

Antelope Valley Air Quality Management District Governing Board Regular Meeting

Agenda

LOCATION

**ANTELOPE VALLEY AQMD District Office
43301 Division Street, Suite 206
Lancaster, CA 93535
661.723.8070**

**TUESDAY, MARCH 20, 2018
10:00 A.M.**

BOARD MEMBERS

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

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

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

Except where noted, all scheduled items will be heard in the District Office of the Governing Board, 43301 Division Street, Suite 206, Lancaster, CA 93535 and the teleconference location(s), if applicable. Please note that the Board may address items in the agenda in a different order than the order in which the item has been posted.

Public Comments on any Agenda Item will be heard at the time of discussion of the Agenda Item. Public Comments not pertaining to Agenda Items will be heard during the PUBLIC COMMENT period below.

CALL TO ORDER 10:00 A.M.

Pledge of Allegiance.

Roll Call

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 a member of the public request an item be held for discussion under DEFERRED ITEMS.

1. [Approve Minutes from Regular Governing Board Meeting of February 20, 2018.](#)
2. [Monthly Activity Report. Receive and File. Presenter: Bret Banks.](#)
3. [Monthly Grant Fund Summary. Receive and File. Presenter: Bret Banks.](#)
4. [The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at February 28, 2018, which provides financial information and budget performance concerning the current fiscal status of the District. Presenter: Bret Banks.](#)
5. [Approve payment to MDAQMD in the total amount of \\$206,385.52, subject to availability of funds, for services provided during the month of January 2018 in the amount of \\$111,444.44 and February 2018 in the amount of \\$94,941.08. Presenter: Bret Banks.](#)

ITEMS FOR DISCUSSION

DEFERRED ITEMS

PUBLIC HEARINGS

None.

NEW BUSINESS

6. [Conflict of Interest Code for Antelope Valley Air Quality Management District. Adopt resolution amending the Conflict of Interest Code for Antelope Valley Air Quality Management District \(AVAQMD\) and direct staff action. Presenter: Bret Banks.](#)
7. [Annual Financial Audit for Fiscal Year 2016-17. The annual audit for Fiscal Year 2016-17 is complete and presented for review and to receive and file. Fedak & Brown LLP of Cypress performed the audit services for the District. This was the first year to perform the audit of a three year engagement. Presenter: Laquita Cole.](#)
8. [Community Air Protection Authorization. 1\) Approve the FY 17-18 Grant Agreement for submission to the California Air Resources Board \(CARB\) for the implementation for expenses necessary for the implementation of Assembly Bill 617 \(C. Garcia, Chapter 136, Statutes of 2017\); 2\) Authorize the Executive](#)

Director/APCO and staff to execute the agreement, approved as to legal form. Presenter: Bret Banks.

9. Robertson Palmdale Honda Electric Vehicle Charging Station Project. 1) Award an amount not to exceed \$86,000 in Mobile Source Emission Reductions Program (AB 2766) funds to Robertson Palmdale Honda toward infrastructure and installation of Electric Vehicle Charging Stations; 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.
10. Home2 Suites Electric Vehicle Charging Station Project. 1) Award an amount not to exceed \$15,200 in Mobile Source Emission Reductions Program (AB 923) funds to Home2 Suites by Hilton Palmdale toward infrastructure and installation of Electric Vehicle Charging Stations; 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. Sierra Commons Electric Vehicle Charging Station Project. 1) Award an amount not to exceed \$30,640 in Mobile Source Emission Reductions Program (AB 923) funds to Sierra Commons SPE, LLC toward infrastructure and installation of Electric Vehicle Charging Stations; 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. Year-Round Lawn Mower Exchange Rebate Program. 1) Allocate \$10,000 from Mobile Source Emission Reduction Program (AB 923) funds to establish a Year-Round Lawn Mower Exchange Rebate Program; 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.
13. Reports: Governing Board Counsel, Executive Director/APCO, Staff.
14. Board Member Reports and Suggestions for Future Agenda Items.
15. Adjourn to Regular Governing Board Meeting of Tuesday, April 17, 2018.

In compliance with the Americans with Disabilities Act, if special assistance is needed to participate in the Board Meeting, please contact the Executive Director during regular business hours at 661.723.8070 x2. 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 Deanna Hernandez at 760.245.1661 x6244 or by email at dhernandez@mdaqmd.ca.gov .

Mailed & Posted on: Tuesday, March 13, 2018.

Deanna Hernandez

The following page(s) contain the backup material for Agenda Item: [Approve Minutes from Regular Governing Board Meeting of February 20, 2018.](#)

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD MEETING
TUESDAY, FEBRUARY 20, 2018
ANTELOPE VALLEY DISTRICT OFFICE
LANCASTER, CA**

MINUTES

Board Members Present:

Marvin Crist, Chair, City of Lancaster
Austin Bishop, Vice Chair, City of Palmdale
Ron Hawkins, Los Angeles County
Steve Hofbauer, City of Palmdale
Raj Malhi, City of Lancaster
Newton Chelette, Public Member

Board Members Absent:

Vern Lawson, Los Angeles County

CALL TO ORDER

Chair Crist called the meeting to order at 10:01 a.m. Board Member **MALHI** led the Pledge of Allegiance. Roll call was taken.

Chair Crist noted Agenda Item #9 language is different from the staff report and read the following for the record, “1) Authorize the award of District Grant funds in an amount not to exceed \$110,000 per bus for not to exceed 7 buses to Lancaster Baptist Church to assist in the replacement older diesel fueled buses with newer, cleaner buses certified to the current emissions standard during fiscal years 2017-18 through 2021-22 as and to the extend such grant funds are available for disbursement; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames, technical project details, and execute necessary agreement(s), approved as to legal form.”

PUBLIC COMMENT

Agenda Item #1 – Public Comment

None at this time.

CONSENT CALENDAR – Consent items were acted upon by the Board at one time without discussion.

Agenda Item #2 - Approve Minutes from Regular Governing Board Meeting of January 16, 2018.

Upon motion by **CHELETTE**, Seconded by **HAWKINS**, with noted correction to be made on Board Members Present Vice Chair, the Board **Approved** Minutes from Regular Governing Board Meeting of January 16, 2018.

Agenda Item #3 – Monthly Activity Report. Receive and file. Presenter: Bret Banks.
Upon motion by CHELETTE, Seconded by HAWKINS, and unanimously approved, the Board Received and Filed Monthly Activity Report.

Agenda Item #4 – Monthly Grant Fund Summary. Receive and file.
Presenter: Bret Banks.
Upon motion by CHELETTE, Seconded by HAWKINS, and unanimously approved, the Board Received and Filed Monthly Grant Fund Summary.

Agenda Item #5 - The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at December 31, 2017, which provides financial information and budget performance concerning the current fiscal status of the District. Receive and file. Presenter: Bret Banks.
Upon motion by CHELETTE, Seconded by HAWKINS, and unanimously approved, the Board Received and Filed Financial Report.

Agenda Item #6 - Approve payment to MDAQMD in the total amount of \$104,635.09, subject to availability of funds, for services provided during the month of December 2017.
Presenter: Bret Banks.
Upon motion by CHELETTE, Seconded by HAWKINS, and unanimously approved, the Board Approved payment to MDAQMD in the total amount \$104,635.09, subject to availability of funds, for services provided during the month of December 2017.

ITEMS FOR DISCUSSION

DEFERRED

None.

PUBLIC HEARINGS

None.

NEW BUSINESS

Agenda Item #7 - 1) Approve \$62,000 in Mobile Source Emissions Reduction Program (AB 923) funds and Carl Moyer Program administrative funds toward continued implementation of the District's Voluntary Accelerated Vehicle Retirement Program (VAVR); and 2) Authorize an extended contract with Environmental Engineering Studies Incorporated (EES); and 3) Authorize the Deputy Director 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 shared background information, staff recommendation and answered questions from the Board. Upon Motion by BISHOP, Seconded by MALHI, and unanimously approved, the Board: 1) Approved \$62,000 in Mobile Source Emissions Reduction Program (AB 923) funds and Carl Moyer Program administrative funds toward continued implementation of the

District's Voluntary Accelerated Vehicle Retirement Program (VAVR); and 2) Authorized an extended contract with Environmental Engineering Studies Incorporated (EES); and 3) Authorized the Deputy Director 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.

Agenda Item #8 - 1) Award an amount not to exceed \$100,000 in Carl Moyer Program and Mobile Source Emission Reductions Program (AB 2766) funds to Kyle & Kyle Ranches for the replacement of an older heavy-duty on-road diesel Hay Squeeze with newer, cleaner diesel engine 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 shared background information, staff recommendation and answered questions from the Board. Upon Motion by **MALHI**, Seconded by **HAWKINS**, and unanimously approved, the Board: 1) Awarded an amount not to exceed \$100,000 in Carl Moyer Program and Mobile Source Emission Reductions Program (AB 2766) funds to Kyle & Kyle Ranches for the replacement of an older heavy-duty on-road diesel Hay Squeeze with newer, cleaner diesel engine technology; and 2) 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.

Agenda Item #9 - 1) Award an amount not to exceed \$110,000 in District Grant funds to Lancaster Baptist Church to assist in the replacement of older diesel fueled buses with newer, cleaner diesel fueled buses certified to the current emission standard; 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.

Presenter: Julie McKeehan.

Julie McKeehan shared background information, staff recommendation and answered questions from the Board. After discussion and upon Motion by **MALHI**, Seconded by **CHELETTE**, and unanimously approved, the Board: 1) Awarded an amount not to exceed \$110,000 in District Grant funds to Lancaster Baptist Church to assist in the replacement of older diesel fueled buses with newer, cleaner diesel fueled buses certified to the current emission standard; and 2) Authorized the Executive Director/APCO and staff to negotiate target time frames, technical project details, and execute an agreement, approved as to legal form.

PRESENTATION

Agenda Item #10 - Update sPower Photovoltaic Solar Development located at Avenue G and 93rd Street West.

Presenter: Bret Banks.

Bret Banks, Executive Director/APCO, shared background information, current status update information and answered questions from the Board.

Agenda Item #11 - Envision Solar International – Portable EV Charging System.

Presenter: Summer Walker.

Summer Walker, Representative of Envision Solar International, Inc., a San Diego based company, shared information regarding their unique and portable advanced renewably energized electric vehicle (EV) charging system. Their product portfolio is based upon their patented EV ARC™ and Solar Tree® product lines. Ms. Walker answered questions from the Board after her presentation.

ADMINISTRATIVE ITEMS

Agenda Item #14 - Reports

Governing Board Counsel – Allison Burns reminded the Board that Form 700 due April 1, 2018.

Executive Director/APCO – Bret Banks informed the Board that January 2018 stipend payments may be delayed.

Agenda Item #15 - Board Member Reports and Suggestions for Future Agenda Items.

None

The meeting was adjourned at 11:54 a.m. to the next regularly scheduled Governing Board Meeting, Tuesday, March 20, 2018.

The following page(s) contain the backup material for Agenda Item: [Monthly Activity Report. Receive and File. Presenter: Bret Banks.](#)

Item #2 Monthly Activity Report – February 2018

| | <u>Feb 2018</u> | <u>Feb 2017</u> | <u>YTD (7/1/18)</u> |
|--------------------------------------|-----------------|-----------------|---------------------|
| Complaints | 0 | 4 | 7 |
| Complaint Investigations | 0 | 4 | 7 |
| Asbestos Notifications | 9 | 7 | 47 |
| Asbestos Inspections | 0 | 0 | 0 |
| Permit Inspections | 70 | 53 | 754 |
| Permit Inspections in Compliance (%) | 100 | 96 | 100 |
| Notice of Violation (NOV) | 0 | 1 | 2 |

***Outstanding NOVs**

- AV00000187, Issued 02/2016
- AV00000207, Issued 06/2017
- AV00000208, Issued 07/2017

Number of Active Companies: 280
Number of Active Facilities: 514
Number of Active Permits: 1,072

Project Comment Letters – February 2018

Attached

| | A | B | C | D | E | F | G |
|----|------------|----------|------------------------------|---|--|-----------|-----------|
| 1 | | | AVAQMD CEQA PROJECTS | | | | |
| 2 | | | BOARD MEETING | | | | |
| 3 | | | 3/20/2018 | | | | |
| 4 | Date Rec'd | Location | Project Name | Description | Comment | Date Due | Date Sent |
| 5 | 1/31/2018 | COL | SF Development, Inc | Site Plan Review, Zone Change and General Plan Amendment for Avenue I and 20th Street East for construction of a 116 unit apartment complex on 5 acre site | DCP ARB Off Road | 2/28/2018 | 2/6/2018 |
| 6 | 1/31/2018 | COP | MSD Partners | Tentative Tract Map Time Extensions for 51604, 51605, 51606, 51607, 52093, 52116 Ritter Ranch Specific Plan | No Comment | 2/14/2018 | 2/6/2018 |
| 7 | 2/1/2018 | COP | Ly Development | SPR 18-002 for a drive thru food establishment and retail on the south side of Palmdale Blvd, east of 25th Street East within the Palmdale Internatinal Shopping Mall parking lot | No Comment | 2/14/2018 | 2/6/2018 |
| 8 | 2/5/2018 | COP | Legacy Industrial Group, LLC | SPR 18-003 for a 42,408 sf industrial building at the southwest corner of Avenue O and Legacy Lane | No Comment | 2/14/2018 | 2/6/2018 |
| 9 | 2/5/2018 | COP | Oasis Solar-East | SPR 14-004 Time Extension for construction of a 20 mw ground mounted solar pv facility on approx 160 acres located on the northeast corner of Avenue M and 30th Street East | Dust ARB Equipment | 2/14/2018 | 2/6/2018 |
| 10 | 2/5/2018 | COP | Las Islas Marias | CUP 09-15 Major Modification to expand an existing building by 5,000 sf and a request to establish a restaurant located at 2133 E Palmdale Blvd | Asbestos/Demo Permit Equip ARB Equip | 2/14/2018 | 2/6/2018 |

| | A | B | C | D | E | F | G |
|----|------------|----------|---|--|-----------------------|-----------|-----------|
| 1 | | | AVAQMD CEQA PROJECTS | | | | |
| 2 | | | BOARD MEETING | | | | |
| 3 | | | 3/20/2018 | | | | |
| 4 | Date Rec'd | Location | Project Name | Description | Comment | Date Due | Date Sent |
| 11 | 2/7/2018 | COL | 51 Permanent Affordable Housing Units Project | Notice of Finding No Significant Impact and Notice of Intent to Request Release of Funds for project located at the northeast corner of 32nd Street West and Avenue I, constructed on 2.27 acres of a 15 acre parcel, which is part of a larger campus | No Comment | 2/22/2018 | n/a |
| 12 | 2/12/2018 | COL | sPower-San Pablo A | CUP 18-04, GPA 18-02 and Zone Change 18-02 for a 100 mw pv solar generating facility located on 414 acres generally bounded by Avenue G, Avenue H, 75th Street West and 90th Street West | Dust ARB Equipment | 2/23/2018 | 2/12/2018 |
| 13 | 02/22/218 | COP | Tierra Crossing | NOP of EIR for 25.3 acres located on the north side of West Avenue S, east of 7th Street West and west of Tierra Subida Avenue. | No Comment | 3/15/2018 | n/a |
| 14 | 2/26/2018 | COP | Warehouse Development-KE Fang | Pre-Application 18-004 conceptual review of proposal to subdivide 6.53 acres into 3 industrial lots to construct 6 warehouse use buildings totaling 125,964 sf to be located at the southwest corner of Avenue N and Division Street | No Comment | 2/28/2018 | n/a |

| | A | B | C | D | E | F | G |
|----|------------|----------|------------------------------------|--|-----------------------|-----------|-----------|
| 1 | | | AVAQMD CEQA PROJECTS | | | | |
| 2 | | | BOARD MEETING | | | | |
| 3 | | | 3/20/2018 | | | | |
| 4 | Date Rec'd | Location | Project Name | Description | Comment | Date Due | Date Sent |
| 15 | 2/26/2018 | COP | Palmdale Aerospace Academy | Pre-Application 18-006 & 18-007 conceptual review of proposal to expand the existing charter school with two, two-story buildings totaling 60,856 sf located at 35th St East and a proposal to subdivide approx 38 acres into two commercial lots for an athletic complex located at 35th St East and Ave Q-12 | No Comment | 2/28/2018 | n/a |
| 16 | 2/26/2018 | COP | Sierra Highway Mini Storage | SPR 17-001 resubmittal to develop a personal storage facility totaling 87,000 sf located on 4.16 acres located south of Avenue R-8, east of Sierra Hwy | No Comment | 2/28/2018 | n/a |
| 17 | 2/26/2018 | COP | Giacon Temple | CUP 15-035 request to construct a religious assembly use at 3347 East Avenue S | No Comment | 2/28/2018 | n/a |
| 18 | 2/26/2018 | COP | Industrial buildings-AJ Eliopoulos | Pre-application 18-005 conceptual review of proposed construction of two industrial use buildings totaling 32,560 sf to be located at the southeast corner of St. Andrews Way and Jody Lane on an approx 115,468 sf lot | No Comment | 2/28/2018 | n/a |
| 19 | 2/27/2018 | COL | Land Resource Concepts, Inc | TTM 80290 for the proposed development of 78 single family residential lots located on 20 acres at the northeast corner of 37th Street East and Avenue J | Dust ARB Equipment | 3/16/2018 | 3/1/2018 |

