnings	400.00	250.77	427.00	378.46	1,456.23
Federal and State	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	0.00	0.00	0.00	0.00	0.00
Total Revenues	106,671.32	250.77	427.00	257,221.46	364,570.55
Expenditures					
Program Staff	85,119.50	0.00	1,818.63	5,675.62	92,613.75
Services and Supplies	27,407.06	34,000.00	0.00	256,843.00	318,250.06
Contributions to Other Participants	500.00	0.00	0.00	0.00	500.00
Capital Outlay Improvements and Equipment	0.00	0.00	0.00	0.00	0.00
Total Expenditures	113,026.56	34,000.00	1,818.63	262,518.62	411,363.81
Excess Revenue Over (Under) Expenditures	(6,355.24)	(33,749.23)	(1,391.63)	(5,297.16)	(46,793.26)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 9/30/2016

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	97,910.32	210,048.41	614,480.00	(0.34)
Programs	257,053.00	257,263.00	2,396,065.00	(0.11)
Application Fees	4,426.00	16,117.00	47,500.00	(0.34)
State Revenue	0.00	30,517.12	126,000.00	(0.24)
Fines & Penalties	3,725.00	12,375.00	35,000.00	(0.35)
Interest Earned	1,456.23	5,129.91	13,300.00	(0.39)
Total Revenues	364,570.55	531,450.44	3,232,345.00	(0.16)
Expenses				
Office Expenses	5,741.47	22,532.62	90,180.00	0.25
Communications	1,396.30	4,580.30	23,500.00	0.19
Vehicles	827.58	2,600.18	9,500.00	0.27
Program Costs	292,724.03	543,955.03	1,637,438.00	0.33
Travel	390.00	1,676.49	6,500.00	0.26
Professional Services				
Financial Audit & Actuarial Svcs	0.00	0.00	12,000.00	0.00
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	3,415.00	3,000.00	1.14
Stipends	400.00	1,100.00	8,400.00	0.13
Maintenance & Repairs	225.00	675.00	7,000.00	0.10
Non-Depreciable Inventory	2,429.28	6,235.13	6,300.00	0.99
Dues & Subscriptions	0.00	4,138.90	10,500.00	0.39
Legal	1,250.00	3,825.00	17,000.00	0.23
Miscellaneous Expense	46.18	250.30	800.00	0.31
Suspense	(38.13)	0.00	0.00	0.00
Capital Expenditures	0.00	0.00	10,000.00	0.00
Total Expenses	305,391.71	594,983.95	1,848,118.00	0.32
Program Staff				
Program Staff	0.00	0.00	94,227.00	0.00
Total Program Staff	0.00	0.00	94,227.00	0.00
Excess Revenue Over (Under) Expenditures	59,178.84	(63,533.51)	1,290,000.00	0.05

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 9/30/2016

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	0.00	824.00	6,200.00	0.13
Vehicles	0.00	0.00	500.00	0.00
Travel	0.00	22.36	3,000.00	0.01
Professional Services				
Payroll Contract	10.90	21.60	300.00	0.07
Financial Audit & Actuarial Svcs	13,014.12	39,738.34	155,635.00	0.26
Maintenance & Repairs	333.33	333.33	0.00	0.00
Non-Depreciable Inventory	0.00	48.38	0.00	0.00
Capital Expenditures	0.00	0.00	13,000.00	0.00
Total Expenses	13,358.35	40,988.01	178,635.00	0.23
<u>Program Staff</u>				
Program Staff	92,613.75	277,841.25	1,111,365.00	0.25
Total Program Staff	92,613.75	277,841.25	1,111,365.00	0.25
Excess Revenue Over (Under) Expenditures	(105,972.10)	(318,829.26)	(1,290,000.00)	(0.25)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 9/30/2016

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	97,910.32	210,048.41	614,480.00	(0.34)
Programs	257,053.00	257,263.00	2,396,065.00	(0.11)
Application Fees	4,426.00	16,117.00	47,500.00	(0.34)
State Revenue	0.00	30,517.12	126,000.00	(0.24)
Fines & Penalties	3,725.00	12,375.00	35,000.00	(0.35)
Interest Earned	1,456.23	5,129.91	13,300.00	(0.39)
Total Revenues	364,570.55	531,450.44	3,232,345.00	(0.16)
Expenses				
Office Expenses	5,741.47	23,356.62	96,380.00	0.24
Communications	1,396.30	4,580.30	23,500.00	0.19
Vehicles	827.58	2,600.18	10,000.00	0.26
Program Costs	292,724.03	543,955.03	1,637,438.00	0.33
Travel	390.00	1,698.85	9,500.00	0.18
Professional Services				
Payroll Contract	10.90	21.60	300.00	0.07
Financial Audit & Actuarial Svcs	13,014.12	39,738.34	167,635.00	0.24
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	3,415.00	3,000.00	1.14
Stipends	400.00	1,100.00	8,400.00	0.13
Maintenance & Repairs	558.33	1,008.33	7,000.00	0.14
Non-Depreciable Inventory	2,429.28	6,283.51	6,300.00	1.00
Dues & Subscriptions	0.00	4,138.90	10,500.00	0.39
Legal	1,250.00	3,825.00	17,000.00	0.23
Miscellaneous Expense	46.18	250.30	800.00	0.31
Suspense	(38.13)	0.00	0.00	0.00
Capital Expenditures	0.00	0.00	23,000.00	0.00
Total Expenses	318,750.06	635,971.96	2,026,753.00	0.31
Program Staff				
Program Staff	92,613.75	277,841.25	1,205,592.00	0.23
Total Program Staff	92,613.75	277,841.25	1,205,592.00	0.23
Excess Revenue Over (Under) Expenditures	(46,793.26)	(382,362.77)	0.00	0.00

Antelope Valley AQMD
Bank Register from 9/01/2016 to 9/30/2016
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>
0002983	9/02/2016	[10076] ANTELOPE VALLEY AQMD-Credit Card Transactions - July 2016	3,021.00	0.00	231,767.52
0002984	9/02/2016	[10405] CANON FINANCIAL SERVICES-Copier Lease August 2016	298.12	0.00	231,469.40
0002985	9/02/2016	[10055] NEWTON CHELETTE-GB Mtg 8/16/16	100.00	0.00	231,369.40
0002986	9/02/2016	[10016] COUNTY OF LOS ANGELES-Bank Fees Oct - Dec 2015	44.24	0.00	231,325.16
0002987	9/02/2016	[10016] COUNTY OF LOS ANGELES-Bank fees April - June 2016	41.02	0.00	231,284.14
0002988	9/02/2016	[10471] CPAC INC-Purchase Replacement Firewall with a Palo Alto PA500, with 3 years of support and firewall intrusion detection rules (Threat Protect).	6,665.00	0.00	224,619.14
0002989	9/02/2016	[10057] MARVIN CRIST-GB Mtg 8/16/16	100.00	0.00	224,519.14
0002990	9/02/2016	[10018] ENTERPRISE RENT A CAR-Car rental - CAPCOA Grants Meeting - JM	389.84	0.00	224,129.30
0002991	9/02/2016	[10019] FEDERAL EXPRESS CORPORATION-Courier Service August 2016	9.61	0.00	224,119.69
0002992	9/02/2016	[10058] RONALD HAWKINS-GB Mtg 8/16/16	100.00	0.00	224,019.69
0002993	9/02/2016	[10026] MOJAVE DESERT AQMD-APRIL FY16	105,716.47	0.00	118,303.22
0002994	9/02/2016	[00069] SOUTHERN CALIFORNIA EDISON-Electric service Aug 2016	589.43	0.00	117,713.79
0002995	9/02/2016	[10039] SPARKLETTS-Water Delivery Service August 2016	52.17	0.00	117,661.62
0002996	9/02/2016	[10021] THE GREEN STATION-Lawn Mower Exchange Event May 2016 - 18 Units	3,600.00	0.00	114,061.62
0002997	9/02/2016	[10050] WOELFL FAMILY TRUST-Office Lease September 2016	4,330.76	0.00	109,730.86
0000224	9/02/2016	Credit Card Transaction - NASA	0.00	573.00	110,303.86
0000224	9/06/2016	Credit Card Transaction - Lockheed	0.00	339.52	110,643.38
0000224	9/07/2016	Credit Card Transaction - Jacobs Engineering	0.00	575.00	111,218.38
0000227	9/09/2016	Credit Card Transaction - Eastman Const	0.00	212.00	111,430.38
	9/12/2016	Service Charge	46.18	0.00	111,384.20
0002998	9/15/2016	[10076] ANTELOPE VALLEY AQMD-Credit Card Transactions - August 2016	1,146.00	0.00	110,238.20
0002999	9/15/2016	[01148] ANTELOPE VALLEY PRESS-AIRE Awards Advert 2nd Run	277.13	0.00	109,961.07
0003000	9/15/2016	[10006] BANK OF THE WEST-CC Charges Aug 2016	1,490.41	0.00	108,470.66
0003001	9/15/2016	[10015] CITY OF PALMDALE-Lawn Mower Exchange Event May 2016 - 2 Units	1,381.03	0.00	107,089.63
0003002	9/15/2016	[10059] ENTERPRISE FLEET MANAGEMENT-Fleet Maintenance Charges August 2016	119.97	0.00	106,969.66
0003003	9/15/2016	[10071] MAIL FINANCE-Postage Meter Rental Oct 16	94.63	0.00	106,875.03
0003004	9/15/2016	[10481] PALMDALE HIGH SCHOOL-Grant award to support the Solar Race Team and solar education	500.00	0.00	106,375.03
0003005	9/15/2016	[10260] QCS BUILDING SERVICES-Invoices 15187, 15232	261.36	0.00	106,113.67
0003006	9/15/2016	[10455] STRADLING YOCCA CARLSON & ROTH-Legal Counsel Services through 07/31/16	1,250.00	0.00	104,863.67
0003007	9/15/2016	[10045] VERIZON BUSINESS-VOIP & Internet Service Sept 2016	1,369.46	0.00	103,494.21
0003008	9/15/2016	[10046] VERIZON CALIFORNIA - VERIZON CALIFORNIA-Long Distance Charges Aug 2016	27.85	0.00	103,466.36
0003009	9/15/2016	[10049] VISION INTERNET-Web Hosting 1st Qtr FY17	300.00	0.00	103,166.36
0003010	9/15/2016	[10063] VOYAGER FLEET SYSTEMS-Fuel card charges August 2016	466.76	0.00	102,699.60
R17-02	9/16/2016	Op Fund Rep #2	0.00	129,621.44	232,321.04
0003011	9/22/2016	[10482] C&A SAFETY CONSULTANTS-Provide six AVAQMD office staff members CRP training.	240.00	0.00	232,081.04
0003012	9/22/2016	[10405] CANON FINANCIAL SERVICES-Copier Lease September 2016	318.02	0.00	231,763.02

Antelope Valley AQMD
Bank Register from 9/01/2016 to 9/30/2016
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>
0003013	9/22/2016	[10012] CAPCOA-Registration for the 2016 CAPCOA Fall Membership conference	375.00	0.00	231,388.02
0003014	9/22/2016	[10057] MARVIN CRIST-GB Mtg 9/20/16	100.00	0.00	231,288.02
0003015	9/22/2016	[10053] MIKE DISPENZA-GB Mtg 9/20/16	100.00	0.00	231,188.02
0003016	9/22/2016	[01808] GRIMMWAY ENTERPRISES-Refund of Ag Application Fee - Paid to AVAQMD in error	534.33	0.00	230,653.69
0003017	9/22/2016	[10058] RONALD HAWKINS-GB Mtg 9/20/16	100.00	0.00	230,553.69
0003018	9/22/2016	[10054] KENNETH MANN-GB Mtg 9/20/16	100.00	0.00	230,453.69
0003019	9/22/2016	[10403] QUANTUM OFFICE PRODUCTS-Sit/Stand Desk	2,387.88	0.00	228,065.81
0003020	9/22/2016	[00069] SOUTHERN CALIFORNIA EDISON-Electric Service Sept 2016	292.54	0.00	227,773.27
0000228	9/26/2016	Credit Card Transaction - J & J Environmental	0.00	509.00	228,282.27
0003021	9/29/2016	[10012] CAPCOA-Registration for Jason Mentry and Barbara Lods (\$75 per person) for the 2016 CAPCOA Enforcement Symposium	150.00	0.00	228,132.27
0003022	9/29/2016	[10070] BARBARA LODS-(2) desk mats	41.40	0.00	228,090.87
0003023	9/29/2016	[10026] MOJAVE DESERT AQMD-MAY FY16	105,673.21	0.00	122,417.66
0003024	9/29/2016	[10036] SECURA COM-Qrtly Alarm Monitoring Sep 16 - Nov 16	116.85	0.00	122,300.81
0003025	9/29/2016	[10039] SPARKLETTS-Water Delivery Service September 2016	33.33	0.00	122,267.48
0003026	9/29/2016	[10050] WOELFL FAMILY TRUST-Office Lease October 2016	4,330.76	0.00	117,936.72
0000230	9/29/2016	ACH - US Air Force Plant 42	0.00	8,870.70	126,807.42
Total for Report:			248,681.76	140,700.66	

Antelope Valley AQMD
Bank Register from 9/01/2016 to 9/30/2016
LA County General Fund P6A

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	9/01/2016	Interest Earned	0.00	400.00	736,669.59
0000222	9/07/2016	Daily Deposit	0.00	27,893.80	764,563.39
0000223	9/07/2016	Daily Deposit	0.00	4,260.48	768,823.87
0000224	9/14/2016	Daily Deposit	0.00	2,938.80	771,762.67
0000225	9/14/2016	Daily Deposit	0.00	11,265.33	783,028.00
R17-02	9/16/2016	Op Fund Rep #2	129,621.44	0.00	653,406.56
0082791	9/16/2016	Moyer Admin Reimbursement FY16	0.00	40,912.74	694,319.30
0000230	9/16/2016	LACo Transfer - Moyer Admin Indirect Costs FY16	0.00	6,798.00	701,117.30
0000226	9/19/2016	Daily Deposit	0.00	5,173.78	706,291.08
0000227	9/20/2016	Daily Deposit	0.00	1,090.00	707,381.08
0000228	9/29/2016	Daily Deposit	0.00	1,146.00	708,527.08
Total for Report:			129,621.44	101,878.93	

