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Lancaster, CA 93535
(661) 723-8070
www.avaqmd.ca.gov

"It's a Breath of Fresh Air"

Adopted
BUDGET
FISCAL YEAR 2017-18

July 1, 2017

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Lancaster, CA 93535

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Governing Board of the
Antelope Valley Air Quality Management District

This is the budget of the Antelope Valley Air Quality Management District (AVAQMD) for Fiscal Year 2017-18. This document provides for the required, necessary and desired services as established by this Governing Board and various Federal, State, and local regulations. A budget is designed to provide the Board and staff with a tool from which sound fiscal management decisions may be made.

The Consolidated Budget includes estimated revenues and expenses for all AVAQMD activity, including the grant programs. The General Fund Revenue Budget, in the amount of \$1,625,950 is a projected 7.3% increase from the prior fiscal year, due in part to a recommended 12% increase imposed January 1, 2017, and a proposed 7.5% increase on annual renewal fees and applications (Rule 301), and 15% on Plan Fees (Rule 302) effective January 1, 2018.

The General Fund Expense Budget, in the amount of \$1,625,950 reflects an overall increase of 7.3% from the budget for FY 2015-16. The planned expenditures include continuing projects to help streamline government and regulatory functions. The AVAQMD contracts most of its services from the Mojave Desert Air Quality Management District.

The AVAQMD is a service based agency in which program staff (salaries and benefits for 7.5 full time equivalent - FTE) will comprise 71.4% of the operations budget. The office is supported with six full time positions. Additional services are provided as needed under contract with the Mojave Desert AQMD.

This proposed budget represents a financial plan to meet obligations and challenges for Fiscal Year 2018.

Bret S. Banks
Executive Director/
Air Pollution Control Officer

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"It's a breath of fresh air"

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Antelope Valley AQMD
"It's a breath of fresh air"

INTRODUCTION

The Antelope Valley Air Quality Management District continues to successfully reach the industry and sources that may be affected by air quality regulations. A practice of routine inspections ensures compliance to local, state and federal air quality regulations. Proactive contact with local businesses has generated interest in environmental issues and increased compliance rates.

The District approaches air quality regulations in a manner that is responsive and accessible. Growth and new programs demand that the District continue to strive to streamline government, become more efficient, and conserve resources without limiting or decreasing the service provided to the regulated community. Several ongoing programs and projects, with their associated costs, address these efficiency issues.

The AVAQMD contracts most of its services from the Mojave Desert Air Quality Management District (MDAQMD). MDAQMD staff is used for specific expertise to support the Antelope Valley office and provide a full service agency. Certain administrative functions and support of the AVAQMD are performed at Mojave Desert AQMD's Victorville location.

DISTRICT PROGRAMS AND PROJECTS

Community Outreach

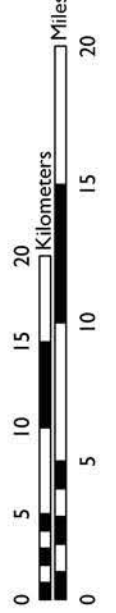
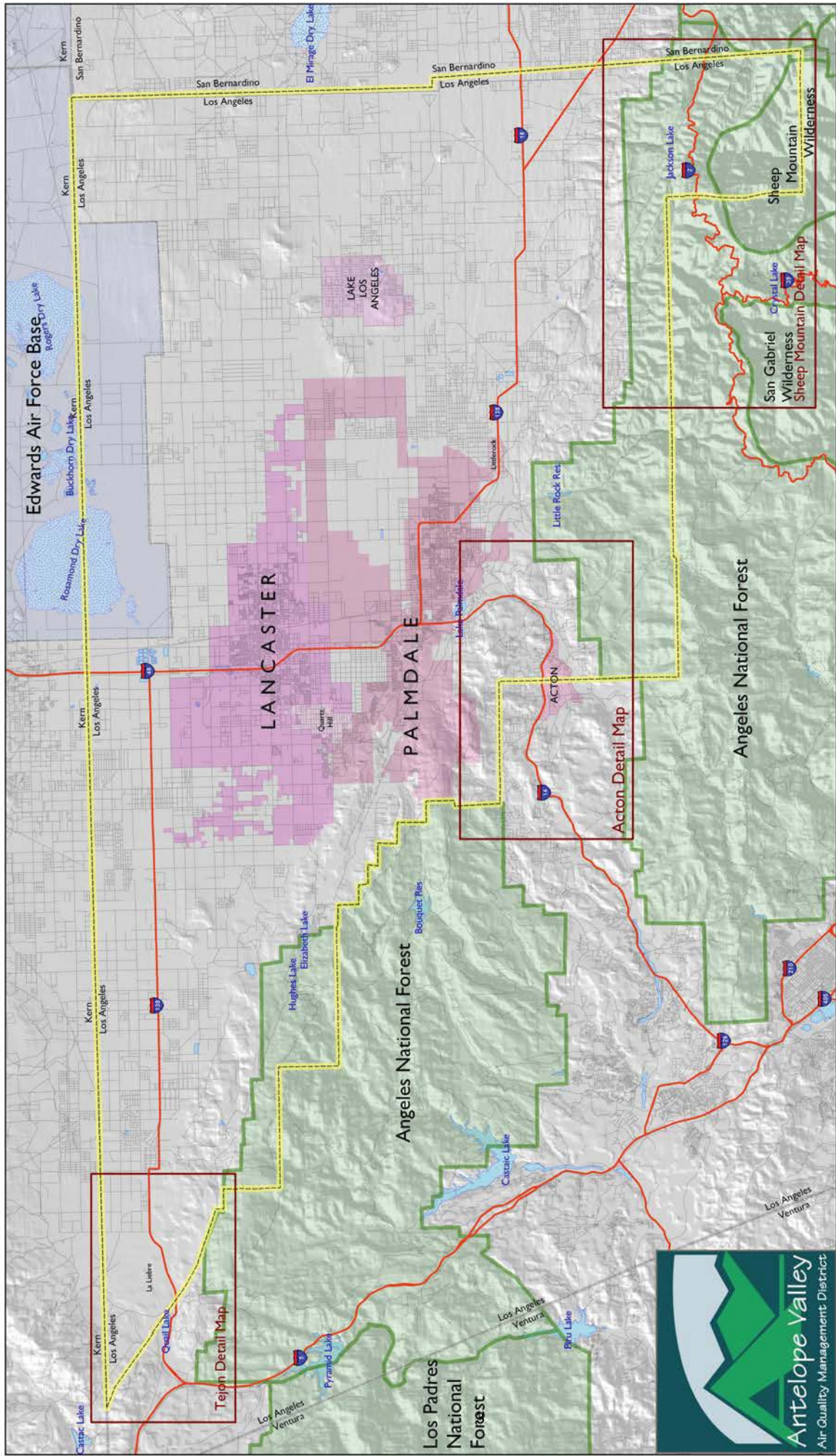
The District strives to be known throughout the community as a partner in the development of the local economy while protecting human health and the environment. This representation is achieved by providing information through participation in community events such as the Antelope Valley Board of Trade Business Outlook Conference, school education programs, and business opportunity forums.