The following page(s) contain the backup material for Agenda Item: [Monthly Grant Fund Summary. Receive and File. Presenter: Bret Banks.](#)

ITEM #3 - MONTHLY GRANT FUND SUMMARY

| | |
|---|--------------|
| AB 2766 (\$4 DMV Fee) Annual Allocation for Mobile Projects | \$419,724.00 |
| AB 923 (\$2 DMV Fee) Annual Allocation for Mobile Projects | \$599,375.00 |

AB 2766, AB 923 & Carl Moyer Program Projects & Balances

AB 2766 PROJECT FUNDS

| <i>Action Date</i> | <i>Project Name</i> | <i>Approved Action</i> |
|--------------------|--|------------------------|
| 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 | -200000.00 paid |
| Oct-15 | AFV Program Add'l Funds AV0414#11 | -14000.00 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 paid |
| Sep-16 | AVTA - Public Transit Programs AV0916#8 | 120000.00 paid |
| Dec-16 | A-Z Engine Systems Repair AV1216#12 | 3756.00 paid |
| Feb-17 | AFV Program Add'l Funds AV0117#8 | -40000.00 paid |
| Mar-17 | VAVR Program - Projects to EES AV0317#9 | -60000.00 paid |
| May-17 | American Plumbing Services AV0517#8 | -37748.00 pending |
| May-17 | AV Fair Assoc. Forklift Replacement Project AV0517#9 | -21616.00 pending |
| Jun-17 | Electric Commerical Grounds Keeping Pilot Program AV0617#13 | -127500.00 paid |
| Jul-17 | Hemme Hay & Feed Off-road/On-road Vehicle Project AV0717# | -\$134,310.00 pending |
| Aug-17 | AV Fair Assoc. B20 Truck Project AV0817#7 | -\$50,000.00 pending |
| Aug-17 | LA County Sheriff's/AV BoostersOff-road Utility Equipment AV0817#S-1 | -\$33,000.00 pending |
| Sept.17 | AV Fair Assoc. ERP Electric Carts AV0917#13 | -\$9,253.00 pending |
| Oct-17 | AVTA Electric Transit Bus Project AV1017#7 | -58,406.14 pending |
| Dec-17 | LA County Sheriff's Bio Diesel Truck Project AV0416#11 | -50000.00 pending |
| Feb-18 | Kyle & Kyle Ranches On-road Vehicle Project AV0218#8 | -68016.00 pending |

AB 2766 PROJECTS CURRENT BALANCE

\$21,431.86

Action Date *Project Name*

Mar-18 Kyle & Kyle Ranches On-road Vehicle Project AV0318#

Pending Action

-31984.00

AB 2766 PROJECTS BALANCE PENDING APPROVAL

-\$10,552.14

AB 923 PROJECT FUNDS

| <i>Action Date</i> | <i>Project Name</i> | <i>Approved Action</i> |
|---------------------------|---|-------------------------------|
| Apr-15 | Calandri SonRise Farms ERP Project #3 AV0415#8 | -78372.75 paid |
| Apr-15 | 2016 Lawn Mower Exchange Program | -11200.00 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 paid |
| Jan-16 | Antelope Valley Farming ERP Project #1 AV0116#8 | -181530.00 paid |
| Mar-16 | Ebee Streetlight EV Charging Project AV0316#10 | -25000.00 paid |
| Apr-16 | VAVR Program - Admin to EES AV0416#10 | -60000.00 paid |
| Apr-16 | 2016 Lawn Mower Exchange Program | -11200.00 paid |
| Aug-16 | Calandri SonRise Farms Harvesting Project AV0816#8 | -406,065.00 paid |
| Oct-16 | Antelope Valley Farming ERP Project #2 AV1016#10 | -12,940.38 paid |
| Dec-16 | AVSTA CNG Tank Replacement AV1216#11 | -63,377.00 paid |
| Dec-16 | SCE Charge Ready Pilot Project AV1216#10 | -37,635.11 paid |
| Feb-17 | City of Palmdale Vanpool/Infrastructure Project AV0117#12 | -124,137.00 pending |
| Feb-17 | City of Lancaster Vanpool/Infrastructure Project AV0117#11 | -61,925.00 pending |
| Mar-17 | 2017 Lawn Mower Exchange Program AV0317#10 | -10,730.00 paid |
| Jul-17 | Palmdale Water District EV Charging Project AV0717#9 | -18520.00 paid |
| Sep-17 | City of Palmdale/SCE EV Charging Project AV0917#11 | -17218.00 pending |
| Sep-17 | AVSTA CNG Tank Replacement AV0917#12 | -16000.00 pending |
| Oct-17 | AV Farming ERP Project #1 AV1017#11 | -38,622.00 pending |
| Oct-17 | AVTA Electric Transit Bus Project AV1017#7 | -207,387.32 pending |
| Jan-18 | Wilsona School District EV School Bus Charging Project AV0118#8 | -49,976.00 pending |
| Feb-18 | VAVR Program - Projects to EES AV0218# | -47,000.00 paid |

AB 923 PROJECTS CURRENT BALANCE

\$150,176.76

| <i>Action Date</i> | <i>Project Name</i> | <i>Pending Action</i> |
|---------------------------|---|------------------------------|
| Mar-18 | Lawn Mower Exchange Rebate Program | -10,000.00 |
| Mar-18 | Home2 Suites EV Charging Project AV0318# | -15,200.00 |
| Mar-18 | Sierra Commons EV Charging Project AV0318# | -30,640.00 |
| Mar-18 | Robertsons Palmdale Honda EV Charging Project AV0318# | -85,600.00 |

AB 923 PROJECTS BALANCE PENDING APPROVAL

\$8,736.76

CARL MOYER PROGRAM PROJECT FUNDS

| <i>Action Date</i> | <i>Project Name</i> | <i>Approved Action</i> |
|---------------------------|---|-------------------------------|
| Mar-15 | Carl Moyer Prog. Funds Year 17 (FY 14-15) | 637511.00 recv'd |

| | |
|--|--------------------------|
| Mar-15 Carl Moyer Interest (FY 13-14) added to Year 17 | 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#8 | -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 (FY 15-16) | 659588.00 recv'd |
| Mar-15 Carl Moyer Interest (FY 14-15) added to Year 18 | 1573.18 recv'd |
| 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 paid |
| Jul-16 Bolthouse ERP Project AV0716#11 | -18,927.00 paid |
| Jul-16 South Pac Industries ERP Project AV0716#9 | -181,114.00 paid |
| Sep-16 High Desert Dairy ERP Project #4 AV0916#9 | -158,663.00 paid |
| Sep-16 Gall Brothers Engineering ERP Project #2 AV0916#10 | -77,896.00 paid |
| Oct-16 Antelop Valley Farming ERP Project #2 AV1016#10 | -34,943.62 paid |
| Apr-17 Carl Moyer Prog. Funds Year 19 (FY 16-17) | 669,301.00 recv'd |
| Apr-17 Carl Moyer Interest (FY 15-16 & FY 16-17) added to Year 19 | 7,375.00 recv'd |
| May-17 AV Fair Assoc. AV0517#9 | -15,130.00 pending |
| Jun-17 High Desert Dairy ERP Project #6 AV0617#12 | -170,159.00 paid |
| Oct-17 AV Farming ERP Project #1 AV1017# | -9,814.00 pending |
| Oct-17 Miller Equipment ERP Project #1 AV1017#11 | -284,887.00 paid |
| Oct-17 New West Metals ERP Project #1 AV1017#6 | -98,581.00 pending |
| Oct-17 Nick Van Dam Farms ERP Project #1 AV1017#10 | -49,600.00 paid |
| CARL MOYER PROJECTS CURRENT BALANCE | \$50,000.00 |
| <i>Action Date Project Name</i> | <i>Pending Action</i> |
| Feb-18 Kyle & Kyle Ranches On-road Vehicle Project AV0218# | -31984.00 |
| CARL MOYER PROJECTS BALANCE PENDING APPROVAL | \$50,000.00 |

The following page(s) contain the backup material for Agenda Item: [The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at February 28, 2018, which provides financial information and budget performance concerning the current fiscal status of the District. P](#)

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

AGENDA ITEM #4

DATE: March 20, 2018

RECOMMENDATION: Receive and file.

SUMMARY: The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at February 28, 2018, which provides financial information and budget performance 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 January and February 2018 are 58% and 67%, respectively of Fiscal Year 2018.

- ***District Wide*** reports the expenses paid directly from the District’s operating account and grant funds. Negative amounts usually indicate expenses made from accumulated grant funds. “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.
- ***Contracted Services*** reports the expenses made by the contractor (MDAQMD) and passed through to the District.
- ***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 18. The line item Program Costs includes those payments made from the District’s grant funds (AB 2766, AB 923, and Carl Moyer Fund).

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

AGENDA ITEM #4

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 –The reports are included for the months where there was activity. 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 March 6, 2018.

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

PRESENTER: Bret Banks Executive Director

Antelope Valley AQMD
Balance Sheet - Governmental Funds
As of January 31, 2018

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 | 1,377,526.10 | 468,928.36 | 984,999.04 | 609,539.72 | 3,440,993.22 |
| Cash Held For Other Fund | 80,088.85 | 257,291.27 | (278,857.19) | (58,522.93) | 0.00 |
| Receivables | 58,341.85 | 0.00 | 0.00 | 0.00 | 58,341.85 |
| Pre-Paid | 10,256.76 | 0.00 | 0.00 | 0.00 | 10,256.76 |
| Total Current Assets | 1,526,213.56 | 726,219.63 | 706,141.85 | 551,016.79 | 3,509,591.83 |
| Total Assets | 1,526,213.56 | 726,219.63 | 706,141.85 | 551,016.79 | 3,509,591.83 |
| Liabilities and Net Position | | | | | |
| Current Liabilities | | | | | |
| Payables | 359,183.13 | 0.00 | 0.00 | 0.00 | 359,183.13 |
| Due to Others | 770.00 | 0.00 | 0.00 | 0.00 | 770.00 |
| Unearned Revenue | 0.00 | 0.00 | 0.00 | 592,562.27 | 592,562.27 |
| Total Current Liabilities | 359,953.13 | 0.00 | 0.00 | 592,562.27 | 952,515.40 |
| Restricted Fund Balance | 0.00 | 647,909.20 | 765,017.08 | (38,642.03) | 1,374,284.25 |
| Cash Reserves | 370,000.00 | 0.00 | 0.00 | 0.00 | 370,000.00 |
| Unassigned Fund Balance | 602,779.05 | 0.00 | 0.00 | 0.00 | 602,779.05 |
| Pre-Paid | 10,256.76 | 0.00 | 0.00 | 0.00 | 10,256.76 |
| Change in Net Position | 183,224.62 | 78,310.43 | (58,875.23) | (2,903.45) | 199,756.37 |
| Total Liabilities & Net Position | 1,526,213.56 | 726,219.63 | 706,141.85 | 551,016.79 | 3,509,591.83 |

Antelope Valley AQMD
Statement of Revenues & Expenditures
For the Period Ending January 31, 2018

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 | 141,115.08 | 0.00 | 0.00 | 0.00 | 141,115.08 |
| AB 2766 and Other Program Revenues | 58,434.36 | 31,400.65 | 44,840.78 | 0.00 | 134,675.79 |
| Fines | 42,299.00 | 0.00 | 0.00 | 0.00 | 42,299.00 |
| Investment Earnings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Federal and State | 135,946.43 | 0.00 | 0.00 | 0.00 | 135,946.43 |
| Miscellaneous Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Revenues | 377,794.87 | 31,400.65 | 44,840.78 | 0.00 | 454,036.30 |
| Expenditures | | | | | |
| Program Staff | 91,666.67 | 0.00 | 0.00 | 0.00 | 91,666.67 |
| Services and Supplies | 32,926.18 | 0.00 | 0.00 | 0.00 | 32,926.18 |
| 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 | 124,592.85 | 0.00 | 0.00 | 0.00 | 124,592.85 |
| Excess Revenue Over (Under) Expenditures | 253,202.02 | 31,400.65 | 44,840.78 | 0.00 | 329,443.45 |