Antelope Valley AQMD
Bank Register from 9/01/2016 to 9/30/2016
LA County AB2766 U5R

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	9/01/2016	Interest Earned	0.00	250.77	456,160.63
M17-8	9/22/2016	[10003] ANTELOPE VALLEY COLLEGE FOUNDATION-AB2766 Grant	30,000.00	0.00	426,160.63
M17-9	9/22/2016	[10493] REED, JOHN-AB2766 Grant	1,000.00	0.00	425,160.63
M17-10	9/22/2016	[10494] LEPORE, FRANK-AB2766 Grant	1,000.00	0.00	424,160.63
M17-11	9/22/2016	[10495] PEREZ, ELIZABETH-AB2766 Grant	1,000.00	0.00	423,160.63
M17-12	9/22/2016	[10496] CASTELLON, CONCEPCION-AB2766 Grant	1,000.00	0.00	422,160.63
Total for Report:			34,000.00	250.77	

Antelope Valley AQMD
Bank Register from 9/01/2016 to 9/30/2016
LA County AB923

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	9/01/2016	Interest Earned	0.00	427.00	860,217.83
Total for Report:			0.00	427.00	

Antelope Valley AQMD
Bank Register from 9/01/2016 to 9/30/2016
LA County Carl Moyer U5S

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	9/01/2016	Interest Earned	0.00	378.46	975,735.67
C17-3	9/15/2016	[10477] LANE RANCH & CO-Moyer Grant	111,875.00	0.00	863,860.67
0082791	9/16/2016	Moyer Admin Reimbursement FY16	40,912.74	0.00	822,947.93
C17-4	9/22/2016	[01569] CALANDRI/SONRISE FARMS, LP-Moyer Grant	83,983.00	0.00	738,964.93
C17-5	9/22/2016	[01569] CALANDRI/SONRISE FARMS, LP-Moyer Grant	60,985.00	0.00	677,979.93
Total for Report:			297,755.74	378.46	

Antelope Valley AQMD
Bank Register from 9/01/2016 to 9/30/2016
District Cards

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000016	9/15/2016	Sept 2016 Payment	0.00	1,490.41	1,541.05
0000086	9/16/2016	[10069] BRET BANKS-Lowes - Door Sensor Chime	38.13	0.00	1,502.92
0000087	9/16/2016	[10069] BRET BANKS-Replaced and repaired the tailgate handle on the District Ford Ranger Pickup truck	58.88	0.00	1,444.04
0000088	9/16/2016	[10069] BRET BANKS-Lodging to attend CAPCOA Small & Rural Districts meeting.	131.95	0.00	1,312.09
0000089	9/16/2016	[10069] BRET BANKS-Dinner while attending CAPCOA Small & Rural Districts meeting.	12.13	0.00	1,299.96
0000090	9/16/2016	[10069] BRET BANKS-Monthly lease payment for long term storage unit for storage of District documents and records.	139.00	0.00	1,160.96
0000091	9/16/2016	[10069] BRET BANKS-Refreshments for staff benefits discussion with Human Resource representative.	29.90	0.00	1,131.06
0000092	9/16/2016	[10069] BRET BANKS-Replace the original battery in the District 2011 Ford Ranger pick-up truck.	167.29	0.00	963.77
0000093	9/16/2016	[10070] BARBARA LODS-AV Staff meeting w/APCO Poiriez	82.83	0.00	880.94
0000094	9/16/2016	[10070] BARBARA LODS-Sam's Club-Office Supplies-coffee, copy paper & water	95.92	0.00	785.02
0000095	9/16/2016	[10070] BARBARA LODS-Albertson's-Refreshments AVAQMD Governing Board Meeting	8.20	0.00	776.82
0000096	9/16/2016	[10070] BARBARA LODS-Car Service	47.14	0.00	729.68
0000097	9/16/2016	[10070] BARBARA LODS-Car Service	217.14	0.00	512.54
0000098	9/16/2016	[10440] MCKEEHAN, JULIE-Lodging, Fuel, Meals - CAPCOA Grant Symposium	500.03	0.00	12.51
Total for Report:			1,528.54	1,490.41	

Antelope Valley AQMD
Balance Sheet - Governmental Funds
As of August 31, 2016

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	995,047.91	455,909.86	859,790.83	975,357.21	3,286,105.81
Cash Held For Other Fund	25,479.47	7,412.38	(7,436.99)	(25,454.86)	0.00
Receivables	78,096.60	0.00	0.00	0.00	78,096.60
Pre-Paid	13,346.53	0.00	0.00	0.00	13,346.53
Total Current Assets	1,111,970.51	463,322.24	852,353.84	949,902.35	3,377,548.94
Total Assets	1,111,970.51	463,322.24	852,353.84	949,902.35	3,377,548.94
Liabilities and Net Position					
Current Liabilities					
Payables	548,804.34	0.00	4,080.71	28,724.08	581,609.13
Due to Others	(70.00)	0.00	0.00	0.00	(70.00)
Unearned Revenue	0.00	0.00	0.00	1,330,866.17	1,330,866.17
Total Current Liabilities	548,734.34	0.00	4,080.71	1,359,590.25	1,912,405.30
Restricted Fund Balance	0.00	566,746.99	853,660.32	(257,788.23)	1,162,619.08
Cash Reserves	370,000.00	0.00	0.00	0.00	370,000.00
Unassigned Fund Balance	254,747.54	0.00	0.00	0.00	254,747.54
Pre-Paid	13,346.53	0.00	0.00	0.00	13,346.53
Change in Net Position	(74,857.90)	(103,424.75)	(5,387.19)	(151,899.67)	(335,569.51)
Total Liabilities & Net Position	1,111,970.51	463,322.24	852,353.84	949,902.35	3,377,548.94

Antelope Valley AQMD
Statement of Revenues & Expenditures
For the Period Ending August 31, 2016

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	76,768.35	0.00	0.00	0.00	76,768.35
AB 2766 and Other Program Revenues	105.00	0.00	0.00	0.00	105.00
Fines	6,250.00	0.00	0.00	0.00	6,250.00
Investment Earnings	480.90	303.88	475.29	300.82	1,560.89
Federal and State	30,517.12	0.00	0.00	0.00	30,517.12
Miscellaneous Income	0.00	0.00	0.00	0.00	0.00
Total Revenues	114,121.37	303.88	475.29	300.82	115,201.36
Expenditures					
Program Staff	83,469.93	0.00	1,570.64	7,573.18	92,613.75
Services and Supplies	35,106.03	52,117.00	4,290.00	0.00	91,513.03
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	118,575.96	52,117.00	5,860.64	7,573.18	184,126.78
Excess Revenue Over (Under) Expenditures	(4,454.59)	(51,813.12)	(5,385.35)	(7,272.36)	(68,925.42)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 8/31/2016

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	69,661.35	112,138.09	614,480.00	(0.18)
Programs	105.00	210.00	2,396,065.00	0.00
Application Fees	7,107.00	11,691.00	47,500.00	(0.25)
State Revenue	30,517.12	30,517.12	126,000.00	(0.24)
Fines & Penalties	6,250.00	8,650.00	35,000.00	(0.25)
Interest Earned	1,560.89	3,673.68	13,300.00	(0.28)
Total Revenues	115,201.36	166,879.89	3,232,345.00	(0.05)
Expenses				
Office Expenses	6,784.16	16,791.15	90,180.00	0.19
Communications	1,463.96	3,184.00	23,500.00	0.14
Vehicles	1,036.87	1,772.60	9,500.00	0.19
Program Costs	60,007.00	251,231.00	1,637,438.00	0.15
Travel	1,063.85	1,286.49	6,500.00	0.20
Professional Services				
Financial Audit & Actuarial Svcs	0.00	0.00	12,000.00	0.00
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	2,055.00	3,415.00	3,000.00	1.14
Stipends	300.00	700.00	8,400.00	0.08
Maintenance & Repairs	225.00	450.00	7,000.00	0.06
Non-Depreciable Inventory	0.00	3,805.85	6,300.00	0.60
Dues & Subscriptions	2,500.00	4,138.90	10,500.00	0.39
Legal	1,250.00	2,575.00	17,000.00	0.15
Miscellaneous Expense	125.33	204.12	800.00	0.26
Suspense	38.13	38.13	0.00	0.00
Capital Expenditures	0.00	0.00	10,000.00	0.00
Total Expenses	76,849.30	289,592.24	1,848,118.00	0.16
Program Staff				
Program Staff	0.00	0.00	94,227.00	0.00
Total Program Staff	0.00	0.00	94,227.00	0.00
Excess Revenue Over (Under) Expenditures	38,352.06	(122,712.35)	1,290,000.00	0.10

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 8/31/2016

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	824.00	824.00	6,200.00	0.13
Vehicles	0.00	0.00	500.00	0.00
Travel	22.36	22.36	3,000.00	0.01
Professional Services				
Payroll Contract	10.70	10.70	300.00	0.04
Financial Audit & Actuarial Svcs	13,758.29	26,724.22	155,635.00	0.17
Non-Depreciable Inventory	48.38	48.38	0.00	0.00
Capital Expenditures	0.00	0.00	13,000.00	0.00
Total Expenses	14,663.73	27,629.66	178,635.00	0.15
<u>Program Staff</u>				
Program Staff	92,613.75	185,227.50	1,111,365.00	0.17
Total Program Staff	92,613.75	185,227.50	1,111,365.00	0.17
Excess Revenue Over (Under) Expenditures	(107,277.48)	(212,857.16)	(1,290,000.00)	(0.17)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 8/31/2016

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	69,661.35	112,138.09	614,480.00	(0.18)
Programs	105.00	210.00	2,396,065.00	0.00
Application Fees	7,107.00	11,691.00	47,500.00	(0.25)
State Revenue	30,517.12	30,517.12	126,000.00	(0.24)
Fines & Penalties	6,250.00	8,650.00	35,000.00	(0.25)
Interest Earned	1,560.89	3,673.68	13,300.00	(0.28)
Total Revenues	115,201.36	166,879.89	3,232,345.00	(0.05)
Expenses				
Office Expenses	7,608.16	17,615.15	96,380.00	0.18
Communications	1,463.96	3,184.00	23,500.00	0.14
Vehicles	1,036.87	1,772.60	10,000.00	0.18
Program Costs	60,007.00	251,231.00	1,637,438.00	0.15
Travel	1,086.21	1,308.85	9,500.00	0.14
Professional Services				
Payroll Contract	10.70	10.70	300.00	0.04
Financial Audit & Actuarial Svcs	13,758.29	26,724.22	167,635.00	0.16
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	2,055.00	3,415.00	3,000.00	1.14
Stipends	300.00	700.00	8,400.00	0.08
Maintenance & Repairs	225.00	450.00	7,000.00	0.06
Non-Depreciable Inventory	48.38	3,854.23	6,300.00	0.61
Dues & Subscriptions	2,500.00	4,138.90	10,500.00	0.39
Legal	1,250.00	2,575.00	17,000.00	0.15
Miscellaneous Expense	125.33	204.12	800.00	0.26
Suspense	38.13	38.13	0.00	0.00
Capital Expenditures	0.00	0.00	23,000.00	0.00
Total Expenses	91,513.03	317,221.90	2,026,753.00	0.16
Program Staff				
Program Staff	92,613.75	185,227.50	1,205,592.00	0.15
Total Program Staff	92,613.75	185,227.50	1,205,592.00	0.15
Excess Revenue Over (Under) Expenditures	(68,925.42)	(335,569.51)	0.00	0.00

Antelope Valley AQMD
Bank Register from 8/01/2016 to 8/31/2016
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>
0000218	8/01/2016	Credit Card Transaction - Lockheed	0.00	573.00	97,881.99
0002972	8/19/2016	[01148] ANTELOPE VALLEY PRESS-Aire Awards Ad	277.13	0.00	97,604.86
0002973	8/19/2016	[10006] BANK OF THE WEST-Credit Card Charges July 2016	3,286.83	0.00	94,318.03
0002974	8/19/2016	[10059] ENTERPRISE FLEET MANAGEMENT-Fleet maintenance July 2016	32.00	0.00	94,286.03
0002975	8/19/2016	[10020] GREATER ANTELOPE VALLEY ECONOMIC ALLIANCE-FY 2017 Membership	2,500.00	0.00	91,786.03
0002976	8/19/2016	[10071] MAIL FINANCE-Invoices N6018468, N6062007	189.26	0.00	91,596.77
0002977	8/19/2016	[10260] QCS BUILDING SERVICES-Invoices 14981, 15116	450.00	0.00	91,146.77
0002978	8/19/2016	[10039] SPARKLETTS-Water Delivery Service July 2016	33.27	0.00	91,113.50
0002979	8/19/2016	[10455] STRADLING YOCCA CARLSON & ROTH-Legal Counsel Services Through 6/30/16	1,250.00	0.00	89,863.50
0002980	8/19/2016	[10045] VERIZON BUSINESS-VOIP & Internet Service Aug 2016	1,342.46	0.00	88,521.04
0002981	8/19/2016	[10046] VERIZON CALIFORNIA-Long Distance Charges July 2016	23.58	0.00	88,497.46
0002982	8/19/2016	[10063] VOYAGER FLEET SYSTEMS-Fuel Card Charges July 2016	273.57	0.00	88,223.89
0000221	8/22/2016	Credit Card Transaction - Solar Star CA	0.00	332.24	88,556.13
R17-01	8/22/2016	Op Fund Rep #1	0.00	146,031.70	234,587.83
0000221	8/29/2016	Credit Card Transaction - Solar Star CA	0.00	240.76	234,828.59
	8/31/2016	Service Charge	40.07	0.00	234,788.52
Total for Report:			9,698.17	147,177.70	

Antelope Valley AQMD
Bank Register from 8/01/2016 to 8/31/2016
LA County General Fund P6A