Mobile Emissions Reduction Program

This grant program encourages projects sponsored by private or public agencies that reduce the impact of pollution generated by mobile emission sources in the Antelope Valley region. The Governing Board awards grants using funds collected from vehicle registrations (AB 2766 and AB 923) and awarded by the State of California through the Carl Moyer program (State of California).

AVAQMD Website

Providing information to the general public may be the most important investment the District can make to impact the future air quality of the region. Using the internet allows the District to provide a contemporary medium to reach the public with the latest version of the District rulebook, application for permits and other forms, and air quality information, including forecasting and real-time air quality data. The site also has links to regional ozone maps found at <http://www.avaqmd.ca.gov/>



Antelope Valley Air Quality Management District Boundary





Governing Board Members
April 2017

Marvin Crist, *Chair*
City of Lancaster

Ronald A. Hawkins, *Vice Chair*
Los Angeles County
District Supervisor Appointment

Austin Bishop
City of Palmdale

Steven Hofbauer
City of Palmdale

Ken Mann
City of Lancaster

Vern Lawson
Los Angeles County
District Supervisor Appointment

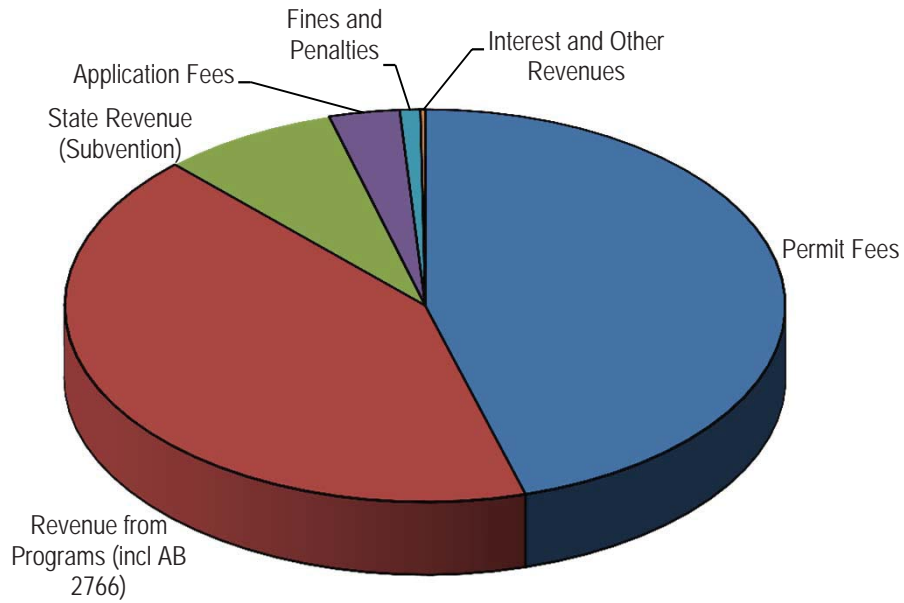
Newton Chelette
Public Member

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Antelope Valley AQMD
Consolidated Budget (All Funds)

	Adopted Budget FY 2017	End-of-Year Estimate FY 2017	Adopted Budget FY 2018
Revenues			
Permit Fees	637,480	735,093	740,000
Application Fees	47,500	52,154	51,450
Fines & Penalties	12,000	21,150	15,000
Interest Income	13,300	19,464	15,900
Revenue from Programs	2,396,065	2,728,518	2,537,404
State Revenue	126,000	130,008	129,000
Total Revenues	3,232,345	3,686,387	3,488,754
Expenses			
Personnel Expenses			
Program Staff	1,205,592	1,083,865	1,193,926
Total Personnel Expenses	1,205,592	1,083,865	1,193,926
Operating Expenses			
Communications	23,500	18,697	43,500
Dues & Subscriptions	10,500	6,776	10,500
Non-Depreciable Inventory	6,300	6,366	8,000
Legal	17,000	18,043	19,000
Professional Services	185,335	210,713	221,750
Maintenance & Repairs	7,000	6,010	6,575
Training & Travel	9,500	5,672	11,000
Vehicles	10,000	8,284	10,500
Office Expenses	96,380	83,896	94,475
Program Expenses	1,637,438	1,976,258	1,784,228
Miscellaneous Expenses	800	733	800
Total Operating Expenses	2,003,753	2,341,448	2,210,328
Capital Expenses			
Furniture & Fixtures	0	0	25,000
Equipment	0	0	12,000
Vehicles	0	0	25,000
Computers	0	0	20,000
Software	23,000	782	2,500
Total Capital Expenses	23,000	782	84,500
Total Expenses	3,232,345	3,426,095	3,488,754
Cash To (From) Reserves	0	260,292	0