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 1/31/2018

00 District Wide

| | M-T-D Actual | Y-T-D Actual | Y-T-D Budget | % Budget to Actual |
|---|-------------------|---------------------|---------------------|-----------------------|
| Revenues | | | | |
| Permitting | 173,727.19 | 547,352.64 | 740,000.00 | (0.74) |
| Programs | 134,675.79 | 963,066.65 | 2,537,404.00 | (0.38) |
| Application Fees | 9,059.00 | 33,555.00 | 51,450.00 | (0.65) |
| State Revenue | 135,946.43 | 135,946.43 | 129,000.00 | (1.05) |
| Fines & Penalties | 1,000.00 | 6,000.00 | 15,000.00 | (0.40) |
| Interest Earned | 0.00 | 7,924.24 | 15,900.00 | (0.50) |
| Adjustments to Revenue | (372.11) | (3,348.99) | 0.00 | 0.00 |
| Total Revenues | 454,036.30 | 1,690,495.97 | 3,488,754.00 | (0.48) |
| Expenses | | | | |
| Office Expenses | 6,561.96 | 42,608.42 | 89,775.00 | 0.47 |
| Communications | 1,854.18 | 11,334.23 | 43,500.00 | 0.26 |
| Vehicles | 690.21 | 4,362.55 | 10,500.00 | 0.42 |
| Program Costs | 0.00 | 634,176.36 | 1,783,728.00 | 0.36 |
| Travel | 295.96 | 3,543.60 | 10,000.00 | 0.35 |
| Professional Services | | | | |
| Research Studies | 0.00 | 0.00 | 6,000.00 | 0.00 |
| Consulting Fees | 0.00 | 0.00 | 3,000.00 | 0.00 |
| Stipends | 500.00 | 2,700.00 | 8,400.00 | 0.32 |
| Maintenance & Repairs | 225.00 | 1,821.67 | 6,575.00 | 0.28 |
| Non-Depreciable Inventory | 0.00 | 6,666.81 | 8,000.00 | 0.83 |
| Dues & Subscriptions | 1,299.00 | 8,033.43 | 10,500.00 | 0.77 |
| Legal | 1,722.10 | 8,974.02 | 19,000.00 | 0.47 |
| Miscellaneous Expense | 0.00 | 444.64 | 800.00 | 0.56 |
| Capital Expenditures | 0.00 | 11,757.00 | 82,000.00 | 0.14 |
| Total Expenses | 13,148.41 | 736,422.73 | 2,081,778.00 | 0.35 |
| Program Staff | | | | |
| Program Staff | 0.00 | 0.00 | 93,926.00 | 0.00 |
| Total Program Staff | 0.00 | 0.00 | 93,926.00 | 0.00 |
| Excess Revenue Over (Under) Expenditures | 440,887.89 | 954,073.24 | 1,313,050.00 | (0.73) |

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 1/31/2018

10 Contracted Services

| | M-T-D Actual | Y-T-D Actual | Y-T-D Budget | % Budget to Actual |
|---|---------------------|---------------------|-----------------------|-----------------------|
| Revenues | | | | |
| Expenses | | | | |
| Office Expenses | 4,795.22 | 6,288.45 | 4,700.00 | 1.34 |
| Vehicles | 30.08 | 329.01 | 0.00 | 0.00 |
| Program Costs | 0.00 | 0.00 | 500.00 | 0.00 |
| Travel | 0.00 | 452.35 | 1,000.00 | 0.45 |
| Professional Services | | | | |
| Payroll Contract | 0.00 | 59.74 | 150.00 | 0.40 |
| Financial Audit & Actuarial Svcs | 14,952.47 | 105,520.63 | 204,200.00 | 0.52 |
| Capital Expenditures | 0.00 | 0.00 | 2,500.00 | 0.00 |
| Total Expenses | 19,777.77 | 112,650.18 | 213,050.00 | 0.53 |
| Program Staff | | | | |
| Program Staff | 91,666.67 | 641,666.69 | 1,100,000.00 | 0.58 |
| Total Program Staff | 91,666.67 | 641,666.69 | 1,100,000.00 | 0.58 |
| Excess Revenue Over (Under) Expenditures | (111,444.44) | (754,316.87) | (1,313,050.00) | (0.57) |

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 1/31/2018

Report Recap

| | M-T-D Actual | Y-T-D Actual | Y-T-D Budget | % Budget to Actual |
|---|-------------------|---------------------|---------------------|-----------------------|
| Revenues | | | | |
| Permitting | 173,727.19 | 547,352.64 | 740,000.00 | (0.74) |
| Programs | 134,675.79 | 963,066.65 | 2,537,404.00 | (0.38) |
| Application Fees | 9,059.00 | 33,555.00 | 51,450.00 | (0.65) |
| State Revenue | 135,946.43 | 135,946.43 | 129,000.00 | (1.05) |
| Fines & Penalties | 1,000.00 | 6,000.00 | 15,000.00 | (0.40) |
| Interest Earned | 0.00 | 7,924.24 | 15,900.00 | (0.50) |
| Adjustments to Revenue | (372.11) | (3,348.99) | 0.00 | 0.00 |
| Total Revenues | 454,036.30 | 1,690,495.97 | 3,488,754.00 | (0.48) |
| Expenses | | | | |
| Office Expenses | 11,357.18 | 48,896.87 | 94,475.00 | 0.52 |
| Communications | 1,854.18 | 11,334.23 | 43,500.00 | 0.26 |
| Vehicles | 720.29 | 4,691.56 | 10,500.00 | 0.45 |
| Program Costs | 0.00 | 634,176.36 | 1,784,228.00 | 0.36 |
| Travel | 295.96 | 3,995.95 | 11,000.00 | 0.36 |
| Professional Services | | | | |
| Payroll Contract | 0.00 | 59.74 | 150.00 | 0.40 |
| Financial Audit & Actuarial Svcs | 14,952.47 | 105,520.63 | 204,200.00 | 0.52 |
| Research Studies | 0.00 | 0.00 | 6,000.00 | 0.00 |
| Consulting Fees | 0.00 | 0.00 | 3,000.00 | 0.00 |
| Stipends | 500.00 | 2,700.00 | 8,400.00 | 0.32 |
| Maintenance & Repairs | 225.00 | 1,821.67 | 6,575.00 | 0.28 |
| Non-Depreciable Inventory | 0.00 | 6,666.81 | 8,000.00 | 0.83 |
| Dues & Subscriptions | 1,299.00 | 8,033.43 | 10,500.00 | 0.77 |
| Legal | 1,722.10 | 8,974.02 | 19,000.00 | 0.47 |
| Miscellaneous Expense | 0.00 | 444.64 | 800.00 | 0.56 |
| Capital Expenditures | 0.00 | 11,757.00 | 84,500.00 | 0.14 |
| Total Expenses | 32,926.18 | 849,072.91 | 2,294,828.00 | 0.37 |
| Program Staff | | | | |
| Program Staff | 91,666.67 | 641,666.69 | 1,193,926.00 | 0.54 |
| Total Program Staff | 91,666.67 | 641,666.69 | 1,193,926.00 | 0.54 |
| Excess Revenue Over (Under) Expenditures | 329,443.45 | 199,756.37 | 0.00 | 0.00 |

Antelope Valley AQMD
Bank Register from 1/01/2018 to 1/31/2018
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> |
|--------------------------|-------------|--|---------------------|-----------------------|------------------------|
| 0003392 | 1/11/2018 | [10006] BANK OF THE WEST-CC Charges Dec 2017 | 235.58 | 0.00 | 276,676.68 |
| 0003393 | 1/11/2018 | [10043] SOCALGAS-Gas Service Dec 2017 | 116.28 | 0.00 | 276,560.40 |
| 0003394 | 1/11/2018 | [10063] VOYAGER FLEET SYSTEMS-Fuel Card Charges Dec 2017 | 164.50 | 0.00 | 276,395.90 |
| R18-07 | 1/11/2018 | Op Fund Rep #6 | 0.00 | 9,473.94 | 285,869.84 |
| 0003395 | 1/19/2018 | [10518] AUSTIN BISHOP-GB Mtg 1/18/18 | 100.00 | 0.00 | 285,769.84 |
| 0003396 | 1/19/2018 | [10057] MARVIN CRIST-GB Mtg 1016/18 | 100.00 | 0.00 | 285,669.84 |
| 0003397 | 1/19/2018 | [10059] ENTERPRISE FLEET MANAGEMENT-Fleet Maintenance Charges Jan 2018 | 32.00 | 0.00 | 285,637.84 |
| 0003398 | 1/19/2018 | [10058] RONALD HAWKINS-GB Mtg 1/16/18 | 100.00 | 0.00 | 285,537.84 |
| 0003399 | 1/19/2018 | [10503] STEVEN D HOFBAUER-GB Mtg 1/16/18 | 100.00 | 0.00 | 285,437.84 |
| 0003400 | 1/19/2018 | [10071] MAIL FINANCE-Postag emeter Lease Feb - March 2018 | 94.97 | 0.00 | 285,342.87 |
| 0003401 | 1/19/2018 | [10054] KENNETH MANN-GB Mtg 1/16/18 | 100.00 | 0.00 | 285,242.87 |
| 0003402 | 1/19/2018 | [10026] MOJAVE DESERT AQMD-Invoices 41696, 41747 | 216,294.02 | 0.00 | 68,948.85 |
| 0003403 | 1/19/2018 | [10046] VERIZON CALIFORNIA-Long Distance Charges Dec 2017 | 31.50 | 0.00 | 68,917.35 |
| R18-08 | 1/19/2018 | Op Fund Replenishment #7 | 0.00 | 216,952.49 | 285,869.84 |
| 0000292 | 1/25/2018 | Credit Card Transactions - NRG Solar & House of Custom | 0.00 | 1,033.11 | 286,902.95 |
| 0000292 | 1/26/2018 | Credit Card Transaction - CEC Group | 0.00 | 690.00 | 287,592.95 |
| 0000292 | 1/29/2018 | Credit Card Transactions - Forest City & AV Recycling | 0.00 | 1,233.22 | 288,826.17 |
| 0000292 | 1/31/2018 | Credit Card Transaction - ANM Construction | 0.00 | 660.00 | 289,486.17 |
| Total for Report: | | | 217,468.85 | 230,042.76 | |

Antelope Valley AQMD
Bank Register from 1/01/2018 to 1/31/2018
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> |
|--------------------------|-------------|---------------------------------|---------------------|-----------------------|------------------------|
| 0000290 | 1/10/2018 | Daily Deposit | 0.00 | 47,029.30 | 1,010,376.02 |
| 0000291 | 1/10/2018 | Daily Deposit | 0.00 | 50,246.18 | 1,060,622.20 |
| R18-07 | 1/11/2018 | Op Fund Rep #6 | 9,473.94 | 0.00 | 1,051,148.26 |
| R18-08 | 1/19/2018 | Op Fund Replenishment #7 | 216,952.49 | 0.00 | 834,195.77 |
| 0000292 | 1/22/2018 | Daily Deposit | 0.00 | 235,055.16 | 1,069,250.93 |
| 0000293 | 1/30/2018 | Daily Deposit | 0.00 | 82,941.59 | 1,152,192.52 |
| 0082829 | 1/31/2018 | Transfer AB923 - November 2017 | 44,840.78 | 0.00 | 1,107,351.74 |
| 0082830 | 1/31/2018 | Transfer AB2766 - November 2017 | 31,400.65 | 0.00 | 1,075,951.09 |
| Total for Report: | | | 302,667.86 | 415,272.23 | |

Antelope Valley AQMD
Bank Register from 1/01/2018 to 1/31/2018
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> |
|--------------------------|-------------|---------------------------------|---------------------|-----------------------|------------------------|
| 0082830 | 1/31/2018 | Transfer AB2766 - November 2017 | 0.00 | 31,400.65 | 468,928.36 |
| Total for Report: | | | 0.00 | 31,400.65 | |

Antelope Valley AQMD
Bank Register from 1/01/2018 to 1/31/2018
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> |
|--------------------------|-------------|--------------------------------|---------------------|-----------------------|------------------------|
| 0082829 | 1/31/2018 | Transfer AB923 - November 2017 | 0.00 | 44,840.78 | 984,999.04 |
| Total for Report: | | | 0.00 | 44,840.78 | |

Antelope Valley AQMD
Bank Register from 1/01/2018 to 1/31/2018
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> |
|--------------------------|-------------|---|---------------------|-----------------------|------------------------|
| 0000034 | 1/11/2018 | Jan 2018 Payment | 0.00 | 235.58 | 248.09 |
| 0000214 | 1/11/2018 | [10069] BRET BANKS-Invoices 591, 598 | 165.69 | 0.00 | 82.40 |
| 0000215 | 1/11/2018 | [10070] BARBARA LODS-Invoices 594, 595, 597 | 69.89 | 0.00 | 12.51 |
| Total for Report: | | | 235.58 | 235.58 | |

Antelope Valley AQMD
Balance Sheet - Governmental Funds
As of February 28, 2018

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 | 1,363,463.07 | 432,905.36 | 949,479.04 | 319,172.72 | 3,065,020.19 |
| Cash Held For Other Fund | 6,518.31 | 287,591.89 | (235,587.27) | (58,522.93) | 0.00 |
| Receivables | 25,121.43 | 0.00 | 0.00 | 0.00 | 25,121.43 |
| Pre-Paid | 9,393.68 | 0.00 | 0.00 | 0.00 | 9,393.68 |
| Total Current Assets | 1,404,496.49 | 720,497.25 | 713,891.77 | 260,649.79 | 3,099,535.30 |
| Total Assets | 1,404,496.49 | 720,497.25 | 713,891.77 | 260,649.79 | 3,099,535.30 |
| Liabilities and Net Position | | | | | |
| Current Liabilities | | | | | |
| Payables | 229,881.65 | 491.66 | 0.00 | 0.00 | 230,373.31 |
| Due to Others | 910.00 | 0.00 | 0.00 | 0.00 | 910.00 |
| Unearned Revenue | 0.00 | 0.00 | 0.00 | 298,486.94 | 298,486.94 |
| Total Current Liabilities | 230,791.65 | 491.66 | 0.00 | 298,486.94 | 529,770.25 |
| Restricted Fund Balance | 0.00 | 647,909.20 | 765,017.08 | (38,642.03) | 1,374,284.25 |
| Cash Reserves | 370,000.00 | 0.00 | 0.00 | 0.00 | 370,000.00 |
| Unassigned Fund Balance | 603,642.13 | 0.00 | 0.00 | 0.00 | 603,642.13 |
| Pre-Paid | 9,393.68 | 0.00 | 0.00 | 0.00 | 9,393.68 |
| Change in Net Position | 190,669.03 | 72,096.39 | (51,125.31) | 804.88 | 212,444.99 |
| Total Liabilities & Net Position | 1,404,496.49 | 720,497.25 | 713,891.77 | 260,649.79 | 3,099,535.30 |

Antelope Valley AQMD
Statement of Revenues & Expenditures
For the Period Ending February 28, 2018

Financial Report

| | <u>General</u> <u>Fund</u> | <u>AB2766 Mobile</u> <u>Emissions</u> <u>Program</u> | <u>AB923 Mobile</u> <u>Emissions</u> <u>Program</u> | <u>Carl</u> <u>Moyer</u> <u>Program</u> | <u>Total</u> <u>Governmental</u> <u>Funds</u> |
|---|-------------------------------|--|---|---|---|
| Revenues | | | | | |
| Application and Permit Fees | 49,900.06 | 0.00 | 0.00 | 0.00 | 49,900.06 |
| AB 2766 and Other Program Revenues | 56,392.18 | 30,300.62 | 43,269.92 | 294,075.33 | 424,038.05 |
| Fines | 900.00 | 0.00 | 0.00 | 0.00 | 900.00 |
| Investment Earnings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 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 | 107,192.24 | 30,300.62 | 43,269.92 | 294,075.33 | 474,838.11 |
| Expenditures | | | | | |
| Program Staff | 78,947.51 | 0.00 | 0.00 | 0.00 | 78,947.51 |
| Services and Supplies | 20,800.32 | 36,514.66 | 35,520.00 | 290,367.00 | 383,201.98 |
| 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 | 99,747.83 | 36,514.66 | 35,520.00 | 290,367.00 | 462,149.49 |
| Excess Revenue Over (Under) Expenditures | 7,444.41 | (6,214.04) | 7,749.92 | 3,708.33 | 12,688.62 |