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000217	8/02/2016	Daily Deposit	0.00	12,859.18	743,694.96
0000218	8/08/2016	Daily Deposit	0.00	3,895.76	747,590.72
0000219	8/10/2016	Daily Deposit	0.00	35,701.26	783,291.98
0000221	8/19/2016	Daily Deposit	0.00	29,587.05	812,879.03
0000220	8/22/2016	Daily Deposit	0.00	156,613.23	969,492.26
R17-01	8/22/2016	Op Fund Rep #1	146,031.70	0.00	823,460.56
0082793	8/25/2016	Transfer AB2766 - June 2016	36,108.37	0.00	787,352.19
0082794	8/25/2016	Transfer AB923 - June 2016	51,563.50	0.00	735,788.69
	8/31/2016	Interest Earned	0.00	480.90	736,269.59
Total for Report:			233,703.57	239,137.38	

Antelope Valley AQMD
Bank Register from 8/01/2016 to 8/31/2016
LA County AB2766 U5R

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	8/01/2016	Interest Earned	0.00	303.88	471,918.49
M17-5	8/11/2016	[10461] AVLAW-AB2766 Grant	2,117.00	0.00	469,801.49
M17-6	8/24/2016	[10258] ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT-AB2766 Grant	50,000.00	0.00	419,801.49
0082793	8/25/2016	Transfer AB2766 - June 2016	0.00	36,108.37	455,909.86
		Total for Report:	52,117.00	36,412.25	

Antelope Valley AQMD
Bank Register from 8/01/2016 to 8/31/2016
LA County Carl Moyer U5S

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	8/01/2016	Interest Earned	0.00	300.82	975,357.21
Total for Report:			0.00	300.82	

Antelope Valley AQMD
Bank Register from 8/01/2016 to 8/31/2016
LA County AB923

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	8/01/2016	Interest Earned	0.00	475.29	812,517.33
M17-7	8/24/2016	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-AB923 Grant	4,290.00	0.00	808,227.33
0082794	8/25/2016	Transer AB923 - June 2016	0.00	51,563.50	859,790.83
		Total for Report:	4,290.00	52,038.79	

Antelope Valley AQMD
Bank Register from 8/01/2016 to 8/31/2016
District Cards

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000015	8/19/2016	Aug 2016 Payment	0.00	3,286.83	3,299.34
0000075	8/19/2016	[10069] BRET BANKS-Asbestos survey and analysis work	1,360.00	0.00	1,939.34
0000076	8/19/2016	[10069] BRET BANKS-Monthly lease payment for storage unit for long term storage of District documents and records.	139.00	0.00	1,800.34
0000077	8/19/2016	[10069] BRET BANKS-Asbestos sampling and laboratory analysis of to verify site free of asbestos material at 43941 10th Street West Lancaster	695.00	0.00	1,105.34
0000078	8/19/2016	[10441] CRYSTAL GOREE-Laserjet Toner Cartridge 4050TN	200.55	0.00	904.79
0000079	8/19/2016	[10070] BARBARA LODS-TV Monitor for Board Conference Room	401.71	0.00	503.08
0000080	8/19/2016	[10070] BARBARA LODS-Water, Copier paper, coffee, cups	62.11	0.00	440.97
0000081	8/19/2016	[10070] BARBARA LODS-Coffee	10.99	0.00	429.98
0000082	8/19/2016	[10070] BARBARA LODS-Cameras and Storage cards,	283.36	0.00	146.62
0000083	8/19/2016	[10070] BARBARA LODS-Camera storage card reader & extension cord	15.78	0.00	130.84
0000084	8/19/2016	[10070] BARBARA LODS-Priority Postage-NOV	9.35	0.00	121.49
0000085	8/19/2016	[10070] BARBARA LODS-Wall mount for TV	108.98	0.00	12.51
Total for Report:			3,286.83	3,286.83	

Antelope Valley AQMD
Balance Sheet - Governmental Funds
As of July 31, 2016

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	841,003.95	471,614.61	812,042.04	975,056.39	3,099,716.99
Cash Held For Other Fund	25,479.47	7,412.38	(7,436.99)	(25,454.86)	0.00
Receivables	124,591.36	36,108.37	51,563.50	0.00	212,263.23
Pre-Paid	14,147.50	0.00	0.00	0.00	14,147.50
Total Current Assets	1,005,222.28	515,135.36	856,168.55	949,601.53	3,326,127.72
Total Assets	1,005,222.28	515,135.36	856,168.55	949,601.53	3,326,127.72
Liabilities and Net Position					
Current Liabilities					
Payables	437,706.52	0.00	2,510.07	21,150.90	461,367.49
Due to Others	(175.00)	0.00	0.00	0.00	(175.00)
Unearned Revenue	0.00	0.00	0.00	1,330,866.17	1,330,866.17
Total Current Liabilities	437,531.52	0.00	2,510.07	1,352,017.07	1,792,058.66
Restricted Fund Balance	0.00	566,746.99	853,660.32	(257,788.23)	1,162,619.08
Cash Reserves	370,000.00	0.00	0.00	0.00	370,000.00
Unassigned Fund Balance	263,558.20	0.00	0.00	0.00	263,558.20
Pre-Paid	4,535.87	0.00	0.00	0.00	4,535.87
Change in Net Position	(70,403.31)	(51,611.63)	(1.84)	(144,627.31)	(266,644.09)
Total Liabilities & Net Position	1,005,222.28	515,135.36	856,168.55	949,601.53	3,326,127.72

Antelope Valley AQMD
Statement of Revenues & Expenditures
For the Period Ending July 31, 2016

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	47,060.74	0.00	0.00	0.00	47,060.74
AB 2766 and Other Program Revenues	105.00	0.00	0.00	0.00	105.00
Fines	2,400.00	0.00	0.00	0.00	2,400.00
Investment Earnings	680.83	388.37	753.88	289.71	2,112.79
Federal and State	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	0.00	0.00	0.00	0.00	0.00
Total Revenues	50,246.57	388.37	753.88	289.71	51,678.53
Expenditures					
Program Staff	86,165.01	0.00	755.72	5,693.02	92,613.75
Services and Supplies	34,484.87	52,000.00	0.00	139,224.00	225,708.87
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	120,649.88	52,000.00	755.72	144,917.02	318,322.62
Excess Revenue Over (Under) Expenditures	(70,403.31)	(51,611.63)	(1.84)	(144,627.31)	(266,644.09)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 7/31/2016

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	42,476.74	42,476.74	614,480.00	(0.07)
Programs	105.00	105.00	2,396,065.00	0.00
Application Fees	4,584.00	4,584.00	47,500.00	(0.10)
State Revenue	0.00	0.00	126,000.00	0.00
Fines & Penalties	2,400.00	2,400.00	35,000.00	(0.07)
Interest Earned	2,112.79	2,112.79	13,300.00	(0.16)
Total Revenues	51,678.53	51,678.53	3,232,345.00	(0.02)
Expenses				
Office Expenses	10,006.99	10,006.99	90,180.00	0.11
Communications	1,720.04	1,720.04	23,500.00	0.07
Vehicles	735.73	735.73	9,500.00	0.08
Program Costs	191,224.00	191,224.00	1,637,438.00	0.12
Travel	222.64	222.64	6,500.00	0.03
Professional Services				
Financial Audit & Actuarial Svcs	0.00	0.00	12,000.00	0.00
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	1,360.00	1,360.00	3,000.00	0.45
Stipends	400.00	400.00	8,400.00	0.05
Maintenance & Repairs	225.00	225.00	7,000.00	0.03
Non-Depreciable Inventory	3,805.85	3,805.85	6,300.00	0.60
Dues & Subscriptions	1,638.90	1,638.90	10,500.00	0.16
Legal	1,325.00	1,325.00	17,000.00	0.08
Miscellaneous Expense	78.79	78.79	800.00	0.10
Capital Expenditures	0.00	0.00	10,000.00	0.00
Total Expenses	212,742.94	212,742.94	1,848,118.00	0.12
Program Staff				
Program Staff	0.00	0.00	94,227.00	0.00
Total Program Staff	0.00	0.00	94,227.00	0.00
Excess Revenue Over (Under) Expenditures	(161,064.41)	(161,064.41)	1,290,000.00	0.12

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 7/31/2016

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	0.00	0.00	6,200.00	0.00
Vehicles	0.00	0.00	500.00	0.00
Travel	0.00	0.00	3,000.00	0.00
Professional Services				
Payroll Contract	0.00	0.00	300.00	0.00
Financial Audit & Actuarial Svcs	12,965.93	12,965.93	155,635.00	0.08
Capital Expenditures	0.00	0.00	13,000.00	0.00
Total Expenses	12,965.93	12,965.93	178,635.00	0.07
<u>Program Staff</u>				
Program Staff	92,613.75	92,613.75	1,111,365.00	0.08
Total Program Staff	92,613.75	92,613.75	1,111,365.00	0.08
Excess Revenue Over (Under) Expenditures	(105,579.68)	(105,579.68)	(1,290,000.00)	(0.08)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 7/31/2016

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	42,476.74	42,476.74	614,480.00	(0.07)
Programs	105.00	105.00	2,396,065.00	0.00
Application Fees	4,584.00	4,584.00	47,500.00	(0.10)
State Revenue	0.00	0.00	126,000.00	0.00
Fines & Penalties	2,400.00	2,400.00	35,000.00	(0.07)
Interest Earned	2,112.79	2,112.79	13,300.00	(0.16)
Total Revenues	51,678.53	51,678.53	3,232,345.00	(0.02)
Expenses				
Office Expenses	10,006.99	10,006.99	96,380.00	0.10
Communications	1,720.04	1,720.04	23,500.00	0.07
Vehicles	735.73	735.73	10,000.00	0.07
Program Costs	191,224.00	191,224.00	1,637,438.00	0.12
Travel	222.64	222.64	9,500.00	0.02
Professional Services				
Payroll Contract	0.00	0.00	300.00	0.00
Financial Audit & Actuarial Svcs	12,965.93	12,965.93	167,635.00	0.08
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	1,360.00	1,360.00	3,000.00	0.45
Stipends	400.00	400.00	8,400.00	0.05
Maintenance & Repairs	225.00	225.00	7,000.00	0.03
Non-Depreciable Inventory	3,805.85	3,805.85	6,300.00	0.60
Dues & Subscriptions	1,638.90	1,638.90	10,500.00	0.16
Legal	1,325.00	1,325.00	17,000.00	0.08
Miscellaneous Expense	78.79	78.79	800.00	0.10
Capital Expenditures	0.00	0.00	23,000.00	0.00
Total Expenses	225,708.87	225,708.87	2,026,753.00	0.11
Program Staff				
Program Staff	92,613.75	92,613.75	1,205,592.00	0.08
Total Program Staff	92,613.75	92,613.75	1,205,592.00	0.08
Excess Revenue Over (Under) Expenditures	(266,644.09)	(266,644.09)	0.00	0.00

Antelope Valley AQMD
Bank Register from 7/01/2016 to 7/31/2016
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>
0000211	7/05/2016	Credit Card Transaction - Bouma USA	0.00	575.00	117,441.77
0000216	7/13/2016	Credit Card Transaction - OFRS	0.00	212.00	117,653.77
0000216	7/18/2016	Credit Card Transaction - Rosendin Electric	0.00	1,150.00	118,803.77
0002951	7/21/2016	[10076] ANTELOPE VALLEY AQMD-Credit Card Transactions - June 2016	2,014.72	0.00	116,789.05
0002952	7/21/2016	[10002] ANTELOPE VALLEY BOARD OF TRADE-Board of Directors Meeting Fees FY17	60.00	0.00	116,729.05
0002953	7/21/2016	[01148] ANTELOPE VALLEY PRESS-FY 17 Subscription renewal	228.90	0.00	116,500.15
0002954	7/21/2016	[10006] BANK OF THE WEST-Credit Card Charges June 2016	231.96	0.00	116,268.19
0002955	7/21/2016	[10405] CANON FINANCIAL SERVICES-Copier lease July 2016	318.02	0.00	115,950.17
0002956	7/21/2016	[10012] CAPCOA-2016 Grants Symposium registration JM	75.00	0.00	115,875.17
0002957	7/21/2016	[10055] NEWTON CHELETTE-GB Mtg 7/19/16	100.00	0.00	115,775.17
0002958	7/21/2016	[10057] MARVIN CRIST-GB Mtg 7/19/16	100.00	0.00	115,675.17
0002959	7/21/2016	[10059] ENTERPRISE FLEET MANAGEMENT-Fleet Maintenance June 2016	32.00	0.00	115,643.17
0002960	7/21/2016	[10058] RONALD HAWKINS-GB Mtg 7/19/16	100.00	0.00	115,543.17
0002961	7/21/2016	[10056] JAMES C LEDFORD JR-GB Mtg 7/19/16	100.00	0.00	115,443.17
0002962	7/21/2016	[10023] LOS ANGELES COUNTY CLERK-Amendment of Regulation III - Fees	75.00	0.00	115,368.17
0002963	7/21/2016	[10024] LOS ANGELES COUNTY FARM BUREAU-FY 17 Membership	160.00	0.00	115,208.17
0002964	7/21/2016	[10027] MOJAVE ENVIRONMENTAL EDUCATION CONSORTIUM-FY17 MEEC Sponsorship	1,250.00	0.00	113,958.17
0002965	7/21/2016	[00069] SOUTHERN CALIFORNIA EDISON-Electric Service July 16	581.68	0.00	113,376.49
0002966	7/21/2016	[10040] SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY-Liability and Auto Insurance FY 2017	9,611.63	0.00	103,764.86
0002967	7/21/2016	[10455] STRADLING YOCCA CARLSON & ROTH-Legal Services through 05/31/16	1,250.00	0.00	102,514.86
0002968	7/21/2016	[10045] VERIZON BUSINESS-VOIP and Internet Service July 2016	1,396.46	0.00	101,118.40
0002969	7/21/2016	[10046] VERIZON CALIFORNIA-Long Distance Charges June 2016	23.96	0.00	101,094.44
0002970	7/21/2016	[10063] VOYAGER FLEET SYSTEMS-Fule Card Charges June 2016	462.84	0.00	100,631.60
0002971	7/21/2016	[10050] WOELFL FAMILY TRUST-Office Lease August 2016	4,330.76	0.00	96,300.84
0000217	7/21/2016	Credit Card Transaction - Sturgeon Svcs	0.00	509.00	96,809.84
0000217	7/22/2016	Credit Card Transaction - Wood Investments	0.00	575.00	97,384.84
	7/31/2016	Service Charge	75.85	0.00	97,308.99
Total for Report:			22,578.78	3,021.00	