**Antelope Valley AQMD
General Fund
Sources of Estimated Revenue
Fiscal Year 2017-18**



REVENUE TYPES	AMOUNT	% of Total
Permit Fees	740,000	45.51%
Revenue from Programs (incl AB 2766)	687,000	42.25%
State Revenue (Subvention)	129,000	7.93%
Application Fees	51,450	3.16%
Fines and Penalties	15,000	0.92%
Interest and Other Revenues	3,500	0.22%
TOTAL	1,625,950	100%

Antelope Valley AQMD
General Fund Budget
Revenue Detail

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Adopted Budget FY 2018</u>
Revenues			
Permit Fees			
Permit Fees Rev	545,000	612,853	625,000
Asbestos Demo/Reno Rev	65,000	82,271	72,000
Title V Rev	4,480	4,000	4,000
Rule Revenue	<u>23,000</u>	<u>35,969</u>	<u>39,000</u>
	637,480	735,093	740,000
Application Fees			
Permit Application Fees	46,000	50,204	49,450
AG Application Fees	<u>1,500</u>	<u>1,950</u>	<u>2,000</u>
	47,500	52,154	51,450
Fines & Penalties			
Notice of Violations Fee	<u>12,000</u>	<u>21,150</u>	<u>15,000</u>
	12,000	21,150	15,000
Interest Income			
Interest Revenue	<u>3,300</u>	<u>5,791</u>	<u>3,500</u>
	3,300	5,791	3,500
Other Revenue			
Revenue from Programs			
AB2766 Program	686,250	773,394	685,000
Hot Spots	<u>3,000</u>	<u>2,298</u>	<u>2,000</u>
	689,250	775,692	687,000
State Revenue			
PERP Regulation	27,000	30,517	30,000
State Subvention	<u>99,000</u>	<u>99,491</u>	<u>99,000</u>
	126,000	130,008	129,000
Total General Fund Revenues	<u>1,515,530</u>	<u>1,719,888</u>	<u>1,625,950</u>

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AIR QUALITY PROGRAM DESCRIPTIONS and Projects

Community Relations and Education Program

The Antelope Valley Air Quality Management District conducts public information and education programs in order to fulfill the requirement of the California Clean Air Act of 1988. The task is to inform the public about air pollution, its sources, health effects on humans, and damage to the environment. Education is provided on methods of control and to encourage individual means of reducing pollution.

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

Air Quality Monitoring Program

Air Quality Surveillance participates in an ambient air monitoring and meteorological network to track air quality trends with an air monitoring station in Lancaster. The station is part of the State and Local Air Monitoring System (SLAMS) network.

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

Compliance Program

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

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

Stationary Sources Program

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

District staff provides technical reviews of official documents, such as test reports, risk assessments, EIS/EIR's, as well as technical assistance to permit applicants, other agencies, and manufacturers. The District implements and manages:

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

Planning, Rulemaking

The District promulgates rules and plans in accordance with State and Federal attainment and maintenance planning requirements in order to achieve and maintain regional compliance with the various ambient air quality standards.

Planning staff serve as the District liaison with regional, State and Federal governments, ensuring District compliance with applicable requirements and significant developments. Planning staff also perform California Environmental Quality Act (CEQA) review and comment functions in the District's role as the expert agency for air quality. Staff in Planning and Rulemaking implement and maintain the following programs:

- California Ambient Air Quality Standards Attainment Planning, as codified in the California Clean Air Act and subsequent state legislation. This program currently focuses on the California ozone standard.
- National Ambient Air Quality Standards (NAAQS), as codified in the Federal Clean Air Act, the Clean Air Act Amendments and subsequent Federal legislation. This program currently focuses on the National one-hour and eight-hour ozone standards, the National 24-hour, annual PM10 standards, and National 24-hour, annual PM2.5 standards.
- Federal General and Transportation Conformity, entailing regional project review and comment
- California Environmental Quality Act (CEQA), requiring local and regional project review

- National Environmental Protection Act (NEPA), requiring local and regional project review

Mobile Source Emission Reduction Program

This program provides grants to projects that reduce emissions from mobile sources (and other limited categories). Funding for the grants include AB 2766 funds (four dollars assessed by the District's Governing Board and collected by the California Department of Motor Vehicles on motor vehicle registrations) as may be periodically allocated by the Governing Board and all funds under the Carl Moyer Program. Calls for projects, eligibility determinations, and Governing Board award are all part of the process that makes funds available to the region for qualified emission reducing projects.

Funds collected under AB 923 allows air districts in state non-attainment areas to adopt an additional two dollar surcharge on motor vehicle registration fees to be used strictly for incentive-based emission reduction funding programs. The use of the additional fees is limited to projects eligible for grants under the Carl Moyer Program, the purchase of school buses under the Lower-Emission School Bus Program, light-duty scrap or repair programs and unregulated agricultural sources.

Carol Moyer Grant Program Funds are distributed by the California Air Resources Board for projects obligated by the District under this state regulated program. Projects are awarded on a formula basis according to specific criteria and cost effectiveness.