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 2/28/2018

00 District Wide

| | M-T-D Actual | Y-T-D Actual | Y-T-D Budget | % Budget to Actual |
|---|-------------------|---------------------|---------------------|-----------------------|
| Revenues | | | | |
| Permitting | 45,799.95 | 593,152.59 | 740,000.00 | (0.80) |
| Programs | 424,038.05 | 1,387,104.70 | 2,537,404.00 | (0.55) |
| Application Fees | 3,728.00 | 37,283.00 | 51,450.00 | (0.72) |
| State Revenue | 0.00 | 135,946.43 | 129,000.00 | (1.05) |
| Fines & Penalties | 900.00 | 6,900.00 | 15,000.00 | (0.46) |
| Interest Earned | 0.00 | 7,924.24 | 15,900.00 | (0.50) |
| Adjustments to Revenue | 372.11 | (2,976.88) | 0.00 | 0.00 |
| Total Revenues | 474,838.11 | 2,165,334.08 | 3,488,754.00 | (0.62) |
| Expenses | | | | |
| Office Expenses | 6,785.08 | 49,393.50 | 89,775.00 | 0.55 |
| Communications | 1,992.88 | 13,327.11 | 43,500.00 | 0.31 |
| Vehicles | 288.53 | 4,651.08 | 10,500.00 | 0.44 |
| Program Costs | 361,910.00 | 996,086.36 | 1,783,728.00 | 0.56 |
| Travel | 0.00 | 3,543.60 | 10,000.00 | 0.35 |
| Professional Services | | | | |
| Research Studies | 0.00 | 0.00 | 6,000.00 | 0.00 |
| Consulting Fees | 0.00 | 0.00 | 3,000.00 | 0.00 |
| Stipends | 1,000.00 | 3,700.00 | 8,400.00 | 0.44 |
| Maintenance & Repairs | 225.00 | 2,046.67 | 6,575.00 | 0.31 |
| Non-Depreciable Inventory | 0.00 | 6,666.81 | 8,000.00 | 0.83 |
| Dues & Subscriptions | 0.00 | 8,033.43 | 10,500.00 | 0.77 |
| Legal | 0.00 | 8,974.02 | 19,000.00 | 0.47 |
| Miscellaneous Expense | 0.00 | 444.64 | 800.00 | 0.56 |
| Capital Expenditures | 0.00 | 11,757.00 | 82,000.00 | 0.14 |
| Total Expenses | 372,201.49 | 1,108,624.22 | 2,081,778.00 | 0.53 |
| Program Staff | | | | |
| Program Staff | 0.00 | 0.00 | 93,926.00 | 0.00 |
| Total Program Staff | 0.00 | 0.00 | 93,926.00 | 0.00 |
| Excess Revenue Over (Under) Expenditures | 102,636.62 | 1,056,709.86 | 1,313,050.00 | (0.80) |

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 2/28/2018

10 Contracted Services

| | M-T-D Actual | Y-T-D Actual | Y-T-D Budget | % Budget to Actual |
|---|--------------------|---------------------|-----------------------|-----------------------|
| Revenues | | | | |
| Expenses | | | | |
| Office Expenses | 0.00 | 6,288.45 | 4,700.00 | 1.34 |
| Vehicles | (1.18) | 327.83 | 0.00 | 0.00 |
| Program Costs | 0.00 | 0.00 | 500.00 | 0.00 |
| Travel | (17.15) | 435.20 | 1,000.00 | 0.44 |
| Professional Services | | | | |
| Payroll Contract | 0.00 | 59.74 | 150.00 | 0.40 |
| Financial Audit & Actuarial Svcs | 11,018.82 | 116,539.45 | 204,200.00 | 0.57 |
| Capital Expenditures | 0.00 | 0.00 | 2,500.00 | 0.00 |
| Total Expenses | 11,000.49 | 123,650.67 | 213,050.00 | 0.58 |
| Program Staff | | | | |
| Program Staff | 78,947.51 | 720,614.20 | 1,100,000.00 | 0.66 |
| Total Program Staff | 78,947.51 | 720,614.20 | 1,100,000.00 | 0.66 |
| Excess Revenue Over (Under) Expenditures | (89,948.00) | (844,264.87) | (1,313,050.00) | (0.64) |

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 2/28/2018

Report Recap

| | M-T-D Actual | Y-T-D Actual | Y-T-D Budget | % Budget to Actual |
|---|-------------------|---------------------|---------------------|-----------------------|
| Revenues | | | | |
| Permitting | 45,799.95 | 593,152.59 | 740,000.00 | (0.80) |
| Programs | 424,038.05 | 1,387,104.70 | 2,537,404.00 | (0.55) |
| Application Fees | 3,728.00 | 37,283.00 | 51,450.00 | (0.72) |
| State Revenue | 0.00 | 135,946.43 | 129,000.00 | (1.05) |
| Fines & Penalties | 900.00 | 6,900.00 | 15,000.00 | (0.46) |
| Interest Earned | 0.00 | 7,924.24 | 15,900.00 | (0.50) |
| Adjustments to Revenue | 372.11 | (2,976.88) | 0.00 | 0.00 |
| Total Revenues | 474,838.11 | 2,165,334.08 | 3,488,754.00 | (0.62) |
| Expenses | | | | |
| Office Expenses | 6,785.08 | 55,681.95 | 94,475.00 | 0.59 |
| Communications | 1,992.88 | 13,327.11 | 43,500.00 | 0.31 |
| Vehicles | 287.35 | 4,978.91 | 10,500.00 | 0.47 |
| Program Costs | 361,910.00 | 996,086.36 | 1,784,228.00 | 0.56 |
| Travel | (17.15) | 3,978.80 | 11,000.00 | 0.36 |
| Professional Services | | | | |
| Payroll Contract | 0.00 | 59.74 | 150.00 | 0.40 |
| Financial Audit & Actuarial Svcs | 11,018.82 | 116,539.45 | 204,200.00 | 0.57 |
| Research Studies | 0.00 | 0.00 | 6,000.00 | 0.00 |
| Consulting Fees | 0.00 | 0.00 | 3,000.00 | 0.00 |
| Stipends | 1,000.00 | 3,700.00 | 8,400.00 | 0.44 |
| Maintenance & Repairs | 225.00 | 2,046.67 | 6,575.00 | 0.31 |
| Non-Depreciable Inventory | 0.00 | 6,666.81 | 8,000.00 | 0.83 |
| Dues & Subscriptions | 0.00 | 8,033.43 | 10,500.00 | 0.77 |
| Legal | 0.00 | 8,974.02 | 19,000.00 | 0.47 |
| Miscellaneous Expense | 0.00 | 444.64 | 800.00 | 0.56 |
| Capital Expenditures | 0.00 | 11,757.00 | 84,500.00 | 0.14 |
| Total Expenses | 383,201.98 | 1,232,274.89 | 2,294,828.00 | 0.54 |
| Program Staff | | | | |
| Program Staff | 78,947.51 | 720,614.20 | 1,193,926.00 | 0.60 |
| Total Program Staff | 78,947.51 | 720,614.20 | 1,193,926.00 | 0.60 |
| Excess Revenue Over (Under) Expenditures | 12,688.62 | 212,444.99 | 0.00 | 0.00 |

Antelope Valley AQMD
Bank Register from 2/01/2018 to 2/28/2018
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> |
|------------------|-------------|--|---------------------|-----------------------|------------------------|
| 0003404 | 2/02/2018 | [10076] ANTELOPE VALLEY AQMD-Credit Card Transactions - December 2017 | 2,951.11 | 0.00 | 286,535.06 |
| 0003405 | 2/02/2018 | [10011] CALIFORNIA SPECIAL DISTRICTS ASSOCIATION-2018 Membership Dues | 1,299.00 | 0.00 | 285,236.06 |
| 0003406 | 2/02/2018 | [10405] CANON FINANCIAL SERVICES-Copier Lease Feb 2018 | 320.93 | 0.00 | 284,915.13 |
| 0003407 | 2/02/2018 | [10068] JASON MENTRY-Mtn pass mine inspection travel expense-1/8-1/9. | 112.00 | 0.00 | 284,803.13 |
| 0003408 | 2/02/2018 | [10260] QCS BUILDING SERVICES-Janitorial Service January 2018 | 225.00 | 0.00 | 284,578.13 |
| 0003409 | 2/02/2018 | [00069] SOUTHERN CALIFORNIA EDISON-Electric Service Jan 2018 | 371.07 | 0.00 | 284,207.06 |
| 0003410 | 2/02/2018 | [10039] SPARKLETTS-Water Delivery Service January 2018 | 36.17 | 0.00 | 284,170.89 |
| 0003411 | 2/02/2018 | [10050] WOELFL FAMILY TRUST-Office Lease Feb 2018 | 4,447.69 | 0.00 | 279,723.20 |
| 0000293 | 2/05/2018 | Credit Card Transaction - Servicemaster at Bakersfield | 0.00 | 244.00 | 279,967.20 |
| 0000292 | 2/08/2018 | Credit Card Transaction - Lockheed Martin | 0.00 | 690.00 | 280,657.20 |
| 0003381 | 2/16/2018 | [10405] CANON FINANCIAL SERVICES-Void check 0003381 | 0.00 | 320.93 | 280,978.13 |
| 0003412 | 2/16/2018 | [10076] ANTELOPE VALLEY AQMD-Credit Card Transactions - January 2018 | 3,616.33 | 0.00 | 277,361.80 |
| 0003413 | 2/16/2018 | [01148] ANTELOPE VALLEY PRESS-Notice of Intention | 307.28 | 0.00 | 277,054.52 |
| 0003414 | 2/16/2018 | [10518] AUSTIN BISHOP-GB Meeting Stipend January 2018 | 100.00 | 0.00 | 276,954.52 |
| 0003415 | 2/16/2018 | [10405] CANON FINANCIAL SERVICES-Copier Lease January 2018 | 320.93 | 0.00 | 276,633.59 |
| 0003416 | 2/16/2018 | [10057] MARVIN CRIST-GB Meeting Stipend January 2018 | 100.00 | 0.00 | 276,533.59 |
| 0003417 | 2/16/2018 | [10059] ENTERPRISE FLEET MANAGEMENT-Fleet Maintenance Feb 2018 | 32.00 | 0.00 | 276,501.59 |
| 0003418 | 2/16/2018 | [10058] RONALD HAWKINS-GB Meeting Stipend January 2018 | 100.00 | 0.00 | 276,401.59 |
| 0003419 | 2/16/2018 | [10503] STEVEN D HOFBAUER-GB Meeting Stipend January 2018 | 100.00 | 0.00 | 276,301.59 |
| 0003420 | 2/16/2018 | [10071] MAIL FINANCE-Postage Meter Lease March 2018 - April 2018 | 94.97 | 0.00 | 276,206.62 |
| 0003421 | 2/16/2018 | [10054] KENNETH MANN-GB Meeting Stipend January 2018 | 100.00 | 0.00 | 276,106.62 |
| 0003422 | 2/16/2018 | [10026] MOJAVE DESERT AQMD-NOV FY18 | 100,976.48 | 0.00 | 175,130.14 |
| 0003423 | 2/16/2018 | [10260] QCS BUILDING SERVICES-Custodial service Feb 2018 | 225.00 | 0.00 | 174,905.14 |
| 0003424 | 2/16/2018 | [10043] SOCALGAS-Gas Service Jan 2018 | 87.87 | 0.00 | 174,817.27 |
| 0003425 | 2/16/2018 | [10039] SPARKLETTS-Water Delivery Service Jan 2018 | 46.16 | 0.00 | 174,771.11 |
| 0003426 | 2/16/2018 | [10455] STRADLING YOCCA CARLSON & RAUTH-Gen Counsel Services through 12/31/17 | 1,414.82 | 0.00 | 173,356.29 |
| 0003427 | 2/16/2018 | [10045] VERIZON BUSINESS-Invoices Z6251548, Z6277805 | 3,215.40 | 0.00 | 170,140.89 |
| 0003428 | 2/16/2018 | [10046] VERIZON CALIFORNIA-Long distance Charges | 31.66 | 0.00 | 170,109.23 |
| 0003429 | 2/16/2018 | [10063] VOYAGER FLEET SYSTEMS-Fuel Card Charges Jan 2018 | 181.32 | 0.00 | 169,927.91 |
| 0003430 | 2/16/2018 | [10006] BANK OF THE WEST-CC Charges Jan 2018 | 638.60 | 0.00 | 169,289.31 |
| 0000295 | 2/16/2018 | Wells Fargo ACH - NASA | 0.00 | 12,596.28 | 181,885.59 |
| 0000296 | 2/23/2018 | Credit Card Transaction - AV Solar Ranch | 0.00 | 400.02 | 182,285.61 |
| 0000299 | 2/23/2018 | Wells Fargo ACH - LA-RICS | 0.00 | 400.02 | 182,685.63 |
| 0000295 | 2/26/2018 | Credit Card Transactions - Radian Solar & T3 | 0.00 | 1,828.00 | 184,513.63 |
| 0003431 | 2/27/2018 | [10518] AUSTIN BISHOP-Attendance Governing Board Meeting Tuesday, February 20, 2018. | 100.00 | 0.00 | 184,413.63 |
| 0003432 | 2/27/2018 | [10405] CANON FINANCIAL SERVICES-Copier Lease March 2018 | 340.83 | 0.00 | 184,072.80 |
| 0003433 | 2/27/2018 | [10055] NEWTON CHELETTE-Attendance Governing Board Meeting Tuesday, February 20, 2018. | 100.00 | 0.00 | 183,972.80 |
| 0003434 | 2/27/2018 | [10057] MARVIN CRIST-Attendance Governing Board Meeting Tuesday, February 20, 2018. | 100.00 | 0.00 | 183,872.80 |
| 0003435 | 2/27/2018 | [10502] DIGITAL DEPLOYMENT INC-Invoices 96218, 96610, 96802 | 600.00 | 0.00 | 183,272.80 |

Antelope Valley AQMD
Bank Register from 2/01/2018 to 2/28/2018
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> |
|--------------------------|-------------|--|---------------------|-----------------------|------------------------|
| 0003436 | 2/27/2018 | [10019] FEDERAL EXPRESS CORPORATION-Courier Service | 24.54 | 0.00 | 183,248.26 |
| 0003437 | 2/27/2018 | [10058] RONALD HAWKINS-Attendance Governing Board Meeting Tuesday, February 20, 2018. | 100.00 | 0.00 | 183,148.26 |
| 0003438 | 2/27/2018 | [10503] STEVEN D HOFBAUER-Attendance Governing Board Meeting Tuesday, February 20, 2018. | 100.00 | 0.00 | 183,048.26 |
| 0003439 | 2/27/2018 | [10026] MOJAVE DESERT AQMD-DEC FY18 | 104,635.09 | 0.00 | 78,413.17 |
| 0003440 | 2/27/2018 | [10036] SECURA COM-Qrtly monitoring Service March through May 2018 | 116.85 | 0.00 | 78,296.32 |
| 0003441 | 2/27/2018 | [00069] SOUTHERN CALIFORNIA EDISON-Electric service Feb 2018 | 406.72 | 0.00 | 77,889.60 |
| 0003442 | 2/27/2018 | [10050] WOELFL FAMILY TRUST-Office Lease March 2018 | 4,447.69 | 0.00 | 73,441.91 |
| 0000298 | 2/28/2018 | Credit Card Transaction - LNM3 Investments | 0.00 | 1,200.06 | 74,641.97 |
| Total for Report: | | | 232,523.51 | 17,679.31 | |