Antelope Valley AQMD
Bank Register from 7/01/2016 to 7/31/2016
LA County General Fund P6A

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000212	7/07/2016	Daily Deposit	0.00	4,118.24	621,001.34
0000213	7/11/2016	Daily Deposit	0.00	5,374.42	626,375.76
0000214	7/11/2016	Daily Deposit	0.00	7,539.79	633,915.55
0000215	7/18/2016	Daily Deposit	0.00	170,206.46	804,122.01
0000216	7/20/2016	Daily Deposit	0.00	11,899.48	816,021.49
0082791	7/21/2016	Transfer AB2766 - May 2016	38,103.21	0.00	777,918.28
0082792	7/21/2016	Transfer AB923 - May 2016	54,412.17	0.00	723,506.11
0000087	7/25/2016	Daily Deposit	0.00	6,651.78	730,157.89
	7/31/2016	Service Charge	2.94	0.00	730,154.95
	7/31/2016	Interest Earned	0.00	680.83	730,835.78
Total for Report:			92,518.32	206,471.00	

Antelope Valley AQMD
Bank Register from 7/01/2016 to 7/31/2016
LA County AB2766 U5R

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0082791	7/21/2016	Transfer AB2766 - May 2016	0.00	38,103.21	523,226.24
M17-1	7/21/2016	[10474] CARLON, KODY-AB2766 Grant	1,000.00	0.00	522,226.24
M17-3	7/21/2016	[10475] PRICER, DEBORAH-AV2766 Grant	1,000.00	0.00	521,226.24
M17-2	7/28/2016	[10460] ANTELOPE VALLEY SHERIFFS BOOSTERS-AB2766 Grant	50,000.00	0.00	471,226.24
	7/31/2016	Interest Earned	0.00	388.37	471,614.61
Total for Report:			52,000.00	38,491.58	

Antelope Valley AQMD
Bank Register from 7/01/2016 to 7/31/2016
LA County AB923

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0082792	7/21/2016	Transfer AB923 - May 2016	0.00	54,412.17	816,783.96
M17-4	7/21/2016	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-AB2766 Grant	5,495.80	0.00	811,288.16
	7/31/2016	Interest Earned	0.00	753.88	812,042.04
		Total for Report:	5,495.80	55,166.05	

Antelope Valley AQMD
Bank Register from 7/01/2016 to 7/31/2016
LA County Carl Moyer U5S

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
C17-1	7/21/2016	[10448] BILLS LANDSCAPING, INC-Moyer Grant	76,961.00	0.00	1,113,990.68
C17-2	7/28/2016	[10230] HIGH DESERT DAIRY-Moyer Grant	139,224.00	0.00	974,766.68
	7/31/2016	Interest Earned	0.00	289.71	975,056.39
Total for Report:			216,185.00	289.71	

Antelope Valley AQMD
Bank Register from 7/01/2016 to 7/31/2016
District Cards

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000072	7/21/2016	[10002] ANTELOPE VALLEY BOARD OF TRADE-Purchase ticket for the 2016 AVBOT Installation & Recognition Dinner	55.00	0.00	-42.49
0000073	7/21/2016	[10069] BRET BANKS-Monthly lease payment for storage unit for long term storage of District records and documents.	139.00	0.00	-181.49
0000074	7/21/2016	[10070] BARBARA LODS-Copy paper and Water	37.96	0.00	-219.45
0000014	7/21/2016	July 2016 Payment	0.00	231.96	12.51
Total for Report:			231.96	231.96	

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

AGENDA ITEM 8

DATE: December 20, 2016

RECOMMENDATION: Approve payment to MDAQMD in the amount of \$211,887.12, subject to availability of funds, for services provided during the months of September and October 2016.

SUMMARY: The District contracts for services with MDAQMD; invoices for services are presented for payment.

CONFLICT OF INTEREST: None

BACKGROUND: Key expenses are staff; six positions are assigned to the local office. In this billing format staff time conducted in the performance of administering the Carl Moyer and AB 2766 programs is listed separately for program accountability. The Carl Moyer Program is a source of revenue used to reimburse some program administrative expenses. Operating expenses are paid directly and accounted in the Financial Report. Staff will be available to answer questions as needed.

This payment request represents services rendered for September 2016 in the amount of \$105,972.10, and October 2016 in the amount of \$105,915.02, for the total amount of \$211,887.12 including amounts accrued for services rendered or supplies purchased but not yet billed or paid this fiscal year.

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 December 5, 2016.

FINANCIAL DATA: The contract and direct expenditure amounts are part of the approved District budget for FY 17. No change in appropriations is anticipated as a result of the approval of this item.

PRESENTER: Jean Bracy, Deputy Director/Administration

cc: Jean Bracy
Laquita Cole
Michelle Powell



Mojave Desert AQMD
 14306 Park Avenue
 Victorville, CA 92392
 760.245.1661

Due Date **DUE UPON RECEIPT**
 Invoice Date **9/30/2016**
 Invoice Number **41417**

INVOICE

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

FY17	Amount
Office Expenses	10.90
Maintenance	333.33
AV AB923	1,818.63
Antelope Valley Title V	884.13
Antelope Valley PERP	430.24
Antelope Valley	2,064.06
Antelope Valley Excess Emissions	816.12
Antelope Valley Moyer	5,675.62
Antelope Valley AB2766	5,348.97
Program Staff	75,575.98
Overhead	13,014.12
<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 105,972.10
MAKE CHECKS PAYABLE TO MOJAVE DESERT AQMD	Amount Paid 0.00
PLEASE INCLUDE THE INVOICE NUMBER ON THE CHECK	Balance Due 105,972.10

**ANTELOPE VALLEY AQMD
Program Staff
FY 2016-17**

Program	FY 15-16 Contracted Hours	Calendar Yr 2015 Actual Hours*	FY 16-17 Contracted Hours	Average Contract Cost/hr	Annual Contract Cost	FTE
Lancaster Office	12,480	12,480	12,480	\$65.51	\$817,595	6.00
Planning, Grants, and Rulemaking	250	255	265	95	25,206	0.13
Air Monitoring and Surveillance	525	431	440	82	36,184	0.21
Compliance	250	303	310	94	29,089	0.15
Stationary Sources	150	259	270	77	20,781	0.13
Executive Management and Legal	750	627	630	124	78,015	0.30
Community Relations & Education	100	75	80	95	7,635	0.04
Administration	1,100	1,087	1,115	87	96,860	0.54
TOTAL	15,605	15,517	15,590		\$ 1,111,365	7.50
Full Time Equivalents (FTE)	7.50	7.46	7.50			
Administrative Costs			14.00%			

Fiscal Year Comparison:	Contract Cost	FTE
Fiscal Year 2015-16	\$ 1,237,940	7.50
Fiscal Year 2016-17	\$ 1,111,365	7.50
Percent Change:	-11.4%	-5%

*Hours for calendar year 2015 are provided as a point of reference compared to last fiscal year and next fiscal year.



Mojave Desert AQMD
 14306 Park Avenue
 Victorville, CA 92392
 760.245.1661

Due Date **DUE UPON RECEIPT**
 Invoice Date **10/31/2016**
 Invoice Number **41437**

INVOICE

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

FY17	Amount
Travel & Training	283.24
Program Staff	78,087.90
Professional Services	10.90
Antelope Valley AB2766	5,528.34
AV AB923	1,649.47
Antelope Valley Moyer	4,886.48
Antelope Valley PM2.5	405.80
Antelope Valley NSR	109.26
Antelope Valley PERP	196.28
Antelope Valley Title V	329.92
AV Emission Reduction Credit	1,420.30
Overhead	13,007.13
<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 105,915.02
MAKE CHECKS PAYABLE TO MOJAVE DESERT AQMD	Amount Paid 0.00
PLEASE INCLUDE THE INVOICE NUMBER ON THE CHECK	Balance Due 105,915.02

**ANTELOPE VALLEY AQMD
Program Staff
FY 2016-17**

Program	FY 15-16 Contracted Hours	Calendar Yr 2015 Actual Hours*	FY 16-17 Contracted Hours	Average Contract Cost/hr	Annual Contract Cost	FTE
Lancaster Office	12,480	12,480	12,480	\$65.51	\$817,595	6.00
Planning, Grants, and Rulemaking	250	255	265	95	25,206	0.13
Air Monitoring and Surveillance	525	431	440	82	36,184	0.21
Compliance	250	303	310	94	29,089	0.15
Stationary Sources	150	259	270	77	20,781	0.13
Executive Management and Legal	750	627	630	124	78,015	0.30
Community Relations & Education	100	75	80	95	7,635	0.04
Administration	1,100	1,087	1,115	87	96,860	0.54
TOTAL	15,605	15,517	15,590		\$ 1,111,365	7.50
Full Time Equivalents (FTE)	7.50	7.46	7.50			
Administrative Costs			14.00%			

Fiscal Year Comparison:	<u>Contract Cost</u>	<u>FTE</u>
Fiscal Year 2015-16	\$ 1,237,940	7.50
Fiscal Year 2016-17	\$ 1,111,365	7.50
Percent Change:	-11.4%	-5%

*Hours for calendar year 2015 are provided as a point of reference compared to last fiscal year and next fiscal year.

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

AGENDA ITEM 9

DATE: December 20, 2016

RECOMMENDATION: Conduct a public hearing to consider the adoption of the *Federal Negative Declarations for Seven Control Techniques Guidelines Source Categories*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act (CEQA) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, adoption of the *Federal Negative Declarations for Seven Control Techniques Guidelines Source Categories* and directing staff actions.

SUMMARY: The *Federal Negative Declarations for Seven CTG Source Categories* are proposed for adoption because these source categories are not represented within the AVAQMD.

BACKGROUND: The *Federal Negative Declarations for Seven CTG Source Categories* are proposed for adoption. These FNDs are different from the Negative Declarations associated with the California Environmental Quality Act (CEQA). Instead, these FNDs, once adopted by the Governing Board, will serve as official certification to the United States Environmental Protection Agency (USEPA) that there are no stationary sources or emitting facilities in the specified source category that are subject to the applicability threshold of a CTG located within the area designated as non-attainment for ozone within the AVAQMD. The AVAQMD has been designated nonattainment for ozone and its precursors and is required to provide regulation of major sources in a variety of categories. For these sources, USEPA requires the submission of a Federal Negative Declaration (FND) certifying that these sources are not present. The *Federal Negative Declarations for 20 Source Categories* was adopted by the AVAQMD on July 21, 2015. The *Federal Negative Declarations for Seven CTG Source Categories* must be adopted to account for seven additional source categories at the request of USEPA to cover seven categories not addressed in the previous action.

Adoption of the FNDs will satisfy the specific federal requirement described below. Their adoption does not satisfy any other state or federal requirements imposed upon the District. There are no emission reductions associated with this action no existing rules or regulations are being changed.

Cc: Tracy Walters

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

AGENDA ITEM 2

PAGE 2

The Federal Clean Air Act (FCAA) requires areas designated non-attainment and classified moderate and above to implement Reasonably Available Control Technology (RACT) for sources subject to CTG documents issued by the USEPA and for “major sources” of volatile organic compounds (VOCs) and oxides of nitrogen (NO_x) which are ozone precursors. For those source categories not represented within the AVAQMD, USEPA requires the submission of a “Negative Declaration” certifying that those sources are not present. These Federal “Negative Declarations” are revisions to the State Implementation Plan (SIP). The *Federal Negative Declarations for 20 Source Categories* was adopted by the AVAQMD on July 21, 2015. The *Federal Negative Declarations for Seven CTG Source Categories* must be adopted to account for seven additional source categories at the request of USEPA. These seven source categories are: Can Coating (*Control of Volatile Organic Emissions from Existing Stationary Sources - Volume II: Surface Coating of Cans, Coils, Paper, Fabrics, Automobiles, and Light-Duty Trucks* (EPA-450/2-77-008, 05/1977)); Drum Coating (*Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, 09/2008)); Flat Wood Paneling Coating (*Control of Volatile Organic Emissions from Existing Stationary Sources - Volume VII: Factory Surface Coating of Flat Wood Paneling* (EPA-450/2-78-032, 06/1978)); Pleasure Craft Coating (*Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, 09/2008)); Large Petroleum Dry Cleaning (*Control of Volatile Organic Compound Emissions from Large Petroleum Dry Cleaners* (EPA-450/3082-009, 09/1982)); Metal Furniture Coating (*Control of Volatile Organic Emissions from Existing Stationary Sources - Volume III: Surface Coating of Metal Furniture* (EPA-450/2-77-032, 12/1977), and *Control Techniques Guidelines for Metal Furniture Coating* (EPA-453/R-07-005, 09/2007)); and Tank Truck Gasoline Loading Terminals (*Control of Hydrocarbons from Tank Truck Gasoline Loading Terminals* (EPA-450/2-77-026, 10/1977)).

Notice for the public hearing for the proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* was published October 14, 2016 for the November 15, 2016 Governing Board Meeting. The November 15, 2016 meeting was cancelled and all items were deferred to the December 20, 2016 meeting.

A Notice of Exemption, Categorical Exemption (Class 8; 14 Cal. Code Reg. §15308) will be prepared by the AVAQMD for the adoption of *the Federal Negative Declarations for Seven Control Techniques Guidelines Source Categories* pursuant to the requirements of CEQA.

Notice for the public hearing for the proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* was published October 14, 2016 for the November 15, 2016 Governing Board Meeting. The November 15, 2016 meeting was cancelled and all items were deferred to the December 20, 2016 meeting.

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

AGENDA ITEM 2

PAGE 3

REASON FOR RECOMMENDATION:

REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel as to legal form and by Bret Banks, Executive Director/APCO on or before December 5, 2016.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Bret Banks, Executive Director/APCO

RESOLUTION _____

A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, ADOPTING THE FEDERAL NEGATIVE DECLARATIONS FOR SEVEN CONTROL TECHNIQUES GUIDELINES SOURCE CATEGORIES AND DIRECTING STAFF ACTIONS.