Antelope Valley AQMD
General Fund
District Wide Expense Budget Detail

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Adopted Budget FY 2018</u>
Expenses			
Personnel Expenses			
Operating Expenses			
Communications			
Telephones	5,000	2,313	2,000
Long Distance Charges	500	257	500
Cellular Phones	0	250	0
Internet	12,000	14,111	15,000
Web Hosting	4,000	1,500	4,000
Tech Support	2,000	266	22,000
	<u>23,500</u>	<u>18,697</u>	<u>43,500</u>
Dues & Subscriptions			
Memberships & Sponsorships	10,000	6,391	10,000
Publications & Subscriptions	500	385	500
	<u>10,500</u>	<u>6,776</u>	<u>10,500</u>
Non-Depreciable Inventory			
Furniture & Fixtures Exp	2,500	453	2,500
Machinery & Equipment Exp	3,500	3,503	3,500
Safety Equipment Exp	300	2,410	2,000
	<u>6,300</u>	<u>6,366</u>	<u>8,000</u>
Legal			
Legal Notices	2,000	3,630	4,000
Legal Services	15,000	14,413	15,000
	<u>17,000</u>	<u>18,043</u>	<u>19,000</u>
Professional Services			
Financial Services	12,000	0	0
Research Studies	6,000	6,000	6,000
Consulting Fees	3,000	2,465	3,000
Stipends	8,400	5,300	8,400
	<u>29,400</u>	<u>13,765</u>	<u>17,400</u>
Maintenance & Repairs			
General Bldg. Maintenance	2,000	1,735	2,000
Custodial Services	3,000	2,700	3,000
Equipment Repair	2,000	1,575	1,575
	<u>7,000</u>	<u>6,010</u>	<u>6,575</u>
Training & Travel			
Training	3,000	1,408	3,000
Travel	3,000	3,509	7,000
Mileage	500	0	0
	<u>6,500</u>	<u>4,917</u>	<u>10,000</u>

Antelope Valley AQMD
General Fund
District Wide Expense Budget Detail

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Adopted Budget FY 2018</u>
Vehicles			
Vehicle Gas & Oil	5,000	4,099	5,000
Vehicle Maintenance	2,500	1,001	2,500
Vehicle Repairs	0	499	0
Vehicle Insurance	2,000	2,685	3,000
	<u>9,500</u>	<u>8,284</u>	<u>10,500</u>
Office Expenses			
Software	3,500	3,560	3,500
Utilities	6,600	6,764	6,600
Supplies	3,200	3,563	3,500
Facility Leases	56,000	53,387	58,000
Equipment Lease	8,000	5,191	7,000
Postage	600	209	300
Courier	175	33	175
Printing/Shredding Services	855	397	450
Security	750	467	750
Liability Insurance	8,000	5,997	7,000
Meeting Expenses	500	321	500
Community Relations	2,000	2,072	2,000
	<u>90,180</u>	<u>81,961</u>	<u>89,775</u>
Program Expenses			
Program Expenditures	10,000	8,854	10,000
Contributions to Other Agencies	4,850	500	4,850
	<u>14,850</u>	<u>9,354</u>	<u>14,850</u>
Miscellaneous Expenses			
Bank Fees	800	733	800
	<u>800</u>	<u>733</u>	<u>800</u>
Total Operating Expenses	215,530	174,906	230,900
Capital Expenses			
Furniture & Fixtures	0	0	25,000
Equipment	0	0	12,000
Vehicles	0	0	25,000
Computers	0	0	20,000
Software	10,000	0	0
Total Capital Expenses	10,000	0	82,000
Total Expenses	225,530	174,906	312,900

SUPPORT PROGRAM DESCRIPTIONS***Executive Office***

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

The Governing Board, with seven members, meets monthly and members receive \$100.00 stipend per meeting plus travel expenses. The Hearing Board, with five members, meets as needed and members may receive \$100.00 stipend per meeting plus travel expenses. The Rule Development Committee meets periodically with members of District staff and permitted facilities.

Legal Counsel

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

Special Counsel to the Governing Board also analyzes legislative bills proposed in the California Legislature that may impact the District, proposes strategies, and provides information to the Governing Board regarding such legislation.

Operations

Operations activities include staff technical training, establishing program policies and procedures, monitoring workflow and performance levels, violation settlement negotiations, public information, inter- and intra-agency coordination, committee representation, program planning and streamlining, as well as being responsible for fostering a positive working relationship with the regulated community.

District memberships include the California Air Pollution Control Officers Association, the California Special Districts Association, and Antelope Valley Board of Trade, California Natural Gas Vehicle Coalition, Antelope Valley College President's Circle, Los Angeles County Farm Bureau.

The Clerk of the Board records official minutes of all meetings of the Governing Board; maintains the files for all actions of the Governing Board and distributes copies of orders and directives of the Board to appropriate agencies and members of the public; schedules, prepares and distributes the Board agenda. The Clerk also serves the Hearing Board, gives notice of hearings, distributes recommendations of particular boards and maintains the conflict of interest files for the District.