Antelope Valley AQMD
Bank Register from 2/01/2018 to 2/28/2018
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> |
|--------------------------|-------------|-------------------------|---------------------|-----------------------|------------------------|
| 0000294 | 2/06/2018 | Daily Deposit | 0.00 | 13,410.84 | 1,089,361.93 |
| 0000295 | 2/21/2018 | Daily Deposit | 0.00 | 156,090.70 | 1,245,452.63 |
| 0000296 | 2/21/2018 | Daily Deposit | 0.00 | 20,426.46 | 1,265,879.09 |
| 0000297 | 2/26/2018 | Daily Deposit | 0.00 | 11,125.12 | 1,277,004.21 |
| Total for Report: | | | 0.00 | 201,053.12 | |

Antelope Valley AQMD
Bank Register from 2/01/2018 to 2/28/2018
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> |
|--------------------------|-------------|---|---------------------|-----------------------|------------------------|
| M18-26 | 2/01/2018 | [10565] SIMMONS, EDDIE J-AB2766 Grant | 1,000.00 | 0.00 | 467,928.36 |
| M18-27 | 2/01/2018 | [10243] ZEAR, KENNETH-AB2766 Grant | 1,000.00 | 0.00 | 466,928.36 |
| M18-28 | 2/01/2018 | [10566] KONIK, HENRY-AB2766 Grant | 1,000.00 | 0.00 | 465,928.36 |
| M18-29 | 2/01/2018 | [10567] POST, CHRISTOPHER-AB2766 Grant | 1,000.00 | 0.00 | 464,928.36 |
| M18-30 | 2/01/2018 | [01821] PALMDALE, CITY OF-AB2766 Grant | 4,000.00 | 0.00 | 460,928.36 |
| M18-31 | 2/01/2018 | [01234] WESTSIDE UNION SCHOOL DISTRICT-AB2766 Grant | 25,523.00 | 0.00 | 435,405.36 |
| M18- | 2/22/2018 | [10569] CHANEY, BOYD- | 0.00 | 0.00 | 435,405.36 |
| M18-32 | 2/22/2018 | [10569] CHANEY, BOYD-AB2766 Grant | 1,000.00 | 0.00 | 434,405.36 |
| M18-34 | 2/22/2018 | [10568] CASTILLO, PATRICK-AB2766 Grant | 500.00 | 0.00 | 433,905.36 |
| M18-35 | 2/22/2018 | [10390] MCGUIRE, DEBRA-AB2766 Grant | 1,000.00 | 0.00 | 432,905.36 |
| Total for Report: | | | 36,023.00 | 0.00 | |

Antelope Valley AQMD
Bank Register from 2/01/2018 to 2/28/2018
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> |
|--------------------------|-------------|--|---------------------|-----------------------|------------------------|
| M18-23 | 2/01/2018 | [00955] PALMDALE WATER DISTRICT-AB923 Grant | 18,520.00 | 0.00 | 966,479.04 |
| M18-24 | 2/01/2018 | [10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-AB923 Grant | 3,000.00 | 0.00 | 963,479.04 |
| M18-25 | 2/01/2018 | [10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-AB923 Grant | 6,000.00 | 0.00 | 957,479.04 |
| M18-33 | 2/22/2018 | [10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-AB923 Grant | 8,000.00 | 0.00 | 949,479.04 |
| Total for Report: | | | 35,520.00 | 0.00 | |

Antelope Valley AQMD
Bank Register from 2/01/2018 to 2/28/2018
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> |
|--------------------------|-------------|---|---------------------|-----------------------|------------------------|
| C18-9 | 2/01/2018 | [10554] MILLER EQUIPMENT COMPANY-Moyer Grant | 284,887.00 | 0.00 | 324,652.72 |
| C18-7 | 2/01/2018 | [10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-Moyer Grant | 1,270.00 | 0.00 | 323,382.72 |
| M18-8 | 2/01/2018 | [10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-Moyer Grant | 1,905.00 | 0.00 | 321,477.72 |
| C18-10 | 2/22/2018 | [10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-Mouyer Grant | 2,305.00 | 0.00 | 319,172.72 |
| Total for Report: | | | 290,367.00 | 0.00 | |

Antelope Valley AQMD
Bank Register from 2/01/2018 to 2/28/2018
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> |
|--------------------------|-------------|--|---------------------|-----------------------|------------------------|
| 0000035 | 2/16/2018 | Feb 2018 Payment | 0.00 | 638.60 | 651.11 |
| 0000216 | 2/16/2018 | [10069] BRET BANKS-Invoices 599, 600, 9116-011818 | 306.96 | 0.00 | 344.15 |
| 0000217 | 2/16/2018 | [10070] BARBARA LODS-Staples-Folding Machine | 295.64 | 0.00 | 48.51 |
| 0000218 | 2/16/2018 | [10068] JASON MENTRY-Travel expense for inspection at Mtn. Pass Mine on 1/8 & 1/9- hotel. | 36.00 | 0.00 | 12.51 |
| Total for Report: | | | 638.60 | 638.60 | |

The following page(s) contain the backup material for Agenda Item: [Approve payment to MDAQMD in the total amount of \\$206,385.52, subject to availability of funds, for services provided during the month of January 2018 in the amount of \\$111,444.44 and February 2018 in the amount of \\$94,941.08. Presenter: Bret Banks.](#)

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

AGENDA ITEM #5

DATE: March 20, 2018

RECOMMENDATION: Approve payment to MDAQMD in the total amount of \$206,385.52, subject to availability of funds, for services provided during the month of January 2018 in the amount of \$111,444.44 and February 2018 in the amount of \$94,941.08.

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

CONFLICT OF INTEREST: None

BACKGROUND: Key expenses are staff; five positions are assigned to the local office. Staff will be available to answer questions as needed.

This payment request represents services rendered for January 2018 in the amount of \$111,444.44 and February 2018 in the amount of \$94,941.08, 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 March 6, 2018.

FINANCIAL DATA: The contract and direct expenditure amounts are part of the approved District budget for FY 18. No change in appropriations is anticipated as a result of the approval of this item.

PRESENTER: Bret Banks, Executive Director/APCO



Mojave Desert AQMD
 14306 Park Avenue
 Victorville, CA 92392
 760.245.1661

Due Date **DUE UPON RECEIPT**
 Invoice Date **1/31/2018**
 Invoice Number **41820**

INVOICE

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

| FY18 | Amount | |
|---|----------------------|-------------------|
| Program Staff | 91,666.67 | |
| Overhead | 13,686.16 | |
| Vehicles Expenses | 30.08 | |
| Office Expenses | 4,795.22 | |
| Professional Services | 1,266.31 | |
| <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> | | |
| MAKE CHECKS PAYABLE TO MOJAVE DESERT AQMD PLEASE INCLUDE THE INVOICE NUMBER ON THE CHECK | Invoice Total | 111,444.44 |
| | Amount Paid | 0.00 |
| | Balance Due | 111,444.44 |



Mojave Desert AQMD
 14306 Park Avenue
 Victorville, CA 92392
 760.245.1661

Due Date **DUE UPON RECEIPT**
 Invoice Date **2/28/2018**
 Invoice Number **41821**

INVOICE

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

| FY18 | Amount | |
|---|----------------------|------------------|
| Program Staff | 83,266.67 | |
| Overhead | 11,659.43 | |
| Office Expenses | 14.98 | |
| <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> | | |
| MAKE CHECKS PAYABLE TO MOJAVE DESERT AQMD PLEASE INCLUDE THE INVOICE NUMBER ON THE CHECK | Invoice Total | 94,941.08 |
| | Amount Paid | 0.00 |
| | Balance Due | 94,941.08 |

The following page(s) contain the backup material for Agenda Item: [Conflict of Interest Code for Antelope Valley Air Quality Management District. Adopt resolution amending the Conflict of Interest Code for Antelope Valley Air Quality Management District \(AVAQMD\) and direct staff action. Presenter: Bret Banks.](#)

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

AGENDA ITEM #6

DATE: March 20, 2018

RECOMMENDATION: Adopt resolution amending the Conflict of Interest Code for the Antelope Valley Air Quality Management District (AVAQMD) and direct staff action.

SUMMARY: This action will amend the AVAQMD's Conflict of Interest Code to reflect changes in position titles.

BACKGROUND: The Political Reform Act (Gov. Code §§8100 et seq.) requires state and local government agencies to adopt and promulgate a conflict of interest code. The AVAQMD is subject to the provisions of the Political Reform Act. The AVAQMD's current Conflict of Interest Code was approved by the County of Los Angeles to be effective as of July 1, 2015.

Recent reorganization by the Mojave Desert Air Quality Management District (MDAQMD), which provides services under contract to the AVAQMD, has resulted in a variety of position title changes, position deletions, and position additions in the code. These changes need to be reflected in the official documentation. In addition, Los Angeles County as the code reviewing body has indicated that minor adjustments to the disclosure categories are necessary for standardization. Partially as a result of the changes to position responsibilities and adjustment to the disclosure categories certain positions disclosure categories also are required to be adjusted. Justification and specifics of the proposed changes is attached. A redline version of the proposed changes is also attached.

Since there are changes to disclosure categories and category assignments the affected employees were notified of the proposed changes via letter (attached) and the notice of intention to amend the Conflict of Interest Code was posted and published on January 18, 2018 (attached).

REASON FOR RECOMMENDATION: Governing Board action is required to adopt or amend a Conflict of Interest Code.

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

AGENDA ITEM #6

PAGE 2

REVIEW BY OTHERS: This item was reviewed by Bret Banks, Executive Director on or before March 5, 2018.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Karen K. Nowak, District Counsel.

RESOLUTION _____

A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT ADOPTING AMENDMENTS TO THE AVAQMD CONFLICT OF INTEREST CODE AND DIRECTING STAFF ACTION

On March 20, 2018, on motion by Member _____, seconded by Member _____, and carried, the following resolution is adopted:

WHEREAS, the Political Reform Act (Gov. Code §§8100 et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes; and

WHEREAS, the Fair Political Practices Commission (FPPC) has adopted a regulation (2 Cal. Code Regs. §18730) which contains the terms of a standard conflict of interest code, and which can be incorporated by reference and may be amended by the FPPC after public notice and hearing to conform to amendments in the Political Reform Act; and

WHEREAS, the currently conflict of interest code for the AVAQMD was approved by the appropriate code reviewing body, the County of Los Angeles, to be effective as of July 1, 2015; and

WHEREAS, the AVAQMD has reviewed its code in response to the biennial review requirements; and

WHEREAS, recent reorganization has changed various position titles namely: Air Pollution Control Officer (Executive Director) to Air Pollution Control Officer (Executive Director/APCO), Deputy Director/Administrative Services to Deputy Director/Administration, Fiscal Manager to Finance Manager, and Community Relations and Education Manager to Community Relations and Education Supervisor; and

WHEREAS, recent reorganization has eliminated the positions of Supervising Air Quality Engineer, Lead Air Quality Instrument Technician, Lead Air Quality Engineer, Lead Air Quality Specialist, and Lead Planning and Rulemaking; and

WHEREAS, recent reorganization had added the positions of Air Monitoring Supervisor, Compliance Supervisor, and Permit Engineering Supervisor; and

WHEREAS, the existing positions of Grants Specialist/Analyst and Information Technology Specialist need to be added as designated filing positions; and

WHEREAS, certain classification language needs to be updated to clarify reporting requirements and to support all the above changes; and

RESOLUTION _____

1 **WHEREAS**, the AVAQMD has developed language in conjunction with the Executive Office of
2 the Board of Supervisors of the County of Los Angeles to make the above referenced changes;

3 **NOW THEREFORE BE IT RESOLVED**, that the Governing Board of the Antelope Valley Air
4 Quality Management District hereby adopts the amended Conflict of Interest Code as attached hereto and
5 incorporated herein by reference; and

6 **BE IT FURTHER RESOLVED**, that the Air Pollution Control Officer is directed to sign the
7 declaration attached to the amended Conflict of Interest Code and that staff forward the code to the
8 County of Los Angeles for approval.

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

11 AYES: MEMBER:
12 NOES: MEMBER:
13 ABSENT: MEMBER:
14 ABSTAIN: MEMBER:

15
16 STATE OF CALIFORNIA)
)
17 COUNTY OF LOS ANGELES) SS:
)
18

19
20 I, Deanna Hernandez, Senior Executive Analyst of the Antelope Valley Air Quality Management
21 District, hereby certify the foregoing to be a full, true and correct copy of the record of the action as the
22 same appears in the Official Minutes of said Governing Board at its meeting of March 20, 2018

23 Senior Executive Analyst _____
24 Antelope Valley Air Quality Management District.
25
26
27
28

CONFLICT-OF-INTEREST CODE FOR THE
ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT

The Political Reform Act (Government Code §§81000 et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission (FPPC) has adopted a regulation (2 Cal. Code Regs. §18730) which contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code. After public notice and hearing this regulation may be amended by the FPPC to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 California Code of Regulations §18730 and any amendments thereto which are duly adopted by the FPPC are hereby incorporated by reference. This regulation and the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the conflict-of-interest code of the ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT (AVAQMD).

Designated employees shall file their statements with the AVAQMD who will make the statements available for public inspection and reproduction. (Gov. Code §81008). Upon receipt of the statement(s) for Members and Alternate Members AVAQMD Governing Board; and the Air Pollution Control Officer (APCO), the AVAQMD shall make and retain a copy and forward the original to the Los Angeles County Board of Supervisors.

APPENDIX A
DISCLOSURE CATEGORIES

CATEGORY 1

Investments and business positions in business entities, and sources of income, including loans, gifts, and travel payments, from sources of the type that provide services, supplies, materials, machinery, or equipment of the type utilized by the AVAQMD

CATEGORY 2

Interests in real property located within the jurisdiction of the AVAQMD, or within two miles of the boundaries of the jurisdiction of the AVAQMD, or within two miles of any land owned or used by the AVAQMD.

Persons are not required to disclose a residence, such as a home or vacation property used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

CATEGORY 3

- (a) Investments and business positions in business entities, and sources of income, including loans, gifts, and travel payments, from all business entities, governmental entities, and non-profits that are regulated as well as any homeowner/renter that is fined or cited by the AVAQMD.
- (b) Investment and business positions in business entities, and sources of income, including loans, gifts, and travel payments, from sources of the type that engage in the acquisition, disposal, or development of real property within the AVAQMD.
- (c) Investments and business positions in business entities, and sources of income, including loans, gifts, and travel payments, from sources of the type that regularly engage in the preparation of environmental impact statements or reports.
- (d) Investments and business positions in business entities, and sources of income, including loans, gifts, and travel payments, from sources of the type that receive financial or technical assistance from the AVAQMD.
- (e) Investments and business positions in business entities, and sources of income including loans, gifts, and travel payments, from sources of the type that provide information technology and telecommunications goods, products or services, including but not limited to, computer hardware or software companies, computer consultant services, training, data processing, and media services.

CATEGORY 4

Investments and business positions in business entities, and sources of income, including loans, gifts and travel payments, from entities subject to inspections by the AVAQMD.