On December 20, 2016, on motion by Member Board Member Name, seconded by Member Board Member Name, and carried, the following resolution is adopted:

WHEREAS, the Antelope Valley Air Quality Management District (AVAQMD) has authority pursuant to California Health and Safety Code (H&S Code) §§40702, 40725-40728 to adopt, amend or repeal rules and regulations; and

WHEREAS, the AVAQMD Governing Board is being requested to conduct a public hearing, make findings, and then adopt a resolution adopting the *Federal Negative Declarations for Seven Control Techniques Guidelines Source Categories*; and

WHEREAS, these “Federal Negative Declarations” (FNDs) are different from the Negative Declarations associated with the California Environmental Quality Act (CEQA); and

WHEREAS, these FNDs, once adopted by the Governing Board, will serve as official certification to the United States Environmental Protection Agency (USEPA) that there are no stationary sources or emitting facilities in these categories located within the area designated as non-attainment for ozone within the AVAQMD; and

WHEREAS, the AVAQMD has been designated nonattainment for ozone and its precursors and is required to provide regulation of major sources in a variety of categories; and

WHEREAS, for these sources, USEPA requires the submission of a FND certifying that these sources are not present; and

WHEREAS, the *Federal Negative Declarations for 20 Source Categories* was adopted by the AVAQMD on July 21, 2015; and

WHEREAS, the *Federal Negative Declarations for Seven CTG Source Categories* must be adopted to account for seven additional source categories not addressed in the previous action; and

WHEREAS, their adoption does not satisfy any other state or federal requirements imposed upon the District; and

//

RESOLUTION _____

1 **WHEREAS**, there are no emission reductions associated with this action because it does not
2 change any existing rules or regulations; and

3 **WHEREAS**, the Federal Clean Air Act (FCAA) requires areas designated non-attainment and
4 classified moderate and above to implement Reasonably Available Control Technology (RACT) for
5 sources subject to Control Technique Guidelines (CTG) documents issued by the USEPA for “major
6 sources” of volatile organic compounds (VOCs) and oxides of nitrogen (NOx) which are ozone
7 precursors; and

8 **WHEREAS**, for those source categories not represented within the AVAQMD, USEPA requires
9 the submission of a “Negative Declaration” certifying that those sources are not present; and

10 **WHEREAS**, these FNDs are revisions to the State Implementation Plan (SIP), and consequently
11 they must be adopted after public notice and hearing (42 U.S.C. §7410(1), FCAA §110(1)); and

12 **WHEREAS**, the *Federal Negative Declarations for Seven CTG Source Categories* must be
13 adopted to account for seven additional source categories not addressed in the previous action; and

14 **WHEREAS**, these seven source categories are: Can Coating (*Control of Volatile Organic*
15 *Emissions from Existing Stationary Sources - Volume II: Surface Coating of Cans, Coils, Paper, Fabrics,*
16 *Automobiles, and Light-Duty Trucks* (EPA-450/2-77-008, 05/1977)); Drum Coating (*Control Techniques*
17 *Guidelines for Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, 09/2008)); Flat
18 Wood Paneling Coating (*Control of Volatile Organic Emissions from Existing Stationary Sources -*
19 *Volume VII: Factory Surface Coating of Flat Wood Paneling* (EPA-450/2-78-032, 06/1978)); Pleasure
20 Craft Coating (*Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings* (EPA-
21 453/R-08-003, 09/2008)); Large Petroleum Dry Cleaning (*Control of Volatile Organic Compound*
22 *Emissions from Large Petroleum Dry Cleaners* (EPA-450/3082-009, 09/1982)); Metal Furniture Coating
23 (*Control of Volatile Organic Emissions from Existing Stationary Sources - Volume III: Surface Coating of*
24 *Metal Furniture* (EPA-450/2-77-032, 12/1977), and *Control Techniques Guidelines for Metal Furniture*
25 *Coating* (EPA-453/R-07-005, 09/2007)); and Tank Truck Gasoline Loading Terminals (*Control of*
26 *Hydrocarbons from Tank Truck Gasoline Loading Terminals* (EPA-450/2-77-026, 10/1977)); and

27 **WHEREAS**, the proposed adoption of the *Federal Negative Declarations for Seven Control*
28 *Techniques Guidelines Source Categories* is necessary because for those source categories not represented

RESOLUTION _____

1 within the area designated non-attainment for ozone, and covered by a CTG or which meet the definition
2 of a major source, USEPA requires the submission of a FND certifying that those sources are not present;
3 and

4 **WHEREAS**, the AVAQMD has the authority pursuant to H&S Code §40702 to amend rules and
5 regulations; and

6 **WHEREAS**, the proposed adoption is clear in that the meaning can be easily understood by the
7 persons impacted by the *Federal Negative Declarations for Seven Control Techniques Guidelines Source*
8 *Categories*; and

9 **WHEREAS**, the proposed adoption is in harmony with, and not in conflict with, or contradictory
10 to existing statutes, court decisions, or state or federal regulations because this document is required to be
11 developed pursuant to the FCAA and the regulations promulgated thereunder; and

12 **WHEREAS**, the proposed adoption does not impose the same requirements as an existing state or
13 federal law or regulation because federal law requires the adoption and certification of “Negative
14 Declarations” for those source categories not represented within the area designated non-attainment for
15 ozone which are covered by a CTG and meet the CTG applicability threshold, or which meet the
16 definition of a major source; and

17 **WHEREAS**, the proposed adoption is needed because for those source categories not represented
18 within the area designated non-attainment for ozone, and covered by a CTG or which meet the definition
19 of a major source, USEPA requires the submission of a FND certifying that those sources are not present;
20 and

21 **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to H&S Code
22 §40725, concerning the proposed adoption of the *Federal Negative Declarations for Seven Control*
23 *Techniques Guidelines Source Categories*; and

24 **WHEREAS**, the public hearing to consider the adoption of the *Federal Negative Declarations for*
25 *Seven Control Techniques Guidelines Source Categories* was noticed for the November 15, 2016
26 Governing Board Meeting; and

27 **WHEREAS**, the November 15, 2016 Governing Board Meeting was cancelled and all items
28 deferred to the December 20, 2016 meeting; and

RESOLUTION _____

NOES: MEMBER:

ABSENT: MEMBER:

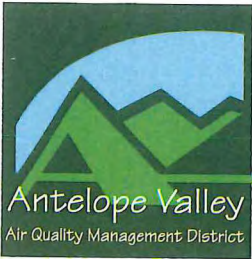
ABSTAIN: MEMBER:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

SS:

I, Crystal Goree, Deputy Clerk of the Governing Board of the Antelope Valley Air Quality Management District, hereby certify the foregoing to be a full, true and correct copy of the record of the action as the same appears in the Official Minutes of said Governing Board at its meeting of December 20, 2016.

Deputy Clerk of the Governing Board,
Antelope Valley Air Quality Management District.



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

661.723.8070

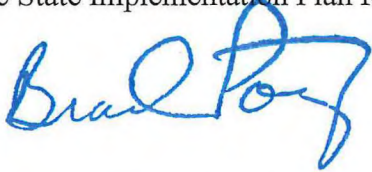
**Antelope Valley Air Quality Management District
Federal Negative Declaration (8-hour Ozone Standards) for
*Seven Control Techniques Guideline Source Categories***

The Federal *Clean Air Act* (CAA) requires areas designated non-attainment for ozone and classified moderate and above to adopt, maintain rules requiring certain sources of air pollution to implement Reasonably Available Control Technology (RACT). Rules are required for all sources of Volatile Organic Compounds (VOCs) and Oxides of Nitrogen (NO_x) in source categories covered by a Control Techniques Guideline (CTG) document issued by the United States Environmental Protection Agency (USEPA) and for any other major stationary sources of VOCs located within the affected area (42 U.S.C. §7511a(b)(2); CAA 182(b)(2)). If a RACT rule is unnecessary because a source category does not exist within the affected area USEPA requires the submission of a Federal Negative Declaration (FND) to certify that those sources are not present. The CAA requires areas designated non-attainment and classified moderate and above to implement RACT for sources subject to CTG documents issued by USEPA and for "major sources" of VOCs and NO_x which are ozone precursors. On March 9, 2006, USEPA shifted its ozone standard from measurement on a one-hour basis, to 0.084 ppm measured on an eight-hour basis (8-hour ozone standard). Effective May 27, 2008, USEPA lowered the primary ozone National Ambient Air Quality Standard (NAAQS) from 0.084 parts per million (ppm) to 0.075 ppm. For purposes of the CAA, the District has been designated non-attainment for ozone and classified as Severe for the 0.084 ppm 8-hour standard and the 0.075 ppm 8-hour standard. As a result of the shift to the 0.084 ppm, and then the 0.075 ppm standard, USEPA required non-attainment areas submit an updated RACT SIP Analysis. The purpose of the RACT SIP Analysis is to ensure that District rules adequately address current RACT requirements.

On July 1, 1997 the Antelope Valley Air Pollution Control District (AVAPCD) was formed, pursuant to statute (former Health & Safety Code §40106, Ch. 542 Stats. 1996), with a jurisdiction of the Los Angeles County portion of South Coast Air Quality Management District (SCAQMD) that was not within the South Coast Air Basin (SCAB). The SCAQMD rules in effect in the AVAPCD remained in effect until the AVAPCD Governing Board superseded or amended them. On January 1, 2002 the AVAQMD was formed pursuant to statute to replace the AVAPCD (Health & Safety Code §§41300 et seq.). The rules of the AVAPCD remained in effect until the AVAQMD Governing Board superseded or amended them. Thus, the AVAQMD is required to either retain RACT rules or to submit a FND to certify that there are no such sources in the particular source category within its jurisdiction.

The AVAQMD has examined its permit files, emissions inventory and other documentation and has determined that there are no sources in the CTG source categories referenced in Attachment A, located within the jurisdiction of the AVAQMD and none are anticipated in the near future. The *Federal Negative Declarations for Forty-Four Source Categories* was adopted January 22, 2007. The *Federal Negative Declarations for Three Source Categories* was adopted October 19, 2010. The *Federal Negative Declarations for 20 Source Categories* was adopted by the AVAQMD on July 21, 2015. The *Federal Negative Declarations for Seven Source Categories* must be adopted to account for seven additional source categories not included in the previous actions.

I certify on behalf of the AVAQMD that, to my knowledge, the AVAQMD does not have any major stationary sources in the referenced categories located within the jurisdiction of the District. Therefore the AVAQMD requests the USEPA to approve this FND for the 8 hour 0.084 ppm and 0.075 ppm Ozone Standards and include it in the State Implementation Plan for the AVAQMD.



Brad Poiriez
Executive Director

October 19, 2016
Date

Attachment A

Source Category	Control Techniques Guideline Covering Action	Ozone Standard	
		1997	2008
Federal Negative Declarations			
Can Coating	1. Control of Volatile Organic Emissions from Existing Stationary Sources - Volume II: Surface Coating of Cans, Coils, Paper, Fabrics, Automobiles, and Light-Duty Trucks (EPA-450/2-77-008, 05/1977).	X	X
Drum Coating	1. Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings (EPA-453/R-08-003, 09/2008).	(Did not apply)	X
Flat Wood Paneling Coating	1. Control of Volatile Organic Emissions from Existing Stationary Sources - Volume VII: Factory Surface Coating of Flat Wood Paneling (EPA-450/2-78-032, 06/1978).	X	X
Pleasure Craft Coating	1. Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings (EPA-453/R-08-003, 09/2008).	(Did not apply)	X
Large Petroleum Dry Cleaning	1. Control of Volatile Organic Compound Emissions from Large Petroleum Dry Cleaners (EPA-450/3082-009, 09/1982).	X	*
Metal Furniture Coating	1. Control of Volatile Organic Emissions from Existing Stationary Sources - Volume III: Surface Coating of Metal Furniture (EPA-450/2-77-032, 12/1977).	N/A	X
	2. Control Techniques Guidelines for Metal Furniture Coating (EPA-453/R-07-005, 09/2007).	(Did not apply)	*
Tank Truck Gasoline Loading Terminals	1. Control of Hydrocarbons from Tank Truck Gasoline Loading Terminals (EPA-450/2-77-026, 10/1977).	#	X

*A FND was filed for this source category on July 16, 2015. This FND is being updated to indicate that it is also applicable to the 2006 RACT SIP for the 1997 Ozone Standard.

#A FND was filed for this source category in 2006. This FND is being updated to indicate that it is also applicable to the 2015 RACT SIP for the 2008 ozone standard.

Antelope Valley
Air Quality Management District



Draft
Staff Report

Proposed Adoption of the
*Federal Negative Declarations for
Seven Control Techniques Guidelines
Source Categories*

For adoption on
December 20, 2016

43301 DIVISION ST., SUITE 206,
LANCASTER, CALIFORNIA 93535-4649
PHONE (661) 723-8070
FAX (661) 723-3450

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STAFF REPORT
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STAFF REPORT

Federal Negative Declarations for Seven CTG Source Categories

I. PURPOSE OF STAFF REPORT

A staff report serves several discrete purposes. Its primary purpose is to provide a summary and background material to the members of the Governing Board. This allows the members of the Governing Board to be fully informed before making any required decision. It also provides the documentation necessary for the Governing Board to make any findings, which are required by law to be made prior to the approval or adoption of a document. In addition, a staff report ensures that the correct procedures and proper documentation for approval or adoption of a document have been performed. Finally, the staff report provides evidence for defense against legal challenges regarding the propriety of the approval or adoption of the document.

II. EXECUTIVE SUMMARY

The Antelope Valley Air Quality Management District (AVAQMD) Governing Board is being requested to conduct a public hearing, make findings, and then adopt a resolution adopting the *Federal Negative Declarations for Seven Control Techniques Guidelines (CTG) Source Categories* and directing staff actions. These “Federal Negative Declarations” (FNDs) are different from the Negative Declarations associated with the California Environmental Quality Act (CEQA). Instead, these FNDs, once adopted by the Governing Board, will serve as official certification to the United States Environmental Protection Agency (USEPA) that there are no stationary sources or emitting facilities in the specified source category that are subject to the applicability threshold of a Control Techniques Guideline (CTG) located within the area designated as non-attainment for ozone within the AVAQMD. The AVAQMD has been designated nonattainment for ozone and its precursors and is required to provide regulation of major sources in a variety of categories. For these sources, USEPA requires the submission of a Federal Negative Declaration (FND) certifying that these sources are not present. The *Federal Negative Declarations for 20 Source Categories* was adopted by the AVAQMD on July 21, 2015. The *Federal Negative Declarations for Seven CTG Source Categories* must be adopted to account for seven additional source categories at the request of USEPA to cover seven categories not addressed in the previous action.