Administrative Services

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

**Antelope Valley AQMD
General Fund
Contracted Services Expense Budget Detail**

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Adopted Budget FY 2018</u>
Expenses			
Personnel Expenses			
Program Staff	1,111,365	1,083,865	1,100,000
Total Personnel Expenses	<u>1,111,365</u>	<u>1,083,865</u>	<u>1,100,000</u>
Operating Expenses			
Communications			
Dues & Subscriptions			
Non-Depreciable Inventory			
Legal			
Professional Services			
Payroll Contract	300	102	150
Financial Services	155,635	196,846	204,200
	<u>155,935</u>	<u>196,948</u>	<u>204,350</u>
Maintenance & Repairs			
Training & Travel			
Training	1,000	400	500
Travel	1,000	355	500
Mileage	1,000	0	0
	<u>3,000</u>	<u>755</u>	<u>1,000</u>

**Antelope Valley AQMD
General Fund
Contracted Services Expense Budget Detail**

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Adopted Budget FY 2018</u>
Vehicles			
Vehicle Gas & Oil	500	0	0
	<u>500</u>	<u>0</u>	<u>0</u>
Office Expenses			
Software	5,000	1,099	3,450
Supplies	100	85	150
Postage	1,000	751	1,000
Printing/Shredding Services	0	0	100
Meeting Expenses	100	0	0
	<u>6,200</u>	<u>1,935</u>	<u>4,700</u>
Program Expenses			
Program Expenditures	0	405	500
	<u>0</u>	<u>405</u>	<u>500</u>
Miscellaneous Expenses			
Total Operating Expenses	<u>165,635</u>	<u>200,043</u>	<u>210,550</u>
Capital Expenses			
Software	13,000	782	2,500
Total Capital Expenses	<u>13,000</u>	<u>782</u>	<u>2,500</u>
Total Expenses	<u><u>1,290,000</u></u>	<u><u>1,284,690</u></u>	<u><u>1,313,050</u></u>

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Antelope Valley AQMD
General Fund Consolidated Budget

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimate FY 2017</u>	<u>Adopted Budget FY 2018</u>
Revenues			
Permit Fees	637,480	735,093	740,000
Application Fees	47,500	52,154	51,450
Fines & Penalties	12,000	21,150	15,000
Interest Income	3,300	5,791	3,500
Revenue from Programs	689,250	775,692	687,000
State Revenue	<u>126,000</u>	<u>130,008</u>	<u>129,000</u>
Total Revenues	<u>1,515,530</u>	<u>1,719,888</u>	<u>1,625,950</u>
Expenses			
Personnel Expenses			
Program Staff	<u>1,111,365</u>	<u>1,083,865</u>	<u>1,100,000</u>
Total Personnel Expenses	<u>1,111,365</u>	<u>1,083,865</u>	<u>1,100,000</u>
Operating Expenses			
Communications	23,500	18,697	43,500
Dues & Subscriptions	10,500	6,776	10,500
Non-Depreciable Inventory	6,300	6,366	8,000
Legal	17,000	18,043	19,000
Professional Services	185,335	210,713	221,750
Maintenance & Repairs	7,000	6,010	6,575
Training & Travel	9,500	5,672	11,000
Vehicles	10,000	8,284	10,500
Office Expenses	96,380	83,896	94,475
Program Expenses	14,850	9,759	15,350
Miscellaneous Expenses	<u>800</u>	<u>733</u>	<u>800</u>
Total Operating Expenses	<u>381,165</u>	<u>374,949</u>	<u>441,450</u>
Capital Expenses			
Furniture & Fixtures	0	0	25,000
Equipment	0	0	12,000
Vehicles	0	0	25,000
Computers	0	0	20,000
Software	<u>23,000</u>	<u>782</u>	<u>2,500</u>
Total Capital Expenses	<u>23,000</u>	<u>782</u>	<u>84,500</u>
Total Expenses	<u>1,515,530</u>	<u>1,459,596</u>	<u>1,625,950</u>
Cash To (From) Reserves	<u><u>0</u></u>	<u><u>260,292</u></u>	<u><u>0</u></u>

Expense Category	Expense Description
<u>Operating Expenses</u>	
Communications	Services for telephone, internet, video teleconferencing, web hosting, cloud backup, disaster recovery solution, and related tech support
Dues & Subscriptions Membership	Memberships with California Air Pollution Control Officers Association (CAPCOA), California Special Districts Association (CSDA), Antelope Valley Board of Trade (AVBOT), Greater Antelope Valley Economic Alliance (GAVEA), Antelope Valley College President's Circle, Los Angeles County Farm Bureau; retail merchants
Non-Depreciable Inventory	Small office equipment, field equipment, replaces PCs as needed, safety equipment
Legal	Charges for public noticing requirements; third party contract for Special Counsel to the Governing Board
<u>Professional Services</u>	
Financial Services	<u>Contracted:</u> Overhead charges to the Mojave Desert Air Quality Management District for contract services
Research Studies	Funds designated for consultant services to support or develop strategies designated by the District for air quality specific projects in the Antelope Valley
Consultant Fees	<u>District Wide:</u> Allowances for professional services, as needed.
Stipends	Board member stipend based on maximum number of meetings (Governing Board and Hearing Board).
<u>Training & Travel</u>	
Vehicles	Staff support for training in Environmental Cross Media, VEE Recertification, Asbestos, CARB Source Specific Training, staff training, participation in California Air Pollution Control Officers Association (CAPCOA), general training, Board member development and training, and associated travel costs.
	Fuel, oil, maintenance for the District's fleet of four light duty vehicles

Expense Category	Expense Description
<u>Office Expenses</u>	
Software	Annual maintenance contracts, network server maintenance, and desktop solutions
Liability insurance	The District is a member of the Special District Risk Management Authority (SDRMA), a risk management pool for liability insurance and related coverage.
Community Relations	Products, events, and publications (public service Recognition such as the AIRE awards, promotional items for community outreach events; special event fees for Looking Good Lancaster, Antelope Valley Board of Trade Business Outlook Conference, and Salute to Youth)
<u>Program Expenses</u>	
Program Expenditures	Expenses and activities eligible for use of restricted funds
Contributions to Other Agencies	Keystone Science School, sponsor one local teacher; Mojave Environmental Education Consortium (MEEC); funds designated from the General Fund for specific local area grants (annual lawn mower exchange program
<u>Capital Expenditures</u>	
Furniture & Fixtures	Update District's phone system
Equipment	Replace –as needed - air monitoring equipment (greater than \$5,000)
Vehicles	Replace one fleet vehicle
Computers	Upgrade or replace District network computer components