APPENDIX B
DESIGNATED OFFICIALS/EMPLOYEES

| Designated Officials/Employees | Disclosure Category |
|---|----------------------------|
| Members and Alternate Members, AVAQMD Governing Board | 1, 2, 3, |
| Members and Alternate Members - AVAQMD Hearing Board* | 1, 2, 3 |
| | |
| Air Pollution Control Officer (Executive Director/APCO) | 1, 2, 3 |
| | |
| Deputy Director/Administration | 1, 2, 3 |
| Deputy Director/Antelope Valley Operations | 1, 2, 3 |
| Deputy Director/Mojave Desert Operations | 1, 2, 3 |
| District Counsel | 1, 2, 3 |
| Finance Manager | 1, 2, 3 |
| | |
| Air Monitoring Supervisor | 1, 4 |
| Community Relations and Education Supervisor | 1, 4 |
| Compliance Supervisor | 1, 4 |
| Permit Engineering Supervisor | 1, 4 |
| | |
| Air Quality Engineer | 4 |
| Air Quality Instrument Technician | 4 |
| Air Quality Specialist | 4 |
| | |
| Grant Specialist/Analyst | 3d |
| Information Systems Specialist | 3e |
| Consultants/New Positions ** | * |

* Members and Alternate Members of the AVAQMD Hearing Board are authorized to grant or deny a petition for variance, uphold or overturn permit decision and issue orders for abatement. The Hearing Board only meets as requested and historically has not met

regularly; therefore, the required disclosure of Hearing Board Members will be made at the time they are selected to deal with one of the matters within their jurisdiction as opposed to annually.

** Consultants/New Positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following:

The Executive Director/APCO or his or her designee, may determine in writing that a particular consultant or new position, although in a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described herein. Such written determination shall include a description of the consultant or new position duties, and based upon that description, a statement of the extent of the disclosure requirements. The Executive Director/APCO or his or her designee’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of interest code. (Gov. Code §81008).

Individuals who perform under contract the identical duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

DECLARATION OF AIR POLLUTION CONTROL OFFICER
FOR THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT

The proposed amended conflict-of-interest code specifically enumerates each of the positions within the AVAQMD which involves the making or participation in the making of decisions which may foreseeably have a material financial effect on any financial interest. The AVAQMD has satisfied all of the applicable requirements of 2 Cal. Code. Regs. §§18100 et seq. prior to approval of the proposed code.

Bret Banks
Executive Director/Air Pollution Control Officer
Antelope Valley Air Quality Management District

Justification for Changes to Antelope Valley Air Quality Management District (AVAQMD) Conflict of Interest Code 2018.

The Antelope Valley Air Quality Management District (AVAQMD) is an independently governed special district with a jurisdiction wholly contained within the County of Los Angeles (See Health and Safety Code §§41300 et. seq). As such it is required to have its own Conflict Of Interest Code (COI Code) reviewed and approved by the County of Los Angeles. Pursuant to contract the Mojave Desert Air Quality Management District (MDAQMD) provides all staffing, services, and supplies to the AVAQMD,

Added and Deleted Positions to the COI code: On October 24, 2015 the Governing Board of the MDAQMD took action creating various positions, renaming and revising various positions and eliminating other positions. In short, a new position titled Grant Specialist was created from an existing position, positions designated as “Lead” were eliminated or revised and new supervisory positions were created. The Grant Specialist position primarily deals with disbursement of grants and grant funds to applicants and therefore is assigned to the reporting category containing entities that receive financial/technical assistance. The new supervisory positions, Air Monitoring Supervisor, Compliance Supervisor, and Permit Engineering Supervisor, take on many of the duties and responsibilities of the former “Lead” positions and in addition have certain purchasing responsibilities. Due to the purchasing authority as well as supervisory function these new positions will be required to report interests related to suppliers of goods and services as well as interests related to regulated entities.

On January 22, 2018 the Governing Board of the MDAQMD took action further amending, reorganizing and otherwise adjusting various positions. Specifically: the Community Relations & Education Manager position was renamed to Community Relations & Education Supervisor with no substantive adjustment in the job description. The Grants Analyst position was added and also revised the job description of Grants Specialist such that together the two positions provide a lower level and a higher level of competency, training and authority regarding the disbursement of grants. Both these positions will be assigned to the reporting category containing entities that receive financial/technical assistance. In addition several positions were revised, renamed and added along with a variety of pay range adjustments and operational assignment adjustments which do not directly affect the COI code.

The AVAQMD is also proposing to add the position Information Technology Specialist to the code due to the highly level of input required for technology related infrastructure purchases. This position will be required to report interests in entities of the type providing technological related services and supplies to the AVAQMD.

Other Title and Category Changes: The titles of certain other positions, specifically Deputy Director – Administration and Finance Manager, names have changed slightly since the last code amendment. The job classifications and reporting categories for these two positions remain substantially the same. An examination of the job classification, authority, and actual practices of the Community Relations and Education Supervisor

(see name change note above) indicated that the more appropriate reporting categories should be interests regarding suppliers and regulated entities as opposed to suppliers and real property. Additional language has been provided in Category 1 to clarify reporting of property interests. Additional language has been added as Category 3e to provide specific reporting requirement for information technology related interests. Finally, new language has been added to clarify the reporting status of consultants and new positions prior to them being included in the code. Such consultants/new positions will be required to report at the same level and in the same manner as the position their duties most closely resemble and/or as specifically designated by the Executive Director/APCO

| Current Code | | Proposed Code | | |
|--|----------|---|---|---|
| Position/Classification | Category | Proposed Action | Details | Notes |
| Category 2 | 2 | Additional language | Clarification | Clarifies reporting requirements for residences. |
| Category 3e | 3e | New category | Add category specifically for interests in business providing IT related services, supplies and training. | Allows for addition of Information Technology Specialist as a reporting category. |
| Consultants | Footnote | Additional language | Clarification | Clarifies that consultants and contract service providers report as designated as the position the duties of which they are performing. |
| Air Pollution Control Officer (Executive Director) | 1, 2, 3 | Minor name change | Changed to Air Pollution Control Officer (Executive Director/APCO) | Name change for clarity. |
| Deputy Director/Administrative Services | 1, 2, 3 | Position name change | Deputy Director/Administration | Name and minor modifications in job classification |
| Fiscal Manager | 1, 2, 3 | Position name change | Finance Manager | Name and minor modifications in job classification. |
| Supervising Air Quality Engineer | 1, 2, 3 | Position eliminated | Position eliminated | Current incumbent acquired new Air Monitoring Supervisor position. |
| Air Monitoring Supervisor | N/A | New position | New position. Category 1, 4. | Position has regular contact with regulated industry as well as some purchasing authority. |
| Community Relations and Education Manager | 1, 2 | Position name change and change in reporting category | Community Relations and Education Supervisor. Reporting category to be 1, 4. | Name change with no modifications in job classification. Position has more contact with regulated industry and little or no authority regarding real property issues. |
| Compliance Supervisor | N/A | New position | New position. Category 1, 4. | Position has regular contact with regulated industry as well as some purchasing authority. |
| Permit Engineering Supervisor | N/A | New position | New position. Category 1, 4. | Position has regular contact with regulated industry as well as some purchasing authority. |
| Lead Air Quality Instrument Technician | 1, 4 | Position eliminated | Position eliminated | |
| Lead Air Quality Engineer | 4 | Position eliminated | Position eliminated | |
| Lead Air Quality Specialist | 4 | Position eliminated | Position eliminated | |
| Lead Planning and Rulemaking | 4 | Position eliminated | Position eliminated | |
| Grants Specialist/Analyst | N/A | New position. | New positions with differing degrees of responsibility, education and experience. | Position administers grant funding both direct and “pass through” from other entities. |

| | | | | |
|-----------------------------------|-----|---|--|--|
| | | | Category 3. (Specifically 3d) | |
| Information Technology Specialist | N/A | Newly designated position. New subcategory provided. | Added as a new designated filing position. New Category 3e specifically for IT providing entities. | Position provides highly technical input for technology purchases as well as input and analysis of potential service contracts related to technology management. |
| Consultants/New Positions | N/A | Position name change. Specifies new reporting category. | Adds "new positions". Clarifies reporting requirements. | Require new positions to file before COI code is amended. Requires Consultants to file in category closest to duties/services provided. |

CONFLICT-OF-INTEREST CODE FOR THE
ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT

The Political Reform Act (Government Code §§81000 et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission (FPPC) has adopted a regulation (2 Cal. Code Regs. §18730) which contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code. After public notice and hearing this regulation may be amended by the FPPC to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 California Code of Regulations §18730 and any amendments thereto which are duly adopted by the FPPC are hereby incorporated by reference. This regulation and the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the conflict-of-interest code of the ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT (AVAQMD).

Designated employees shall file their statements with the AVAQMD who will make the statements available for public inspection and reproduction. (Gov. Code §81008). Upon receipt of the statement(s) for Members and Alternate Members AVAQMD Governing Board ~~members, AVAQMD Hearing Board Members and Alternate Members~~; and the Air Pollution Control Officer (APCO), the AVAQMD shall make and retain a copy and forward the original to the Los Angeles County Board of Supervisors.

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Persons are not required to disclose a residence, such as a home or vacation property used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

CATEGORY 3

(a) Investments and business positions in business entities, and sources of income, including loans, gifts, and travel payments, from all business entities, governmental entities, and non-profits that are regulated as well as any homeowner/renter that is fined or cited by the AVAQMD.

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(c) Investments and business positions in business entities, and sources of income, including loans, gifts, and travel payments, from sources of the type that regularly engage in the preparation of environmental impact statements or reports.

(d) Investments and business positions in business entities, and sources of income, including loans, gifts, and travel payments, from sources of the type that receive financial or technical assistance from the AVAQMD.

(e) Investments and business positions in business entities, and sources of income including loans, gifts, and travel payments, from sources of the type that provide information technology and telecommunications goods, products or services, including but not limited to, computer hardware or software companies, computer consultant services, training, data processing, and media services.

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Investments and business positions in business entities, and sources of income, including loans, gifts and travel payments, from entities subject to inspections by the AVAQMD.

APPENDIX B
DESIGNATED OFFICIALS/EMPLOYEES

| Designated Officials/Employees | Disclosure Category |
|--|----------------------|
| Members and Alternate Members, AVAQMD Governing Board | 1, 2, 3 ₂ |
| Members and Alternate Members - AVAQMD Hearing Board* | 1, 2, 3 |
| Air Pollution Control Officer (Executive Director/ <u>APCO</u>) | 1, 2, 3 |
| Deputy Director/ Administrative Services | 1, 2, 3 |
| Deputy Director/Antelope Valley <u>Operations</u> | 1, 2, 3 |
| Deputy Director/ <u>Mojave Desert</u> Operations | <u>1, 2, 3</u> |
| District Counsel | 1, 2, 3 |
| <u>Finance</u> Manager | 1, 2, 3 |
| Supervising Air Quality Engineer | 1, 2, 3 |
| <u>Air Monitoring Supervisor</u> | <u>1, 4</u> |
| Community Relations and Education Manager <u>Supervisor</u> | 1, <u>2, 4</u> |
| <u>Compliance Supervisor</u> | <u>1, 4</u> |
| <u>Permit Engineering Supervisor</u> | <u>1, 4</u> |
| Lead Air Quality Instrument Technician | 1, 4 |
| Lead Air Quality Engineer | 4 |
| Lead Air Quality Specialist | 4 |
| Lead Planning and Rulemaking | 4 |
| Air Quality Engineer | 4 |
| Air Quality Instrument Technician | 4 |
| Air Quality Specialist | 4 |
| <u>Final Redline 1/8/2018</u> | |

| | |
|---------------------------------------|-----------|
| <u>Grant Specialist/Analyst</u> | <u>3d</u> |
| <u>Information Systems Specialist</u> | <u>3e</u> |
| <u>Consultants/New Positions</u> ** | <u>**</u> |

* Members and Alternate Members of the AVAQMD Hearing Board are authorized to grant or deny a petition for variance, uphold or overturn permit decision and issue orders for abatement. The Hearing Board only meets as requested and historically has not met regularly; therefore, the required disclosure of Hearing Board Members will be made at the time they are selected to deal with one of the matters within their jurisdiction as opposed to annually.

** _Consultants/New Positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following:

The ~~Air Pollution Control Officer (Executive Director/APCO)~~ or his or her designee, may determine in writing that a particular consultant or new position, although in a “designated position,” is hired to perform a range of duties that is limited in scope and thus in not required to fully comply with the disclosure requirements described ~~in~~ Appendix A ~~herein~~. Such written determination shall include a description of the consultant or new position’s duties, and based upon that description, a statement of the extent of the disclosure requirements. The ~~Executive Director/APCO~~ or his or her designee’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of interest code. (Gov. Code §81008).

Individuals who perform under contract the identical duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

DECLARATION OF AIR POLLUTION CONTROL OFFICER
FOR THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT

The proposed amended conflict-of-interest code specifically enumerates each of the positions within the AVAQMD which involves the making or participation in the making of decisions which may foreseeably have a material financial effect on any financial interest. The AVAQMD has satisfied all of the applicable requirements of 2 Cal. Code. Regs. §§18100 et seq. prior to approval of the proposed code.

~~Eldon Heaston~~Bret Banks
Executive Director/Air Pollution Control Officer
Antelope Valley Air Quality Management District

Office of District Counsel

Antelope Valley Air Quality Management District

43301 Division Street, Suite 206
Lancaster, Ca 93535-4649

Telephone (760) 245-1661
Facsimile (760) 241 -3492

January 10, 2018

VIA HAND DELIVERY

*Chairman
Marvin Crist*

*Bret Banks
Executive Director*

*Karen K. Nowak
District Counsel
Bret Banks
APCO*

Mr. William Berghoff

Ms. Jean Bracy

Ms. Laquita Cole

Mojave Desert Air Quality Management District

14306 Park Ave.

Victorville, Ca 92392-2310

Mr. Chris Collins

Ms. Sheri Haggard

Mr. Brad Poiriez

Ms. Violette Roberts

Ms. Sarah Strout

Mr. Trevor Samorajski

Re: Proposed Amendments to the AVAQMD Conflict of Interest Code

Dear Affected MDAQMD Employees:

As you are aware the MDAQMD provides services to the AVAQMD and as such MDAQMD employees are subject to the provisions of the AVAQMD's Conflict of Interest Code. Recent reorganization and reassignment of tasks have necessitated a review of the AVAQMD's Code. This review has determined that some changes to disclosure categories and changes to category assignments are necessary. You are receiving this notice because your position is directly impacted by one or more of the proposed changes.

Attached please find the following which will explain the proposed changes and the amendment process.

Notice of Intention to Amend Conflict of Interest Code
Redline Version of the proposed amendments
Justification for the proposed amendments

The proposed amendments are currently scheduled for adoption at the March 20, 2018 Governing Board meeting. We intend to make the formal submission of the changes to our code reviewing body, the County of Los Angeles, soon thereafter.

If you have any questions or need additional information please feel free to contact me personally, telephonically or via E-mail.

Sincerely,

Karen K. Nowak,
District Counsel

AFFIDAVIT OF PUBLICATION

(2015.5 C.C.P.)

STATE OF CALIFORNIA

} s s

County of Los Angeles

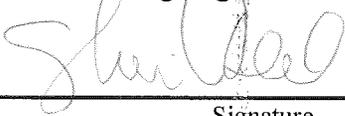
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NOTIC OF INTENT TO AMEND A CONFLICT OF INTEREST CODE COI AMEND

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:

January 18, 2018

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



Signature

Dated: January 18, 2018
Executed at Palmdale, California

NOTICE OF INTENTION TO AMEND A CONFLICT OF INTEREST CODE

NOTICE IS HEREBY GIVEN that the Antelope Valley Air Quality Management District (AVAQMD) intends to amend its Conflict of Interest Code pursuant to Government Code §587300 and 87306. Pursuant to Government Code §87302, the code will designate employees who must disclose certain investments, income, interests in real property and business positions and who must disqualify themselves from making or participating in the making of governmental decisions affecting those interests.