Adoption of the FNDs will satisfy the specific federal requirement described below. Their adoption does not satisfy any other state or federal requirements imposed upon the District. There are no emission reductions associated with this action because it does not change any existing rules or regulations.

The Federal Clean Air Act (FCAA) requires areas designated non-attainment and classified moderate and above to implement Reasonably Available Control Technology (RACT) for sources subject to CTG documents issued by the USEPA and for “major sources” of volatile organic compounds (VOCs) and oxides of nitrogen (NO_x) which are ozone precursors. For those source categories not represented within the AVAQMD, USEPA requires the submission of a “Negative Declaration” certifying that those sources are not present. These Federal “Negative Declarations” are revisions to the State

Implementation Plan (SIP). The *Federal Negative Declarations for 20 Source Categories* was adopted by the AVAQMD on July 21, 2015. The *Federal Negative Declarations for Seven CTG Source Categories* must be adopted to account for seven additional source categories at the request of USEPA. These seven source categories are: Can Coating (*Control of Volatile Organic Emissions from Existing Stationary Sources - Volume II: Surface Coating of Cans, Coils, Paper, Fabrics, Automobiles, and Light-Duty Trucks* (EPA-450/2-77-008, 05/1977)); Drum Coating (*Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, 09/2008)); Flat Wood Paneling Coating (*Control of Volatile Organic Emissions from Existing Stationary Sources - Volume VII: Factory Surface Coating of Flat Wood Paneling* (EPA-450/2-78-032, 06/1978)); Pleasure Craft Coating (*Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, 09/2008)); Large Petroleum Dry Cleaning (*Control of Volatile Organic Compound Emissions from Large Petroleum Dry Cleaners* (EPA-450/3082-009, 09/1982)); Metal Furniture Coating (*Control of Volatile Organic Emissions from Existing Stationary Sources - Volume III: Surface Coating of Metal Furniture* (EPA-450/2-77-032, 12/1977), and *Control Techniques Guidelines for Metal Furniture Coating* (EPA-453/R-07-005, 09/2007)); and Tank Truck Gasoline Loading Terminals (*Control of Hydrocarbons from Tank Truck Gasoline Loading Terminals* (EPA-450/2-77-026, 10/1977)).

This item was noticed for the November 15, 2016 governing Board Meeting. The November 15, 2016 meeting was cancelled and all items were deferred to the December 20, 2016 meeting.

III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the AVAQMD, after conducting a public hearing, adopt the *Federal Negative Declarations for Seven CTG Source Categories*. Such action is necessary to satisfy the federal requirements for submission of FNDs for each source category not represented within the District meeting the applicability threshold of a CTG or which meets the definition of a major source.

IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally correct adoption of the *Federal Negative Declarations for Seven CTG Source Categories*. Each item is discussed, if applicable, in Section V below. Copies of documents are included in the appropriate Appendix.

FINDINGS REQUIRED FOR RULES & REGULATIONS

- X Necessity
- X Authority
- X Clarity
- X Consistency
- X Non-duplication
- X Reference
- X Public Notice & Comment
- X Public Hearing

REQUIREMENTS FOR STATE IMPLEMENTATION PLAN SUBMISSION (SIP):

- X Public Notice & Comment
- X Availability of Document
- X Notice to Specified Entities (State, Air Districts, USEPA, Other States)
- X Public Hearing
- X Legal Authority to adopt and implement the document.
- X Applicable State laws and regulations were followed.

ELEMENTS OF A FEDERAL SUBMISSION

- X Elements as set forth in applicable Federal law or regulations.

CALIFORNIA ENVIRONMENTAL QUALITY ACT REQUIREMENTS (CEQA):

- N/A Ministerial Action
- X Exemption
- N/A Negative Declaration
- N/A Environmental Impact Report
- X Appropriate findings, if necessary.
- X Public Notice & Comment

SUPPLEMENTAL ENVIRONMENTAL ANALYSIS (RULES & REGULATIONS ONLY):

- X Environmental impacts of compliance.
- N/A Mitigation of impacts.
- N/A Alternative methods of compliance.

OTHER:

- X Written analysis of existing air pollution control requirements
- X Economic Analysis
- X Public Review

V. DISCUSSION OF LEGAL REQUIREMENTS

A. REQUIRED ELEMENTS/FINDINGS

This section discusses the State of California statutory requirements that apply to the proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* (Specifically: Can Coating, Drum Coating, Flat Wood Paneling Coating, Pleasure Craft Coating, Large Petroleum Dry Cleaning, Metal Furniture Coating, and Tank Truck Gasoline Loading Terminals). Since this document is required to be adopted pursuant to public notice and other requirements under 42 USC 7410(a)(2), the District considers the rule adoption process pursuant to H&S Code §40702 to be a proper way to meet these requirements. Therefore, these are actions, that need to be performed, and/or information that must be provided, in order to adopt this document in a procedurally correct manner.

1. State Findings Required for Adoption of Rules & Regulations:

Before adopting, amending, or repealing a rule or regulation, the AVAQMD Governing Board is required to make findings of necessity, authority, clarity, consistency, non-duplication, and reference based upon relevant information presented at the hearing. The information below is provided to assist the Governing Board in making these findings.

a. Necessity:

The proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* are necessary because these source categories are not represented within the AVAQMD, and the AVAQMD has been designated nonattainment for ozone and its precursors. For these sources, USEPA requires the submission of a FND certifying that these sources are not present. The *Federal Negative Declarations for 20 Source Categories* was adopted by the AVAQMD on July 21, 2015. The *Federal Negative Declarations for Seven CTG Source Categories* must be adopted to account for seven additional source categories at the request of USEPA to cover seven categories not addressed in the previous action.

b. Authority:

AVAQMD has the authority pursuant to California Health and Safety Code (H&S Code) §40702, 40725-40728 to adopt, amend or repeal rules and regulations and to do such actions that are necessary or proper to execute the powers and duties granted to and imposed upon AVAQMD. While this action is not specifically a rule or regulation, it is a document necessary to execute the powers and duties granted to and imposed upon the AVAQMD.

c. Clarity:

The adoption is clear in that it is written so that the persons can easily understand the scope and necessity of the FND.

d. Consistency:

The proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* is in harmony with, and not in conflict with or contradictory to any state law or regulation, federal law or regulation, or court decisions. This document is required to be developed pursuant to the FCAA and the regulations promulgated thereunder.

e. Nonduplication:

The proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* does not impose the same requirements as an existing state or federal law or regulation because federal law requires the adoption and certification of “Negative Declarations” for those source categories not represented within the area designated non-attainment for ozone which are covered by a CTG and meet the CTG applicability threshold, or which meet the definition of a major source.

f. Reference:

AVAQMD has the authority pursuant to H&S Code §40702 to adopt, amend or repeal rules and regulations and other documents required to execute the powers and duties granted to and imposed upon the AVAQMD.

g. Public Notice & Comment, Public Hearing:

Notice for the public hearing for the proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* was published October 14, 2016 for the November 15, 2016 Governing Board Meeting. The November 15, 2016 meeting was cancelled and all items were deferred to the December 20, 2016 meeting. See Appendix “B” for a copy of the public notice. See Appendix C for copies of comments, if any, and AVAQMD responses.

2. Federal Elements (SIP Submittals, Other Federal Submittals).

Submittals to USEPA are required to include various elements depending upon the type of document submitted and the underlying federal law which requires the submittal. The information below indicates which elements are required for the proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* and how they were satisfied.

a. Satisfaction of Underlying Federal Requirements:

The adoption of the *Federal Negative Declarations for Seven CTG Source Categories* is subject to all the requirements for a SIP submittal because the “Negative Declarations” will be included in the AVAQMD SIP. The criteria for determining completeness of SIP submissions are set forth in 40 CFR Part 51, Appendix V, 2.0.

b. Public Notice and Comment:

Notice for the public hearing for the proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* will be published October 14, 2016. See Appendix “B” for a copy of the public notice.

c. Availability of Document:

Copies of the proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* and the accompanying draft staff report will be made available to the public on or before October 3, 2016.

d. Notice to Specified Entities

Copies of the proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* and the accompanying draft staff report will be mailed to all affected agencies, including but not limited to CARB and USEPA. The proposed amendments will be sent to CARB and USEPA on or before October 3, 2016.

e. Public Hearing:

Notice for the public hearing for the proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* was published October 14, 2016 for the November 15, 2016 Governing Board Meeting. The November 15, 2016 meeting was cancelled and all items were deferred to the December 20, 2016 meeting.

f. Legal Authority to Adopt and Implement:

The AVAQMD has the authority pursuant to H&S Code §40702 to adopt, amend, or repeal rules and regulations and to do such acts as may be necessary or proper to execute the duties imposed upon the AVAQMD.

g. Applicable State Laws and Regulations Were Followed:

Public notice and hearing procedures pursuant to H&S Code §§40725-40728 have been followed. See Section (V)(A)(1) above for compliance with state findings required pursuant to H&S Code §40727. See Section (V)(B) below for compliance with the required analysis of existing requirements pursuant to H&S

Code §40727.2. See Section (V)(C) for compliance with economic analysis requirements pursuant to H&S Code §40920.6. See Section (V)(D) below for compliance with provisions of the California Environmental Quality Act (CEQA).

B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS

H&S Code §40727.2 requires air districts to prepare a written analysis of all existing federal air pollution control requirements that apply to the same equipment or source type as the rule proposed for modification by the district. The proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* is required to adopt and certify FNDs for those source categories not represented within the area designated non-attainment for ozone.

C. ECONOMIC ANALYSIS

1. General

Adoption of the FNDs will identify CTG source categories not represented within the area designated non-attainment. The adoption will have no economic impact.

2. Incremental Cost Effectiveness

Pursuant to H&S Code §40920.6, incremental cost effectiveness calculations are required for rules and regulations which are adopted or amended to meet the California Clean Air Act requirements for Best Available Retrofit Control Technology (BARCT) or “all feasible measures” to control volatile compounds, oxides of nitrogen or oxides of sulfur.

The proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* is not subject to incremental cost effectiveness calculations because this rule does not impose BARCT or “all feasible measures”.

D. ENVIRONMENTAL ANALYSIS (CEQA)

Through the process described below, it was determined that a Notice of Exemption would be the appropriate CEQA process for the proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories*.

1. The proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* meets the CEQA definition of “project.” They are not “ministerial” actions.
2. The proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* is exempt from CEQA review because it will not create any adverse impacts on the environment since there are no sources in these seven categories and this document merely certifies this fact. Because there is no

potential that the adoption might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

1. Potential Environmental Impacts

There are no potential negative environmental impacts of compliance with the proposed adoption of the FNDs.

2. Mitigation of Impacts

N/A

3. Alternative Methods of Compliance

N/A

F. PUBLIC REVIEW

See Staff Report Section (V)(A)(1)(g) and (2)(b), as well as Appendix B.

VI. TECHNICAL DISCUSSION

USEPA required that all non-attainment areas submit an updated RACT SIP Analysis. The purpose of the RACT SIP Analysis is to ensure that District rules adequately address current RACT requirements.

The AVAQMD has reviewed and identified many CTG source categories that do not have corresponding sources (major or minor) within the jurisdiction of the AVAQMD. The *Federal Negative Declarations for 20 Source Categories* was adopted by the AVAQMD on July 21, 2015. The *Federal Negative Declarations for Seven CTG Source Categories* must be adopted to account for seven additional source categories that were not included in the July 21, 2015 action. These seven source categories are: Can Coating (*Control of Volatile Organic Emissions from Existing Stationary Sources - Volume II: Surface Coating of Cans, Coils, Paper, Fabrics, Automobiles, and Light-Duty Trucks* (EPA-450/2-77-008, 05/1977)); Drum Coating (*Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, 09/2008)); Flat Wood Paneling Coating (*Control of Volatile Organic Emissions from Existing Stationary Sources - Volume VII: Factory Surface Coating of Flat Wood Paneling* (EPA-450/2-78-032, 06/1978)); Pleasure Craft Coating (*Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, 09/2008)); Large Petroleum Dry Cleaning (*Control of Volatile Organic Compound Emissions from Large Petroleum Dry Cleaners* (EPA-450/3082-009, 09/1982)); Metal Furniture Coating (*Control of Volatile Organic Emissions from Existing Stationary Sources - Volume III: Surface Coating of Metal Furniture* (EPA-450/2-77-032, 12/1977), and *Control Techniques Guidelines for Metal Furniture Coating* (EPA-453/R-07-005, 09/2007)); and Tank Truck Gasoline Loading

Terminals (*Control of Hydrocarbons from Tank Truck Gasoline Loading Terminals* (EPA-450/2-77-026, 10/1977)). One FND is being adopted for the 1997 and 2008 Ozone Standards. Several FNDs are being adopted for the 1997 ozone standard. Several FNDs are being adopted in response to the 2008 ozone standard. Table 1 indicates the applicable standard.

The AVAQMD currently has rules that cover some of the CTG source categories despite the fact that these sources exist in the District yet do not meet the threshold requirements for CTG applicability. Rules 463 – *Storage of Organic Liquids*, 1102 – *Petroleum Solvent Dry Cleaners*, and Rule 1104 – *Wood Flat Stock Coating Operations* cover sources that are not large enough to trigger CTG applicability. Adoption of FNDs for these categories does not affect the SIP status of the existing rules nor does it preclude the District from amending such rules in the future and submitting them as SIP revisions.

The proposed FNDs are presented in Table 1.