**Antelope Valley AQMD
Program Funds Consolidated Budget Detail**

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Adopted Budget FY 2018</u>
Revenues			
Administrative Funding	94,227	93,450	93,926
AB2766 Program	391,000	416,594	505,000
Carl Moyer Program	659,588	847,877	657,478
AB923 Program	562,000	594,905	594,000
Interest Revenue	<u>10,000</u>	<u>13,673</u>	<u>12,400</u>
Total Consolidated Program Revenue	1,716,815	1,966,499	1,862,804
Expenses			
Program Staff	94,227	0	93,926
Program Expenditures	1,622,588	1,920,282	1,763,378
Program Expenditures - Administrative Grants	<u>0</u>	<u>46,217</u>	<u>5,500</u>
Total Consolidated Program Expense	1,716,815	1,966,499	1,862,804

Antelope Valley AQMD
Program Funds AB2766 Budget Detail

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Adopted Budget FY 2018</u>
Revenues			
AB2766 Program	391,000	416,594	505,000
Interest Revenue	<u>2,500</u>	<u>3,259</u>	<u>3,000</u>
Total AB2766 Program Revenue	393,500	419,853	508,000
 Expenses			
Program Expenditures	<u>393,500</u>	<u>419,853</u>	<u>508,000</u>
Total AB2766 Program Expense	393,500	419,853	508,000

Antelope Valley AQMD
Program Funds AB923 Budget Detail

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Adopted Budget FY 2018</u>
Revenues			
AB923 Program	562,000	594,905	594,000
Interest Revenue	<u>5,500</u>	<u>6,143</u>	<u>5,500</u>
Total AB923 Program Revenue	567,500	601,048	599,500
 Expenses			
Program Expenditures	567,500	601,048	594,000
Program Expenditures - Administrative Grants	<u>0</u>	<u>0</u>	<u>5,500</u>
Total AB923 Program Expense	567,500	601,048	599,500

Antelope Valley AQMD
Program Funds Carl Moyer Budget Detail

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Adopted Budget FY 2018</u>
Revenues			
Administrative Funding	94,227	93,450	93,926
Carl Moyer Program	659,588	847,877	657,478
Interest Revenue	<u>2,000</u>	<u>4,271</u>	<u>3,900</u>
Total Carl Moyer Program Revenue	755,815	945,598	755,304
Expenses			
Program Staff	94,227	0	93,926
Program Expenditures	661,588	899,381	661,378
Program Expenditures - Administrative Moyer Rnd 14	0	46,217	0
	<u> </u>	<u> </u>	<u> </u>
Total Carl Moyer Program Expense	755,815	945,598	755,304

Historical Data & Summary - All Funds

	FY2013	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL
Revenues				
Permit Revenue		560,820.57	640,970.95	483,991.98
Application Fees		37,069.80	70,157.20	60,583.60
Fines & Penalties		57,122.66	15,263.00	64,280.14
Program Revenue		1,018.00	1,562.98	1,193.00
AB 2766		1,091,102.81	1,114,744.40	1,170,027.26
AB 923		543,301.26	559,552.99	573,756.36
Carl Moyer		1,297,541.71	598,938.89	692,724.47
PERP		35,617.84	36,123.85	27,419.43
Subvention		99,287.00	99,114.93	99,003.38
Interest Earned		17,971.42	14,806.59	18,990.52
Revenue - Other		15.00	477.12	4,857.85
Total Revenues		3,740,868.07	3,151,712.90	3,196,827.99
Expenses				
Program Staff (Salaries & Benefits)		1,082,352.98	1,168,959.00	1,217,895.04
Operating Expenses		220,480.03	190,576.66	247,373.80
Capital Expenditures		73,608.92	32,471.04	15,950.00
Program Costs ¹		4,098,335.21	1,449,906.54	1,867,458.94
Total Expenses		5,474,777.14	2,841,913.24	3,348,677.78
Revenue Over/Under Expenditures		(1,733,909.07)	309,799.66	(151,849.79)
Changes in Fund Balance				
Restricted Fund Balance		(1,756,865.98)	243,569.74	(210,720.42)
Cash Reserves		20,000.00	30,000.00	0.00
Unassigned Fund Balance		1,656.86	36,770.69	54,293.08
Pre-Paid		1,300.05	(540.77)	4,577.55
Total Change in Fund Balance		(1,733,909.07)	309,799.66	(151,849.79)
Applied increases to application and annual permit renewal fees (applied January 1)		15%	15%	12%
Restricted Fund Balance	2,886,635.74	1,129,769.76	1,373,339.50	1,162,619.08
Cash Reserves	320,000.00	340,000.00	370,000.00	370,000.00
Unassigned Fund Balance	170,036.61	171,693.47	208,464.16	262,757.24
Pre-Paid	0.00	1,300.05	759.28	5,336.83
Total Fund Balance Designations	3,376,672.35	1,642,763.28	1,952,562.94	1,800,713.15

¹Expenses in Program Costs may utilize funds accumulated from prior years.

ANTELOPE VALLEY AQMD FUND BALANCE DESCRIPTIONS

The Antelope Valley AQMD Fund Balances are designated according to Governing Board Policy 07-01, summarized in the following:

COMMITTED

Operating Cash Reserves

The amount is equivalent to 25% of the Operating Expenses. The fund may be increased to provide protection against uncertain economic times.

RESTRICTED

Mobile Emissions Reduction Grant (AB 2766) Fund

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.

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 allowed in the Health and Safety Code §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.