A written comment period has been established commencing on January 19, 2018. Any interested person may present written comments concerning the proposed code no later than close of business on March 5, 2018 (45 days) to the AVAQMD, Attention: Karen K. Nowak, District Counsel, 43301 Division Street, Suite 206, Lancaster, CA 92525-4649. No public hearing on this matter will be held unless an interested person or their representative requests a public hearing no later than fifteen (15) days prior to the close of the written comment period.

The proposed amendments to the AVAQMD's Conflict of Interest Code have been developed as a result of recent reorganization in job classifications and reassignment of functions. Additional changes have been suggested by the AVAQMD's code reviewing body the County of Los Angeles.

The AVAQMD has prepared a written explanation of the reasons for the changes to names/position titles, designations and disclosure responsibilities. Copies of the proposed code and all of the information upon which the proposed changes are based may be obtained from the address listed above. Any inquiries concerning the proposed amendments should be directed to Karen K. Nowak, District Counsel at the address listed above, via telephone at (760) 245-1661 x6810 or via E-mail at K2Nowak@avaqmd.ca.gov.

Published January 18, 2018



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

The following page(s) contain the backup material for Agenda Item: [Annual Financial Audit for Fiscal Year 2016-17. The annual audit for Fiscal Year 2016-17 is complete and presented for review and to receive and file. Fedak & Brown LLP of Cypress performed the audit services for the District. This was the first year t](#)

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

AGENDA ITEM #7

DATE: March 20, 2018

RECOMMENDATION: Receive and file.

SUMMARY: The annual financial audit for Fiscal Year 2016-17 is complete and presented for review and to receive and file.

BACKGROUND: Fedak & Brown LLP of Riverside performed the audit services for the District. This was the first year to perform the audit of a three year engagement.

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. Also included are the Management Report and Audit/Finance Committee Letter. A representative from Fedak & Brown will be present to deliver the findings and answer questions.

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 March 6, 2018.

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

PRESENTER: Laquita Cole, Finance Manager (MDAQMD), with a representative from Fedak & Brown.



**Antelope Valley Air Quality
Management District
Lancaster, California**

**Annual Financial Report
For the Fiscal Year Ended
June 30, 2017**



Governing Board as of June 30, 2017

| Name | Title | Elected/ Public |
|-----------------|------------------------|----------------------------|
| Marvin Crist | Chair | Elected |
| Ron Hawkins | Vice Chair | Elected |
| Austin Bishop | Governing Board Member | Elected |
| Newton Chelette | Governing Board Member | Public |
| Steven Hofbauer | Governing Board Member | Elected |
| Vern Lawson | Governing Board Member | Elected |
| Ken Mann | Governing Board Member | Elected |

**Antelope Valley Air Quality
Management District
43301 Division Street, Suite 206
Lancaster, California 93535
(661) 723-8070**

**Antelope Valley Air Quality
Management District
Annual Financial Report
For the Fiscal Year Ended June 30, 2017**

DRAFT

**Antelope Valley Air Quality
Management District
For the Fiscal Year Ended June 30, 2017**

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Financial Section

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Independent Auditor's 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 and each major fund of the Antelope Valley Air Quality Management District (District) as of and for the year ended June 30, 2017, 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 our opinion 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; and the State Controller's Minimum Audit Requirements for California Special Districts. 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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Antelope Valley Air Quality Management District, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report, continued

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 and the required supplementary information on pages 26 through 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 March 20, 2018, 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 the District's internal control over financial reporting and compliance. That report can be found on pages 31 and 32.

Fedak & Brown LLP
Cypress, California
March 20, 2018

**Antelope Valley Air Quality Management District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Antelope Valley Air Quality Management District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- In 2017, the District's net position increased by 12.53% or \$306,911 to \$2,756,617 as a result of ongoing operations.
- In 2017, the District's total revenues increased 8.52% or \$296,704 to \$3,779,281, due primarily to increases of \$401,911 in operating grants and \$21,900 in general revenues; which was offset by a decrease of \$127,107 in charges for services.
- In 2017, the District's total expenses decreased by 4.74% or \$172,614 to \$3,472,370, due primarily to decreases of \$302,473 in general fund expenses, \$138,971 in mobile emissions program (AB 2766) expenses, and \$46,329 in mobile emissions program (AB 923) expenses; which was offset by an increase of \$315,159 in Carl Moyer program expenses.

Using This Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Activities. This statement measures the success of the District's operations over the past year and can be used to determine the District's profitability and credit worthiness.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in it. Think of the District's net position – the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors to assess the *overall financial health* of the District.

**Antelope Valley Air Quality Management District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2017**

Fund Financial Statements

Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a 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 12 through 25.

Government-wide Financial Analysis

Statements of Net Position

The following table is a summary of the statements of net position at June 30, 2017 and 2016.

Condensed Statements of Net Position

| | <u>2017</u> | <u>2016</u> | <u>Change</u> |
|----------------------------------|---------------------|------------------|------------------|
| Assets: | | | |
| Current assets | \$ 3,588,818 | 3,561,796 | 27,022 |
| Capital assets, net | 306,228 | 350,947 | (44,719) |
| Total assets | <u>3,895,046</u> | <u>3,912,743</u> | <u>(17,697)</u> |
| Liabilities: | | | |
| Current liabilities | 1,138,429 | 1,463,037 | (324,608) |
| Total liabilities | <u>1,138,429</u> | <u>1,463,037</u> | <u>(324,608)</u> |
| Net position: | | | |
| Net investment in capital assets | 306,228 | 350,947 | (44,719) |
| Restricted | 2,170,264 | 1,454,349 | 715,915 |
| Unrestricted | 280,125 | 644,410 | (364,285) |
| Total net position | <u>\$ 2,756,617</u> | <u>2,449,706</u> | <u>306,911</u> |

**Antelope Valley Air Quality Management District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2017**

Government-wide Financial Analysis, continued

Statements of Net Position, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$2,756,617 as of June 30, 2017. The District's total net position is made-up of three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

Statements of Activities

The following table is a summary of the statements of activities for the year ended June 30, 2017 and 2016.

| Condensed Statements of Activities | | | |
|---|--------------|-------------|---------------|
| | 2017 | 2016 | Change |
| Revenues: | | | |
| Program revenues: | | | |
| Charges for services | \$ 743,343 | 870,450 | (127,107) |
| Operating grants | 2,990,199 | 2,588,288 | 401,911 |
| Total program revenues | 3,733,542 | 3,458,738 | 274,804 |
| General revenues | 45,739 | 23,839 | 21,900 |
| Total revenues | 3,779,281 | 3,482,577 | 296,704 |
| Expenses: | | | |
| General | 1,440,464 | 1,742,937 | (302,473) |
| Mobile emission program AB 2766 | 342,591 | 481,562 | (138,971) |
| Mobile emission program AB 923 | 690,279 | 736,608 | (46,329) |
| Carl Moyer program | 999,036 | 683,877 | 315,159 |
| Total expenses | 3,472,370 | 3,644,984 | (172,614) |
| Change in net position | 306,911 | (162,407) | 469,318 |
| Net position, beginning of period | 2,449,706 | 2,612,113 | (162,407) |
| Net position, end of period | \$ 2,756,617 | 2,449,706 | 306,911 |

Compared to prior year, net position of the District increased 12.53% or \$306,911 to \$2,756,617 as a result of ongoing operations.

Total revenues increased 8.52% or \$296,704 to \$3,779,281, due primarily to increases of \$401,911 in operating grants and \$21,900 in general revenues; which was offset by a decrease of \$127,107 in charges for services.

Total expenses decreased by 4.74% or \$172,614 to \$3,472,370, due primarily to decreases of \$302,473 in general fund expenses, \$138,971 in mobile emissions program (AB 2766) expenses, and \$46,329 in mobile emissions program (AB 923) expenses; which was offset by an increase of \$315,159 in Carl Moyer program expenses.

**Antelope Valley Air Quality Management District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2017**

Governmental Fund Balance

The following table is a summary of the changes in fund balance for all governmental funds for the year ended June 30, 2017.

| Condensed Changes in Fund Balance | | | | | |
|--|---------------------|----------------|-----------------|-------------------|------------------|
| | <u>General Fund</u> | <u>AB 2766</u> | <u>AB 923</u> | <u>Carl Moyer</u> | <u>Total</u> |
| Fund balance, beginning of year | \$ 644,410 | 566,747 | 848,165 | 39,437 | 2,098,759 |
| Change in fund balance | <u>348,825</u> | <u>81,162</u> | <u>(83,148)</u> | <u>4,791</u> | <u>351,630</u> |
| Fund balance, end of year | <u>\$ 993,235</u> | <u>647,909</u> | <u>765,017</u> | <u>44,228</u> | <u>2,450,389</u> |

In 2017, total fund balance increased by 16.75% or \$351,630 to \$2,450,389. The General fund increased by 54.13% or \$348,825 to \$993,235; the mobile emissions program (AB2766) increased by 14.32% or \$81,162 to \$647,909; the mobile emissions program (AB 923) decreased by 9.80% or \$83,148 to \$765,017; and the Carl Moyer program increased by 12.15% or \$4,791 to \$44,228.

Governmental Activities Budgetary Highlights

For the year ended June 30, 2017, the final actual expenditures were less than budgeted for the General fund by \$119,785 and Mobile Emissions program (AB 2766) by \$50,909; and more than budgeted for the Mobile Emissions program (AB 923) by \$122,779, and Carl Moyer Fund by \$337,448. For the year ended June 30, 2017, actual revenues were more than budgeted for the General Fund by \$208,891, Mobile Emissions program (AB 2766) by \$30,253, Mobile Emissions program (AB 923) by \$39,631, and Carl Moyer Fund by \$268,161. At June 30, 2017, there were no differences between the original and final amended budgets. (See Budgetary Comparison Schedule for the General fund, Mobile Emissions program (AB 2766), Mobile Emissions program (AB 923), and Carl Moyer program under Required Supplementary Information section on pages 26 through 29).

Capital Asset Administration

Capital Assets

| | <u>Balance 2016</u> | <u>Additions</u> | <u>Deletions/ Transfers</u> | <u>Balance 2017</u> |
|---------------------------|-------------------------|------------------|---------------------------------|-------------------------|
| Capital assets: | | | | |
| Depreciable assets | \$ 667,941 | - | - | 667,941 |
| Total capital assets | 667,941 | - | - | 667,941 |
| Accumulated depreciation | <u>(316,994)</u> | <u>(44,719)</u> | <u>-</u> | <u>(361,713)</u> |
| Total capital assets, net | <u>\$ 350,947</u> | <u>(44,719)</u> | <u>-</u> | <u>306,228</u> |

At the end of fiscal year 2017, the District's investment in capital assets amounted to \$306,228 (net of accumulated depreciation). This investment in capital assets includes building improvements, furniture and fixtures, machinery and equipment, vehicles, computers, and software. The capital assets of the District are more fully analyzed in Note 3 to the basic financial statements.

Conditions Affecting Current Financial Position

Management is unaware of any conditions, which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present, and future.

**Antelope Valley Air Quality Management District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2017**

Requests for Information

This financial report is designed to provide the District's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact 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, California 93535 or (661) 723-8070.

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Basic Financial Statements

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Antelope Valley Air Quality Management District
Statement of Net Position
June 30, 2017

| | 2017 |
|--|---------------------|
| Assets: | |
| Current assets: | |
| Cash and cash equivalents (note 2) | \$ 1,031,901 |
| Restricted cash and cash equivalent (note 2) | 2,170,264 |
| Accounts receivable | 380,790 |
| Prepaid expenses and other assets | 5,863 |
| Total current assets | 3,588,818 |
| Non-current assets: | |
| Capital assets – being depreciated, net (note 3) | 306,228 |
| Total non-current assets | 306,228 |
| Total assets | 3,895,046 |
| Liabilities: | |
| Current liabilities: | |
| Accounts payable and accrued expenses | 346,581 |
| Unearned revenue (note 5) | 791,848 |
| Total current liabilities | 1,138,429 |
| Total liabilities | 1,138,429 |
| Net position (note 7): | |
| Net investment in capital assets | 306,228 |
| Restricted | 2,170,264 |
| Unrestricted | 280,125 |
| Total net position | \$ 2,756,617 |

See accompanying notes to the basic financial statements

Antelope Valley Air Quality Management District
Statement of Activities
For the Fiscal Year Ended June 30, 2017

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenue and Changes in Net Position</u> |
|---------------------------------|---------------------|--------------------------------|-----------------------------|--|
| | | <u>Charges for Service</u> | <u>Operating Grants</u> | |
| Governmental activities | | | | |
| General | \$ 1,440,464 | 743,343 | 951,916 | 254,795 |
| Mobile emission program AB 2766 | 342,591 | - | 419,724 | 77,133 |
| Mobile emission program AB 923 | 690,279 | - | 599,374 | (90,905) |
| Carl Moyer program | 999,036 | - | 1,019,185 | 20,149 |
| Total governmental | \$ 3,472,370 | 743,343 | 2,990,199 | 261,172 |
| General revenues: | | | | |
| | | | | \$ 20,750 |
| | | | | 24,136 |
| | | | | 853 |
| | | | | <u>45,739</u> |
| | | | | 306,911 |
| | | | | <u>2,449,706</u> |
| | | | | \$ 2,756,617 |

See accompanying notes to the basic financial statements

**Antelope Valley Air Quality Management District
Reconciliation of the Balance of Governmental Funds to the
Statement of Net Position
June 30, 2017**

| | <u>General Fund</u> | <u>AB 2766 Fund</u> | <u>AB 923 Fund</u> | <u>Carl Moyer Fund</u> | <u>Total Fund</u> |
|---|-------------------------|-------------------------|------------------------|----------------------------|-----------------------|
| Assets: | | | | | |
| Cash and cash equivalents | \$ 1,031,901 | - | - | - | 1,031,901 |
| Restricted cash and cash equivalents | - | 316,746 | 937,700 | 915,818 | 2,170,264 |
| Accounts receivable | 196,865 | 75,751 | 108,174 | - | 380,790 |
| Inter-fund receivable | 341,829 | 257,412 | - | - | 599,241 |
| Prepaid expenses | 5,863 | - | - | - | 5,863 |
| Total assets | <u>\$ 1,576,458</u> | <u>649,909</u> | <u>1,045,874</u> | <u>915,818</u> | <u>4,188,059</u> |
| Liabilities: | | | | | |
| Accounts payable and accrued expenses | \$ 325,811 | 2,000 | 7,521 | 11,249 | 346,581 |
| Inter-fund payable | 257,412 | - | 273,336 | 68,493 | 599,241 |
| Unearned revenue | - | - | - | 791,848 | 791,848 |
| Total liabilities | <u>583,223</u> | <u>2,000</u> | <u>280,857</u> | <u>871,590</u> | <u>1,737,670</u> |
| Fund balance: | | | | | |
| Nonspendable | 5,863 | - | - | - | 5,863 |
| Restricted | - | 647,909 | 765,017 | 44,228 | 1,457,154 |
| Unassigned | 987,372 | - | - | - | 987,372 |
| Total fund balance | <u>993,235</u> | <u>647,909</u> | <u>765,017</u> | <u>44,228</u> | <u>2,450,389</u> |
| Total liabilities and fund balance | <u>\$ 1,576,458</u> | <u>649,909</u> | <u>1,045,874</u> | <u>915,818</u> | <u>4,188,059</u> |