Table 1
Seven Proposed Federal Negative Declarations

Source Category	Control Techniques Guideline Covering Action	Ozone Standard	
		1997	2008
Federal Negative Declarations			
Can Coating	1. Control of Volatile Organic Emissions from Existing Stationary Sources - Volume II: Surface Coating of Cans, Coils, Paper, Fabrics, Automobiles, and Light-Duty Trucks (EPA-450/2-77-008, 05/1977).	X	X
Drum Coating	1. Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings (EPA-453/R-08-003, 09/2008).	(Did not apply)	X
Flat Wood Paneling Coating	1. Control of Volatile Organic Emissions from Existing Stationary Sources - Volume VII: Factory Surface Coating of Flat Wood Paneling (EPA-450/2-78-032, 06/1978).	X	X
Pleasure Craft Coating	1. Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings (EPA-453/R-08-003, 09/2008).	(Did not apply)	X
Large Petroleum Dry Cleaning	1. Control of Volatile Organic Compound Emissions from Large Petroleum Dry Cleaners (EPA-450/3082-009, 09/1982).	X	*
Metal Furniture Coating	1. Control of Volatile Organic Emissions from Existing Stationary Sources - Volume III: Surface Coating of Metal Furniture (EPA-450/2-77-032, 12/1977).	N/A	X
	2. Control Techniques Guidelines for Metal Furniture Coating (EPA-453/R-07-005, 09/2007).	(Did not apply)	*
Tank Truck Gasoline Loading Terminals	1. Control of Hydrocarbons from Tank Truck Gasoline Loading Terminals (EPA-450/2-77-026, 10/1977).	#	X

*A FND was filed for this source category on July 16, 2015. This FND is being updated to indicate that it is also applicable to the 2006 RACT SIP for the 1997 Ozone Standard.

#A FND was filed for this source category in 2006. This FND is being updated to indicate that it is also applicable to the 2015 RACT SIP for the 2008 ozone standard.

A. SIP HISTORY

1. SIP History.

The AVAPCD came into existence pursuant to statute on July 1, 1997 Health & Safety Code 40106, A.B. 266-Knight Ch. 542, statutes of 1996). The rules and regulations of the SCAQMD remain in effect within the AVAPCD until the AVAPCD Governing Board adopts, amends or rescinds new ones Health & Safety Code 40106(e)). Since the SIP applies to the territory for which it was approved at the time it was approved, the AVAPCD also inherited the SCAQMD SIP applicable to the Los Angeles County portion of the South East Desert Air Basin (now called the Mojave Desert Air Basin) prior to July 1, 1997. On January 1, 2002 the AVAQMD was created pursuant to statute H&S Code 41300 et seq.) to replace the AVAPCD. Once again the SIP in effect at the time of the change remained in effect until the AVAQMD Governing Board superseded, amended or rescinded it.

2. SIP Analysis.

The AVAQMD has a variety of FNDs adopted or carried over from its predecessor agencies. These are:

- a. Motor Vehicle Assembly Line Coating Operations, 40 CFR 52.222(a)(6)(i) – 65 FR 31267, 05/17/2000.
- b. Refinery Process Turnarounds, 40 CFR 52.222(a)(6)(ii) – 65 FR 31267, 05/17/2000.
- c. Marine Vessel Coating Operations, Marine Tank Vessel Operations, and Thermal Enhanced Oil Recovery Wells, 40 CFR 52.222(a)(6)(iii) – 64 FR 2141, 01/13/1999.
- d. Pharmaceuticals and Cosmetic Manufacturing Operations, 40 CFR 52.222(a)(6)(iv) – 65 FR 66175, 11/03/2000.
- e. Metal Container, Closure and Coil Coating Operations and Magnet Wire Coating Operations, 40 CFR 52.222(a)(6)(v) – 69 FR 56355, 09/21/2004.
- f. Resin Manufacturing and Surfactant Manufacturing, 40 CFR 52.222(a)(6)(vi) – 69 FR 56355, 09/21/2004.
- g. Large Appliances, Surface Coating; Wood Furniture Surface Coating; Gasoline Bulk Plants, Equipment Leaks from Natural Gas/Gasoline Processing Plants; Leaks from Petroleum Refinery Equipment; Air Oxidation Processes (SOCMI); Reactor and Distillation Processes (SOCMI); Tank Truck Gasoline Loading Terminals > 76,000 L; Manufacture of Synthesized Pharmaceutical Products; Manufacture of Pneumatic Rubber Tires; Manufacture of High Density Polyethylene, Polypropylene and Polystyrene; Equipment Used in Synthetic Organic Chemical Polymers and Resin Manufacturing; Refinery Vacuum-Producing Systems, Wastewater Separators and Process Unit

- Turnarounds; and Magnetic Wire Coating Operations, 40 CFR 52.222(a)(6)(vii) – 76 FR 38572, 07/01/2011.
- h. Ship Repair Operations; Storage of Petroleum Liquids in Fixed Roof Tanks; and Petroleum Liquid Storage in External Floating Roof Tanks, 40 CFR 52.222(a)(6)(viii) – 76 FR 38572, 07/01/2011.
 - i. Boilers and Process Heaters In Petroleum Refineries – 40 CFR 52.222(b)(4)(i) – 65 FR 31267, 05/17/2000.
 - j. Cement Kilns and Glass Melting Furnaces – 40 CFR 52.222(b)(4)(ii) – 65 FR 31267, 05/17/2000.
 - k. Nitric Acid Units – 40 CFR 52.222(b)(4)(iii) – 65 FR 66175, 11/03/2000.

The AVAQMD most recently adopted FNDs for 20 source categories on July 21, 2015 covering the following: Fiberglass Boat Manufacturing Materials; Metal Furniture Coating; Refinery Vacuum Producing Systems, Wastewater Separators, and Process Unit Turnarounds; Coils; Insulation of Magnet Wire; Large Appliance Coatings; Bulk Gasoline Plants; Petroleum Refinery Equipment; Synthesized Pharmaceutical Products; Pneumatic Rubber Tires; Manufacture of High-Density Polyethelene, Polypropylene, and Polystyrene Resins; Natural Gas/Gasoline Processing Plants; Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment; Wood Furniture Manufacturing Coating Operations; Shipbuilding and Ship Repair Surface Coating Operations; Flat Wood Paneling; Large Petroleum Dry Cleaners; Fixed-Roof Tanks; and, Floating-Roof Tanks.

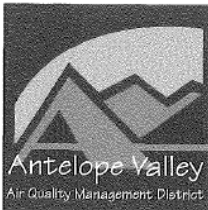
The AVAQMD has determined that no sources in the seven additional CTG source categories listed in Table 1 exist within its jurisdiction.

APPENDIX "A"

Federal Negative Declarations for Seven CTG Source Categories

1. Antelope Valley Air Quality Management District Federal Negative Declaration (8-hour Ozone Standards) for Seven Control Techniques Guideline Source Categories, 9/27/16

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

661.723.8070

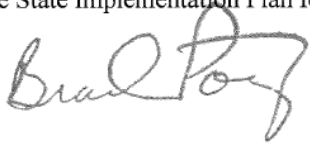
**Antelope Valley Air Quality Management District
Federal Negative Declaration (8-hour Ozone Standards) for
*Seven Control Techniques Guideline Source Categories***

The Federal *Clean Air Act* (CAA) requires areas designated non-attainment for ozone and classified moderate and above to adopt, maintain rules requiring certain sources of air pollution to implement Reasonably Available Control Technology (RACT). Rules are required for all sources of Volatile Organic Compounds (VOCs) and Oxides of Nitrogen (NO_x) in source categories covered by a Control Techniques Guideline (CTG) document issued by the United States Environmental Protection Agency (USEPA) and for any other major stationary sources of VOCs located within the affected area (42 U.S.C. §7511a(b)(2); CAA 182(b)(2)). If a RACT rule is unnecessary because a source category does not exist within the affected area USEPA requires the submission of a Federal Negative Declaration (FND) to certify that those sources are not present. The CAA requires areas designated non-attainment and classified moderate and above to implement RACT for sources subject to CTG documents issued by USEPA and for "major sources" of VOCs and NO_x which are ozone precursors. On March 9, 2006, USEPA shifted its ozone standard from measurement on a one-hour basis, to 0.084 ppm measured on an eight-hour basis (8-hour ozone standard). Effective May 27, 2008, USEPA lowered the primary ozone National Ambient Air Quality Standard (NAAQS) from 0.084 parts per million (ppm) to 0.075 ppm. For purposes of the CAA, the District has been designated non-attainment for ozone and classified as Severe for the 0.084 ppm 8-hour standard and the 0.075 ppm 8-hour standard. As a result of the shift to the 0.084 ppm, and then the 0.075 ppm standard, USEPA required non-attainment areas submit an updated RACT SIP Analysis. The purpose of the RACT SIP Analysis is to ensure that District rules adequately address current RACT requirements.

On July 1, 1997 the Antelope Valley Air Pollution Control District (AVAPCD) was formed, pursuant to statute (former Health & Safety Code §40106, Ch. 542 Stats. 1996), with a jurisdiction of the Los Angeles County portion of South Coast Air Quality Management District (SCAQMD) that was not within the South Coast Air Basin (SCAB). The SCAQMD rules in effect in the AVAPCD remained in effect until the AVAPCD Governing Board superseded or amended them. On January 1, 2002 the AVAQMD was formed pursuant to statute to replace the AVAPCD (Health & Safety Code §§41300 et seq.). The rules of the AVAPCD remained in effect until the AVAQMD Governing Board superseded or amended them. Thus, the AVAQMD is required to either retain RACT rules or to submit a FND to certify that there are no such sources in the particular source category within its jurisdiction.

The AVAQMD has examined its permit files, emissions inventory and other documentation and has determined that there are no sources in the CTG source categories referenced in Attachment A, located within the jurisdiction of the AVAQMD and none are anticipated in the near future. The *Federal Negative Declarations for Forty-Four Source Categories* was adopted January 22, 2007. The *Federal Negative Declarations for Three Source Categories* was adopted October 19, 2010. The *Federal Negative Declarations for 20 Source Categories* was adopted by the AVAQMD on July 21, 2015. The *Federal Negative Declarations for Seven Source Categories* must be adopted to account for seven additional source categories not included in the previous actions.

I certify on behalf of the AVAQMD that, to my knowledge, the AVAQMD does not have any major stationary sources in the referenced categories located within the jurisdiction of the District. Therefore the AVAQMD requests the USEPA to approve this FND for the 8 hour 0.084 ppm and 0.075 ppm Ozone Standards and include it in the State Implementation Plan for the AVAQMD.



Brad Poiriez
Executive Director

October 19, 2016
Date

Attachment A

Source Category	Control Techniques Guideline Covering Action	Ozone Standard	
		1997	2008
Federal Negative Declarations			
Can Coating	1. Control of Volatile Organic Emissions from Existing Stationary Sources - Volume II: Surface Coating of Cans, Coils, Paper, Fabrics, Automobiles, and Light-Duty Trucks (EPA-450/2-77-008, 05/1977).	X	X
Drum Coating	1. Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings (EPA-453/R-08-003, 09/2008).	(Did not apply)	X
Flat Wood Paneling Coating	1. Control of Volatile Organic Emissions from Existing Stationary Sources - Volume VII: Factory Surface Coating of Flat Wood Paneling (EPA-450/2-78-032, 06/1978).	X	X
Pleasure Craft Coating	1. Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings (EPA-453/R-08-003, 09/2008).	(Did not apply)	X
Large Petroleum Dry Cleaning	1. Control of Volatile Organic Compound Emissions from Large Petroleum Dry Cleaners (EPA-450/3082-009, 09/1982).	X	*
Metal Furniture Coating	1. Control of Volatile Organic Emissions from Existing Stationary Sources - Volume III: Surface Coating of Metal Furniture (EPA-450/2-77-032, 12/1977).	N/A	X
	2. Control Techniques Guidelines for Metal Furniture Coating (EPA-453/R-07-005, 09/2007).	(Did not apply)	*
Tank Truck Gasoline Loading Terminals	1. Control of Hydrocarbons from Tank Truck Gasoline Loading Terminals (EPA-450/2-77-026, 10/1977).	#	X

*A FND was filed for this source category on July 16, 2015. This FND is being updated to indicate that it is also applicable to the 2006 RACT SIP for the 1997 Ozone Standard.

#A FND was filed for this source category in 2006. This FND is being updated to indicate that it is also applicable to the 2015 RACT SIP for the 2008 ozone standard.

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APPENDIX "B"
PUBLIC NOTICE DOCUMENTS

(to be included when available)

1. Proof of Publication - Antelope Valley Press, October 14, 2016

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AFFIDAVIT OF PUBLICATION

(2015.5 C.C.P.)

STATE OF CALIFORNIA

County of Los Angeles

} s s

The space above for filing stamp only

AVAQMD
OCT 18 2016
RECEIVED

**NOTICE OF HEARING
ADOPTION OF FEDERAL NEGATIVE
DECLARATIONS FOR SEVEN CTG SOURCE
CATEGORIES**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the **Antelope Valley Press**, a newspaper of general circulation, printed and published daily in the City of Palmdale, County of Los Angeles, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, under date of October 24, 1931, Case Number 328601; Modified Case Number 657770 April 11, 1956; also operating as the Ledger-Gazette, adjudicated a legal newspaper June 15, 1927, by Superior Court decree No. 224545; also operating as the Desert Mailer News, formerly known as the South Antelope Valley Foothill News, adjudicated a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California on May 29, 1967, Case Number NOC564 and adjudicated a newspaper of general circulation for the City of Lancaster, State of California on January 26, 1990, Case Number NOC10714, Modified October 22, 1990; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

October 14, 2016

I certify (or declare) under penalty of perjury that the fore-going is true and correct.

Signature

Dated: October 14, 2016
Executed at Palmdale, California

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) will conduct a public hearing on November 15, 2016 at 10:30 A.M. to consider the proposed adoption of the *Federal Negative Declarations for Seven Control Techniques Guidelines (CTG) Source Categories*.

SAID HEARING will be conducted in the Governing Board Chambers located at the AVAQMD offices 43301 Division Street, Suite 206, Lancaster, CA 92525-4649 where all interested persons may be present and be heard. Copies of the proposed *Federal Negative Declarations for Seven CTG Source Categories* and the Staff Report are on file and may be obtained from the Clerk of the Governing Board at the AVAQMD Offices. Written comments may be submitted to Bret Banks, APCO at the above office address. Written comments must be received no later than November 14, 2016 to be considered. If you have any questions you may contact Tracy Walters at (760) 245-1661 extension 6122 for further information.