Unassigned Fund Balance

The Unassigned Fund Balance is the representation of the net resources not allocated to the categories described above. This category appears only on the agency Balance Sheet.

BUDGET CATEGORY DESCRIPTIONS

REVENUE

Permit Fees

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

Application Fees

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

Fine & Penalties

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

Interest Income

Interest Revenue	Interest on funds held on deposit, all funds
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Other Revenue

Revenue from Programs

Administrative Funding	A portion of the Carl Moyer Program pass thru funds are allowed to cover administration costs to administer the program
AB2766 Mobile Emissions Program	Revenue received through DMV vehicle registration
Carl Moyer Admin Funding	A portion of the Carl Moyer Program pass thru funds are allowed to cover administration costs to administer the program
California Clean Air Act Fees	State mandated fee collected on behalf of California Air Resources Board.
Hot Spots	State mandated fee: "Air Toxic "Hot Spot" Information and Assessment Act of 1987

State Revenue

PERP State Funds	Portable Engine Registration Program. The State of California collects fees from owners of portable engines and the District provides periodic compliance inspections
State Subvention	Funds received from state budget to supplement Permitting and Air Monitoring/District activities

BUDGET CATEGORY DESCRIPTIONS

EXPENSES

Personnel Expenses (Program Staff)	Contracted costs to provide staff for District operations
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OPERATING EXPENSES

Communications	Telephones, cellular phones, video teleconferencing, internet, cable service, web hosting, and related tech support
Dues & Subscriptions	District memberships and sponsorships, publications and subscriptions
Non-Depreciable Inventory	Items purchased for furniture, equipment, machinery, and safety equipment costing less than \$5,000
Legal	Outsourced legal services for Governing Board, Hearing Board; publication costs for required notices
Professional Services	Support contract expenses: financial services including annual fiscal audit, research studies consulting fees, Board stipends
Maintenance & Repairs	General building maintenance, custodial services, on site equipment repair
Training & Travel	Employee training; professional development and related travel expenses; general travel expenses
Vehicles	Fuel and oil, maintenance and repair, insurance for District's fleet
Office Expenses	Software, utilities, Supplies, equipment leases, postage, courier, printing and shredding services, security, liability insurance, meeting expenses and community relations
Program Expenses	Expenses attributable to the use of special funds: AB 2766 eligible expenses, Carl Moyer grant program expenses, Board authorized grants from the General Fund (such as

CAPITAL EXPENSES

Furniture & Fixtures	Threshold: \$5,000
Equipment	Threshold: \$5,000
Vehicles	Vehicles purchased
Computers	Threshold: \$5,000
Software	Capitalized costs associated with major application software

ACRONYMS

AB2766	Enabling legislation of 1990 for collection of fees for mobile source reduction projects (Assembly Bill 2766 was codified in the Health & Safety Code §44220ff)
AIRS	Aerometric Information Retrieval System - Compliance data reporting to EPA
APCD	Air Pollution Control District
APCO	Air Pollution Control Officer
AQMD	Air Quality Management District
ARB	Air Resources Board
AVAQMD	Antelope Valley Air Quality Management District
BACT	Best Available Control Technology
CAA	Clean Air Act
CAPCOA	California Air Pollution Control Officers Association
CAPP	Clean Air Patrol Program
CAPS	Compliance and Permit System (permit tracking database)
CARB	California Air Resources Board
CNGVC	California Natural Gas Vehicle Coalition
CRE	Community Relations and Education
CREEC	California Regional Environmental Education Community
CSDA	California Special Districts Association
DAPCO	Deputy Air Pollution Control Officer
EPA	Environmental Protection Agency
ERC	Emission Reduction Credit
FY	Fiscal Year
ICTC	Interstate Clean Transportation Corridor - a geographic area targeted for providing alternate fuel to goods movement vehicles.
MACT	Maximum Achievable Control for Toxics
MEEC	Mojave Environmental Education Consortium
MDAQMD	Mojave Desert Air Quality Management District
MOU	Memorandum of Understanding between the District and non exempt employees represented by the San Bernardino Public Employees Association
NAAQS	National Ambient Air Quality Standards
NESHAP	National Emissions Standard for Hazardous Pollutants
NSPS	New Source Performance Standards
OPEB	Other Post Employment Benefits
PARS	Public Agency Retirement Services
PERP	Portable Equipment Registration Program
PSD	Prevention of Significant Deterioration
PTBS	Permit Tracking and Billing System
SDRMA	Special Districts Risk Management Authority
SLAMS	State and Local Air Monitoring Stations
TAC	Technical Advisory Committee
VPN	Virtual Private Network - a secure method of transmitting data via the internet

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

AGENDA ITEM 8

DATE: June 20, 2017

RECOMMENDATION: Conduct a Continued Public Hearing to receive comments and staff presentation for the proposed AVAQMD Budget for FY 2017-18: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Adopt a resolution approving and adopting the budget for FY 2017-18.

SUMMARY: The AVAQMD Budget for Fiscal Year 2017-18 is presented to the Governing Board for adoption and implementation beginning July 1, 2017.

BACKGROUND: A budget represents a financial plan to meet the anticipated obligations and challenges for the fiscal year beginning July 1. The proposed AVAQMD FY 2017-18 Budget document included in this item identifies the budget expenses estimated to perform the District's services, activities and projects and the estimated available revenues to meet those expenses for the fiscal year beginning July 1, 2017.

A proposed budget summary and supporting documentation was prepared and made available in accordance with the 30 day Public Notice Requirement of Health and Safety Code §40131(a)(1). All persons within the Antelope Valley Air Quality Management District jurisdiction who were subject to fees during the prior fiscal year were properly notified of the availability of the information (pursuant to H&S §40131(a)(2)). A Public Hearing for the purpose of reviewing the budget and taking public comment, as required by H&S § 40131(a)(3), was held May 16, 2017, and continued to this meeting.