The Federal Clean Air Act (CAA) requires areas designated non-attainment and classified moderate and above to implement Reasonably Available Control Technology (RACT) for sources subject to CTG documents issued by the USEPA for "major sources" of volatile organic compounds (VOCs) and oxides of nitrogen (NOX) which are ozone precursors. For those source categories not represented within the AVAQMD, USEPA requires the submission of a "Negative Declaration" certifying that those sources are not present. These Federal "Negative Declarations" are revisions to the State Implementation Plan (SIP). The *Federal Negative Declarations for 20 Source Categories* was adopted by the AVAQMD on July 21, 2015. The *Federal Negative Declarations for Seven CTG Source Categories* must be adopted to account for seven additional source categories. These seven source categories are: Can Coating (Control of Volatile Organic Emissions from Existing Stationary Sources - Volume II: Surface Coating of Cans, Coils, Paper, Fabrics, Automobiles, and Light-Duty Trucks (EPA-450/2-77-008, 05/1977)); Drum Coating (CTG for Miscellaneous Metal and Plastic Parts Coatings (EPA-453/R-08-003, 09/2008)); Flat Wood Paneling Coating (Control of Volatile Organic Emissions from Existing Stationary Sources - Volume VII: Factory Surface Coating of Flat Wood Paneling (EPA-450/2-78-032, 06/1978)); Pleasure Craft Coating (CTG for Miscellaneous Metal and Plastic Parts Coatings (EPA-453/R-08-003, 09/2008)); Large Petroleum Dry Cleaning (Control of Volatile Organic Compound Emissions from Large Petroleum Dry Cleaners (EPA-450/3082-009, 09/1982)); Metal Furniture Coating (Control of Volatile Organic Emissions from Existing Stationary Sources - Volume III: Surface Coating of Metal Furniture (EPA-450/2-77-032, 12/1977)); and CTG for Metal Furniture Coating (EPA-453/R-07-005, 09/2007); and Tank Truck Gasoline Loading Terminals (Control of Hydrocarbons from Tank Truck Gasoline Loading Terminals (EPA-450/2-71-026, 10/1977)).

Pursuant to the California Environmental Quality Act (CEQA) the AVAQMD has determined that a Categorical Exemption (Class 8-14 Cal. Code Reg 15308) applies and has prepared a *Notice of Exemption* for this action.

Crystal Goree
Deputy Clerk of the Board
Antelope Valley Air Quality Management District
Published October 14, 2016

37404 SIERRA HWY., PALMDALE CA 93550
Telephone (661)267-4112/Fax (661)947-4870

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APPENDIX "C"
PUBLIC COMMENTS AND RESPONSES

1. USEPA Email, 08/29/2016

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1. USEPA Email 08/29/2016

Tracy Walters

From: Tong, Stanley <Tong.Stanley@epa.gov>
Sent: Monday, August 29, 2016 11:03 AM
To: Tracy Walters
Cc: Shears, James; Alan De Salvio
Subject: RACT SIP questions for 2pm call

Tracy,

Here are questions we'd like to discuss at 2 – We'll call Alan's office 760 245-1661 x 6726

Rule 462 *Organic Liquid Loading* – amending to address deficiencies in the Limited Approval/Limited Disapproval in the NPRM issued 62 FR 26460, 05/14/1997?

Rule 1110.2 *Emissions from Stationary, Non-road and Portable Internal Combustion Engines* – amending to remove agricultural exemption?

Rule 1141.1 *Coatings and Ink Manufacturing* - not a CTG category. Does AV have a major source?

Rule 1151 - *Motor Vehicle and Mobile Equipment Coating Operations* - amend cover BYD Heavier Duty Vehicles, (but 1151 is for auto refinishing)

Rule 1171 - *Solvent Cleaning Operations* amend rule to incorporate work practices from 2006 CTG?

Evaluate Negative Declarations for: (not listed in 2015 RACT SIP)

EPA-450/2-77-008 Can coating portion
EPA-453/R-08-003 Drum coating portion
EPA-450/2-77-026 Tank Truck Gasoline Loading Terminals
EPA-450/2-78-032 Flat Wood Paneling coating (AV has neg dec for 2006 CTG)
EPA-450/2-77-032 Metal Furniture coating (AV has neg dec for 2007 CTG)

Evaluate Negative Declarations for 2006 RACT SIP:

EPA-450/3-82-009 Large Petroleum Dry Cleaners
EPA-450/2-78-032 Flat Wood Paneling coating
EPA-450/2-77-036 Fixed Roof tanks
EPA-450/2-78-047 External Floating Roof tanks

Rule 1106.1 *Pleasure Craft Coating* – does AV have sources? - 6/13/97 (latest in SIP is 5/1/92 - fm SC?) - in between SC/AV split?

Rule 1107 *Metal parts and Products* – being amended? 3/8/96 (latest in SIP is 5/12/95- fm SC?) - in between SC/AV split?

Stanley Tong
US EPA Region IX
Air Division - Rules Office (AIR 4)
75 Hawthorne St.
San Francisco, CA 94105

tong.stanley@epa.gov
415 947 4122 (w)
415 947 3579 (f)

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1. District Response to USEPA Email

The AVAQMD will add FNDs for those source categories that were reevaluated. Please see Appendix “A” of this Staff Report, specifically Table 1, for a list of those additional source categories for which a FND is being filed.

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APPENDIX "D"
CALIFORNIA ENVIRONMENTAL QUALITY ACT
DOCUMENTATION

1. Draft Notice of Exemption – Los Angeles County

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NOTICE OF EXEMPTION

TO: Los Angeles County Clerk
12400 E. Imperial Hwy, #1001
Norwalk, CA 90650

FROM: Antelope Valley
Air Quality Management District
43301 Division Street, Suite 206
Lancaster, CA 93535-4649

X AVAQMD Clerk of the Governing Board

PROJECT TITLE: Adoption of the *Federal Negative Declarations for Seven CTG Source Categories*

PROJECT LOCATION – SPECIFIC: Los Angeles County portion of the Mojave Desert Air Basin.

PROJECT LOCATION – COUNTY: Los Angeles County

DESCRIPTION OF PROJECT: The Federal Clean Air Act (FCAA) requires areas designated non-attainment and classified moderate and above to implement Reasonably Available Control Technology (RACT) for sources subject to CTG documents issued by the USEPA and for “major sources” of volatile organic compounds (VOCs) and oxides of nitrogen (NO_x) which are ozone precursors. For those source categories not represented within the AVAQMD, USEPA requires the submission of a “Negative Declaration” certifying that those sources are not present. These Federal “Negative Declarations” are revisions to the State Implementation Plan (SIP). The *Federal Negative Declarations for 20 Source Categories* was adopted by the AVAQMD on July 21, 2015. The *Federal Negative Declarations for Seven CTG Source Categories* must be adopted to account for seven additional source categories. These seven source categories are: Can Coating (*Control of Volatile Organic Emissions from Existing Stationary Sources - Volume II: Surface Coating of Cans, Coils, Paper, Fabrics, Automobiles, and Light-Duty Trucks* (EPA-450/2-77-008, 05/1977)); Drum Coating (*CTG for Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, 09/2008)); Flat Wood Paneling Coating (*Control of Volatile Organic Emissions from Existing Stationary Sources - Volume VII: Factory Surface Coating of Flat Wood Paneling* (EPA-450/2-78-032, 06/1978)); Pleasure Craft Coating (*CTG for Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, 09/2008)); Large Petroleum Dry Cleaning (*Control of Volatile Organic Compound Emissions from Large Petroleum Dry Cleaners* (EPA-450/3082-009, 09/1982)); Metal Furniture Coating (*Control of Volatile Organic Emissions from Existing Stationary Sources - Volume III: Surface Coating of Metal Furniture* (EPA-450/2-77-032, 12/1977), and *CTG for Metal Furniture Coating* (EPA-453/R-07-005, 09/2007)); and Tank Truck Gasoline Loading Terminals (*Control of Hydrocarbons from Tank Truck Gasoline Loading Terminals* (EPA-450/2-77-026, 10/1977)).

NAME OF PUBLIC AGENCY APPROVING PROJECT: Antelope Valley AQMD

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: Antelope Valley AQMD

EXEMPT STATUS (CHECK ONE)

Ministerial (Pub. Res. Code §21080(b)(1); 14 Cal Code Reg. §15268)

Emergency Project (Pub. Res. Code §21080(b)(4); 14 Cal Code Reg. §15269(b))

X Categorical Exemption – Class 8 (14 Cal Code Reg. §15308)

REASONS WHY PROJECT IS EXEMPT: The proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories* is exempt from CEQA review because it will not create any adverse impacts on the environment since there are no sources in these seven categories and this document merely certifies this fact. Because there is no potential that the adoption might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

LEAD AGENCY CONTACT PERSON: Bret Banks **PHONE:** (661) 723-8070

SIGNATURE: _____ **TITLE:** APCO **DATE:** December 20, 2016

DATE RECEIVED FOR FILING:

APPENDIX "E" BIBLIOGRAPHY

The following documents were consulted in the preparation of this staff report and the proposed adoption of the *Federal Negative Declarations for Seven CTG Source Categories*:

1. EPA – various CTGs

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

AGENDA ITEM 10

DATE: December 20, 2016

RECOMMENDATION: 1) Award an amount not to exceed \$48,819.20 in Mobile Source Emission Reductions Program (AB 923) funds to the City of Lancaster toward the purchase and installation of Electric Vehicle Charging Stations in part with Southern California Edison's Charge Ready Program Pilot Project; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

SUMMARY: This item awards funding to the City of Lancaster to purchase and install Electric Vehicle Charging Stations in part with Southern California Edison's (SCE) Charge Ready Program Pilot Project plan to deploy as many as 1,500 Electric Vehicle Charging Stations within its service territory throughout California.

BACKGROUND: The City of Lancaster submitted a request to the District requesting 80 percent of the costs associated with the purchase and installation of Electric Vehicle (EV) Charging Stations in participation of SCE's Charge Ready Program Pilot to deploy infrastructure to serve EV charging throughout various California cities. Through this program, SCE will install and maintain the complete electric infrastructure serving the Charging Stations at no cost to the City. The City will purchase, own and maintain the Charging Stations and will manage the network which includes paying monthly energy charges and setting transaction/charge fees. In partnership with the Antelope Valley Hospital, the first pilot charging project will be located in the Hospital's main parking lot with a total of six dual charging units for charging up to 12 EVs.

The City of Lancaster's participation in the Charge Ready Program will help move California closer to the 2025 goal of putting 1.5 million zero-emission vehicles on the road as well as reducing greenhouse gases.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeegan

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

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REASON FOR RECOMMENDATION: Governing Board approval is needed to approve the grant and allocation from the District's Mobile Source Emission Reductions (AB 923) funds. Additionally, Governing Board authorization is needed for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

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 about November 5, 2016

FINANCIAL DATA: Funds are granted from the District's Mobile Source Emission Reductions (AB 923) funds and will be paid to grantee as funds become available.

PRESENTER: Julie McKeehan, Air Quality Specialist

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

AGENDA ITEM 11

DATE: December 20, 2016

RECOMMENDATION: 1) Award an amount not to exceed \$63,377 in Mobile Source Emission Reductions Program (AB 923) funds to Antelope Valley Schools Transportation Agency for Compressed Natural Gas (CNG) tank replacements; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

SUMMARY: This item awards an amount not to exceed \$63,377 in Mobile Source Emission Reductions Program (AB 923) funds for 80 percent of the replacement costs of the CNG fuel tanks on four school buses. Each bus contains four CNG fuel tanks that require replacement to continue Department of Transportation (DOT) certification.

BACKGROUND: AVSTA has applied for grant assistance to replace the CNG fuel tanks on four Model Year 2002 CNG school buses that have a manufacturer's expiration date of November 2016. The DOT requires that CNG fuel tanks be replaced after the manufacturer's recommended service life, typically 15 years, in order to remain on the road serving California's school children. School buses generally have a useful lifetime of about 25 years which means that the fuel tanks must be replaced during the lifetime of the bus. Additionally, CNG school bus tanks must pass a visual CHP inspection every three years. Staff has evaluated the project pursuant to program guidelines for the use of AB 923 funds and proposes to award 80 percent to offset a portion of the costs for the CNG fuel tank replacements.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

**MINUTES OF THE GOVERNING BOARD
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LANCASTER, CALIFORNIA**

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REASON FOR RECOMMENDATION: Governing Board approval is needed to approve the grant and allocation from the District's Mobile Source Emission Reductions (AB 923) funds. Additionally, Governing Board authorization is needed for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

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 about November 5, 2016

FINANCIAL DATA: Funds are granted from the District's Mobile Source Emission Reductions (AB 923) funds and will be paid to grantee as funds become available.

PRESENTER: Julie McKeehan, Air Quality Specialist

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

AGENDA ITEM 12

DATE: December 20, 2016

RECOMMENDATION: 1) Award an amount not to exceed \$5,794 in Mobile Source Emission Reductions Program (AB 2766) funds to Antelope Valley Schools Transportation Agency (AVSTA) for Compressed Natural Gas (CNG) bus engine system repairs; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

SUMMARY: This item awards an amount not to exceed \$5,794 in Mobile Source Emission Reductions Program (AB 2766) funds to AVSTA for CNG bus engine system repairs.

BACKGROUND: AVSTA has requested grant assistance from the AVAQMD to perform CNG engine system repairs on a CNG bus in the current process of a transfer-of-ownership to AVSTA. The CNG bus requires engine system repairs and CHP inspection prior to being placed into operation for transportation of children ages K-12. Mobile Source Emission Reductions Program (AB 2766) funding for alternative fuel vehicles projects is appropriate use of funds in an effort to decrease emissions and for the health and safety of student transportation.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

**MINUTES OF THE GOVERNING BOARD
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REASON FOR RECOMMENDATION: Governing Board approval is needed to approve the grant and allocation from the District's Mobile Source Emission Reductions (AB 2766) funds. Additionally, Governing Board authorization is needed for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

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 about November 5, 2016

FINANCIAL DATA: Sufficient funds are granted from the District's Mobile Source Emission Reductions (AB 2766).

PRESENTER: Bret Banks, Executive Director/APCO