The AVAQMD contracts with the Mojave Desert Air Quality Management District for most services. The budget documents reflect the contracted services to be provided during the fiscal year.

REASON FOR RECOMMENDATION: Health and Safety Code §40131 requires that Districts adopt an annual budget. Adoption of the budget will enable the AVAQMD Governing Board to make adequate financial plans and will ensure that the District can administer their respective functions in accordance with such plans.

REVIEW BY OTHERS: This item was reviewed by Allison K. Burns, Special Counsel as to legal form on or about June 5, 2017.

cc: Jean Bracy

Laquita Cole
Michelle Powell

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 MEETING
 DEPUTY CLERK OF THE BOARD
ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT

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

AGENDA ITEM 8

PAGE 2

FINANCIAL DATA: The FY 2017-18 Budget for expenses (all funds) totals \$3,488,754, with anticipated revenues of \$3,488,754. A Committed Fund Balance designated for Operating Cash Reserves will be funded in the amount of \$385,000.

PRESENTER: Bret Banks, Executive Director/APCO

ACTION OF THE GOVERNING BOARD

APPROVED

Upon Motion by HAWKINS, Seconded by HOFBAUER, as approved by the following vote:

Ayes: 6 HOFBAUER, CRIST, HAWKINS, MANN, LAWSON, BISHOP

Absent: 1 CHELETTE

Abstain:

Vacant:

CRYSTAL GOREE, ADMINISTRATIVE SECRETARY

BY

Dated: JUNE 20, 2017

Ref. Resolution #17-03, Titled, A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT APPROVING AND ADOPTING THE PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2017-18.

RESOLUTION #17-03

A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT APPROVING AND ADOPTING THE PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2017-18.

On June 20, 2017, on motion by Member HAWKINS, seconded by Member HOFBAUER and carried, the following resolution is adopted:

WHEREAS, the Air Pollution Control Officer has submitted to the Governing Board an annual budget for the Antelope Valley Air Quality Management District (AVAQMD) for the fiscal year 2017-18; and

WHEREAS, a proposed budget summary and supporting documentation were prepared and made available in accordance with the 30 day Public Notice requirement (Health and Safety Code §40131(a)(1)); and

WHEREAS, all persons within the District area who were subject to fees during the prior fiscal year were properly notified of the availability of the information (Health and Safety Code §40131(a)(2)); and

WHEREAS, a separate Public Hearing for the exclusive purpose of reviewing the budget and taking public comment, as required by Health and Safety Code §40131(a)(3), was held on May 16, 2017 and continued to June 20, 2017; and

WHEREAS, the annual budget contains estimates of the services, activities and programs comprising the budget, and contains expenditure requirements and their resources available to the AVAQMD; and

WHEREAS, the expenses budgeted for all funds for fiscal year 2017-18 are \$3,488,754.00 (Three Million Four Hundred Eighty Eight Thousand, Seven Hundred Fifty Four Dollars); and

WHEREAS, the revenue budgeted from all funds for fiscal year 2017-16 is \$3,488,754.00 (Three Million Four Hundred Eighty Eight Thousand, Seven Hundred Fifty Four Dollars); and

WHEREAS, the annual budget will enable the AVAQMD Governing Board to make adequate financial plans and will ensure that the AVAQMD officers can administer their respective functions in accordance with such plans,

RESOLUTION# 17-03

2 NOW, THEREFORE, BE IT RESOLVED, by the AVAQMD Governing Board, the
3 following:

4 The Air Pollution Control Officer, or designee, is authorized and hereby directed to
5 execute the initial and final applications for potential State subvention funds for Fiscal Year
6 2017-18.

7 The annual budget for the AVAQMD for the fiscal year 2017-18 is hereby approved
8 and adopted, and the amounts of proposed expenditures, as specified, are appropriate for the
9 account classifications as herein specified.

10 A. The 2017-18 Budget for expenses is hereby adopted, establishing the following:

11 ACCOUNT CLASSIFICATION	2017-18 ADOPTED BUDGET
12 Personnel Expenses	\$1,193,926
13 Operating Expenses	426,100
14 Program (Grant) Expenses	1,784,228
15 Capital Expenses	84,500
TOTAL EXPENSE BUDGET	\$3,488,754

16 B. The 2015-16 Budget for revenue is hereby adopted, establishing a revenue base for the
17 expenditures noted above:

18 ACCOUNT CLASSIFICATION	<u>2017-18 ADOPTED BUDGET</u>
19 Permit Fees	\$740,000
20 Application Fees	51,450
21 Fines & Penalties	15,000
22 Interest Income (all funds)	15,900
23 Revenue from (Grant) Programs	2,537,404
24 State Revenue	129,000
TOTAL REVENUE BUDGET	\$3,488,754
26 Committed Fund Balance for Cash Reserves	\$385,000

27 Pursuant to Section 53901 of the California Government Code, the Clerk of the Board shall
28 file a copy of this resolution with the Auditor of the County of Los Angeles, as required.

RESOLUTION #17-03

BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately upon adoption.

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

AYES: 6 MEMBER: CRIST,HAWKINS,BISHOP,MANN,LAWSON,HOFBAUER

NOES: MEMBER:

ABSENT:1 MEMBER:CHELETTE

ABSTAIN: MEMBER:

STATE OF CALIFORNIA)

)

) ss:

COUNTY OF LOS ANGELES)

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 June 20, 2017.

Crystal Goree, Deputy Clerk, of the Governing Board, Antelope Valley Quality Management District