Continue on next page

See accompanying notes to the basic financial statements

Reconciliation:

| | |
|--|---------------------|
| Total Fund Balances of Governmental Funds | \$ 2,450,389 |
| Amounts reported for governmental activities in the statement of net position is different because: | |
| Capital assets used in governmental activities are not current financial resources and, therefore, not in the governmental funds balance sheet. However, the statement of net position includes those capital position among the assets of the District as a whole as follows: | |
| Depreciable capital assets, net | <u>306,228</u> |
| Net Position of Governmental Activities | <u>\$ 2,756,617</u> |

See accompanying notes to the basic financial statements

Antelope Valley Air Quality Management District
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

| | <u>General Fund</u> | <u>AB 2766 Fund</u> | <u>AB 923 Fund</u> | <u>Carl Moyer Fund</u> | <u>Total Fund</u> |
|---|-------------------------|-------------------------|------------------------|----------------------------|-----------------------|
| Revenues: | | | | | |
| Charge for services | \$ 743,343 | - | - | - | 743,343 |
| Operating grants | 951,916 | 419,724 | 599,374 | 1,019,185 | 2,990,199 |
| Fine, forfeitures, and penalties | 20,750 | - | - | - | 20,750 |
| Investment earnings | 7,559 | 4,029 | 7,757 | 4,791 | 24,136 |
| Other revenue | 853 | - | - | - | 853 |
| Total revenues | <u>1,724,421</u> | <u>423,753</u> | <u>607,131</u> | <u>1,023,976</u> | <u>3,779,281</u> |
| Expenditures: | | | | | |
| Services and supplies | 1,393,648 | 342,591 | 690,279 | 999,036 | 3,425,554 |
| Contributions | 500 | - | - | - | 500 |
| Capital outlay | 1,597 | - | - | - | 1,597 |
| Total expenditures | <u>1,395,745</u> | <u>342,591</u> | <u>690,279</u> | <u>999,036</u> | <u>3,427,651</u> |
| Excess(deficiency) of revenue over expenditures | 328,676 | 81,162 | (83,148) | 24,940 | 351,630 |
| Other financing sources(uses): | | | | | |
| Operating transfers in(out) | 20,149 | - | - | (20,149) | - |
| Net change in fund balance | 348,825 | 81,162 | (83,148) | 4,791 | 351,630 |
| Fund balance – beginning of year | <u>644,410</u> | <u>566,747</u> | <u>848,165</u> | <u>39,437</u> | <u>2,098,759</u> |
| Fund balance – end of period | <u>\$ 993,235</u> | <u>647,909</u> | <u>765,017</u> | <u>44,228</u> | <u>2,450,389</u> |

Continue on next page

See accompanying notes to the basic financial statements

Reconciliation:

Net Changes in Fund Balances – Total Governmental Funds \$ 351,630

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense as follows:

Depreciation expense (44,719)

Change in Net Position of Governmental Activities \$ 306,911

See accompanying notes to the basic financial statements

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements
June 30, 2017

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Antelope Valley Air Quality Management District (District) was created based on a program established in 1997 by the State Legislature and pursuant to Health and Safety Code Section 41300, which separated Antelope Valley, located in the northern Los Angeles County, from the South Coast Air Quality Management District. The District's primary responsibility is to develop, implement, monitor, and enforce air pollution control strategies and motor vehicle use reduction measures. The District represents the citizens within its jurisdiction covering the San Bernardino County line to the east, the Kern County line to the north, the San Gabriel Mountains to the south, and the Sierra Nevada Mountains to the west.

The District's mission is to work in partnership with the local communities to achieve and preserve a healthful environment through effective air quality programs by promoting community and individual responsibility for air quality while supporting strong-economic growth throughout the region. The District is an independent, special district, governed by a seven member Governing Board consisting of two City Council members of the City of Lancaster by appointment, two City Council members of the City of Palmdale by appointment, two persons appointed by Board of Supervisors of the County of Los Angeles, and one appointed public member.

B. Basis of Accounting and Measurement Focus

The *basic financial statements* of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting for governmental activities. Accordingly, all of the District's assets (including capital assets), deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used; such as, unbilled but utilized utility services that are recorded at year end. The Statement of Activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the District are charges for services directly related to the operations of the District. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Taxes and other items, properly not included among program revenues, are reported instead as general revenues.

Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. Accompanying these statements is a schedule to reconcile and explain the differences in fund balances, as presented in these statements, to the net position presented in the Government-wide Financial Statements.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2017

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

B. Basis of Accounting and Measurement Focus, continued

Fund Financial Statements, continued

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period.

Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are interest earnings, investment revenue, and operating grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts established for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Funds are organized into two major categories: governmental and proprietary categories. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operational fund of the District or meets the following criteria:

- a) Total assets and deferred outflows of resources, liabilities and deferred inflows resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type;
- b) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined; or
- c) The entity has determined that a fund is important to the financial statement user.

The governmental funds of the financial reporting entity are described below:

General – this fund is a government’s primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund when necessary.

Mobile Emissions Program (AB 2766) – this fund is a special revenue fund used to account for the retention of funds allocated for the support of the District’s mobile emissions grant program pursuant to Assembly Bill No. 2766.

Mobile Emissions Program (AB 923) – this fund is a special revenue fund used to account for the retention of funds allocated for the support of the District’s mobile emissions grant program pursuant to Assembly Bill No. 923.

Carl Moyer Fund – this fund is a special revenue fund used to account for revenues received pursuant to the Carl Moyer Air Quality Standards Attainment Program. Expenditures are restricted to providing incentive for participating entities to undertake reduced-emission heavy-duty engine projects.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2017

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District has adopted the following GASB pronouncements in the current year:

In June 2015, the GASB issued Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness or information about postemployment benefits other than pensions (other postemployment benefits of OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

This Statement replaces Statements No. 43 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57 – *OPEB Measurements by Agent Employers and Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25 – *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No.50 – *Pension Disclosures*.

In August 2015, the GASB issued Statement No. 77 – *Tax Abatement Disclosures*. The objective of this Statement is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from governmental programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development.

In December 2015, the GASB issued Statement No. 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that meet certain criteria.

In January 2016, the GASB issued Statement No. 80 – *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

In March 2016, the GASB issued Statement No. 82 – *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2017

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Financial Statement Elements

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in District net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments and Investment Policy

The District has adopted an investment policy to deposit funds in financial institutions. Investments are to be made in the following area:

- Los Angeles County Pooled Surplus Investments

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.

4. Accounts Receivable

The District extends credit to customers in the normal course of operations. Management deems all accounts receivable as collectible at year-end. Accordingly, an allowance for doubtful accounts has not been recorded.

5. Prepaid Expenses

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

6. Internal Balances and Activities

Internal activity and balances reported as interfund activity in the governmental fund financial statements are reclassified or eliminated in the preparation of the government-wide statements of net position and activities. This elimination will avoid the "grossing up" of amounts resulting from internal activity within the primary government.

7. 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 acquisition value and/or historical cost 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.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2017

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Financial Statement Elements, continued

7. Capital Assets, continued

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings – 20 to 50 years
- Buildings and improvements – 20 years
- Vehicles – 5 years
- Machinery and equipment – 15 to 20 years
- Computer equipment – 3 to 15 years

8. Unearned Revenues

Certain receipts from customer reflect revenue applicable to future accounting periods and are recorded as unearned revenues in both the government-wide and fund financial statements.

9. Net Position

The government-wide financial statements utilize a net position presentation. Net position categories are as follows:

- **Net investment in capital assets** – net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, and reduced by debt balances outstanding or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – restricted consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- **Unrestricted** – unrestricted consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

10. Fund Balance

The financial statements, governmental funds, report fund balance as non-spendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable fund balance** – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- **Restricted fund balance** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.
- **Committed fund balance** – amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Governing Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2017

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Financial Statement Elements, continued

10. Fund Balance, continued

- **Assigned fund balance** – amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** – the residual classification for the District’s general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Fund Balance Policy

The Governing Board establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balances are considered unrestricted.

The purpose of the District’s fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, are classified as follows:

| | 2017 |
|--|--------------|
| Unrestricted cash and cash equivalents: | |
| General Fund | \$ 1,031,901 |
| Total unrestricted cash and cash equivalents | 1,031,901 |
| Restricted cash and cash equivalents: | |
| AB 2766 Fund | 316,746 |
| AB 923 Fund | 937,700 |
| Carl Moyer Fund | 915,818 |
| Total restricted cash and cash equivalents | 2,170,264 |
| Total cash and cash equivalents | \$ 3,202,165 |

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2017

(2) Cash and Investments, continued

Cash and investments as of June 30, consisted of the following:

| | 2017 |
|---|--------------|
| Deposits held with financial institutions | \$ 123,278 |
| Deposits held with Los Angeles County Treasurer | 3,078,887 |
| Total | \$ 3,202,165 |

Authorized Deposits and Investments

Under the District’s investment policy and in accordance with Section 53601 of the California Government Code, the District invests in the Los Angeles County Pooled Surplus Investments.

Los Angeles County Pooled Surplus Investments complies with the California Government Code Sections 53601 and 53635, and the investment policy adopted by the Board of Supervisors of the County of Los Angeles. The Treasurer and Tax Collector of the Los Angeles County have the delegated authority to invest funds in the County Treasury.

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 California Government Code and the District’s investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, 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. Of the District’s bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the code.

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. The Code and the District’s investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. 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.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has, the greater its fair value has sensitivity to changes in market interest rates. The District’s investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. As of June 30, 2017, the District’s deposits in Los Angeles County Pooled Surplus Investments had an average of 672 days to maturity for the entire portfolio.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2017

(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. The Angeles County Pooled Surplus Investments is not rated.

Concentration of Credit Risk

The District's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. There were no investments in any one non-governmental issuer that represent 5.0% or more of the District's total investments.

(3) Capital Assets

Change in capital assets as of June 30 was as follows:

| | <u>Balance 2016</u> | <u>Additions/ Transfers</u> | <u>Deletions/ Transfers</u> | <u>Balance 2017</u> |
|--------------------------------|-------------------------|---------------------------------|---------------------------------|-------------------------|
| Depreciable assets: | | | | |
| Improvements | \$ 15,875 | - | - | 15,875 |
| Furniture and fixtures | 59,943 | - | - | 59,943 |
| Machinery and equipment | 125,654 | - | - | 125,654 |
| Vehicles | 70,090 | - | - | 70,090 |
| Computers | 30,732 | - | - | 30,732 |
| Software | 365,647 | - | - | 365,647 |
| Total depreciable assets | <u>667,941</u> | <u>-</u> | <u>-</u> | <u>667,941</u> |
| Accumulated depreciation: | | | | |
| Improvements | (9,128) | (1,587) | - | (10,715) |
| Furniture and fixtures | (42,870) | (4,097) | - | (46,967) |
| Machinery and equipment | (102,732) | (6,110) | - | (108,842) |
| Vehicles | (61,831) | (2,257) | - | (64,088) |
| Computers | (29,851) | (881) | - | (30,732) |
| Software | (70,582) | (29,787) | - | (100,369) |
| Total accumulated depreciation | <u>(316,994)</u> | <u>(44,719)</u> | <u>-</u> | <u>(361,713)</u> |
| Total depreciable assets, net | <u>350,947</u> | <u>(44,719)</u> | <u>-</u> | <u>306,228</u> |
| Total capital assets, net | <u>\$ 350,947</u> | | | <u>306,228</u> |

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2017

(4) Internal Transfers

Inter-fund Operational Transfers

Inter-fund receivables/payables are used to move financial resources between the General fund, AB 2766 fund, AB 923 fund, and the Carl Moyer fund as advances to temporarily support the operations of each respective fund.

As of June 30, 2017, inter-fund receivables/payables between the District's funds were as follows:

| Receivable from | Payable to | 2017 |
|----------------------------|-----------------------|------------------|
| AB 923 Fund | General Fund | \$ 293,485 |
| Carl Moyer Fund | General Fund | 48,344 |
| General Fund | AB 2766 Fund | (257,412) |
| Payable to General | | \$ 84,417 |

For the year ended June 30, 2017, inter-fund transfers consist of the following:

| Transfer from | Transfer to | 2017 |
|--------------------------|------------------------|-------------|
| Carl Moyer Fund | General Fund | \$ 20,149 |

(5) Unearned Revenues

Change in unearned revenues as of June 30 was as follows:

| | Balance 2016 | New Awards | Expenses/ Revenues | Balance 2017 |
|------------------------|-------------------------|-----------------------|-------------------------------|-------------------------|
| Carl Moyer Grant | | | | |
| Round 16 | \$ 299,860 | - | (299,860) | - |
| Round 17 | 69,353 | - | (69,353) | - |
| Round 18 | 676,904 | - | (609,941) | 66,963 |
| Round 19 | - | 764,916 | (40,031) | 724,885 |
| Total unearned revenue | \$ 1,046,117 | 764,916 | (1,019,185) | 791,848 |

(6) Operating Lease

The District has entered into an operating lease with the Woelfl Family Trust for office space located at 43301 Division Street, Suites 205 and 206, Lancaster, California. The operating lease calls for monthly rent of \$4,448 through 2020. Future rent payments subsequent to year end are as follows:

| Year ending June 30, | Amount |
|---------------------------------|---------------|
| 2018 | \$ 53,372 |
| 2019 | 53,372 |
| 2020 | 53,372 |
| Total | \$ 160,116 |

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2017

(6) Operating Lease, continued

For the year ended June 30, 2017, rent expense totaled \$53,372.

(7) Net Position

Net investment in capital assets is calculated as follows:

| | 2017 |
|---|-------------|
| Net investment in capital asset: | |
| Capital assets – being depreciated, net | \$ 306,228 |
| Total net investment in capital asset | \$ 306,228 |

Restricted net position is calculated as follows:

| | 2017 |
|--------------------------------------|--------------|
| Restricted: | |
| Restricted cash and cash equivalents | \$ 2,170,264 |
| Total restricted | \$ 2,170,264 |

Unrestricted net position is calculated as follows:

| | 2017 |
|-----------------------------------|-------------|
| Unrestricted: | |
| Non-spendable net position | |
| Prepaid expenses and other assets | \$ 5,863 |
| Spendable net position | |
| Unrestricted | 274,262 |
| Total unrestricted | \$ 280,125 |

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2017

(8) Fund Balance

Fund balances are presented in the following categories: non-spendable, restricted, committed, assigned, and unassigned (See Note 1.D.10 for a description of these categories). Fund balances and their funding composition at June 30, 2017, are as follows:

| | 2017 |
|----------------------------------|--------------|
| Nonspendable: | |
| Prepaid expenses and other asset | \$ 5,863 |
| Restricted: | |
| Mobile Emissions Program AB 2766 | 647,909 |
| Mobile Emissions Program AB 923 | 765,017 |
| Carl Moyer Program | 44,228 |
| Total restricted | 1,457,154 |
| Unassigned | |
| Operations | 987,372 |
| Total fund balance | \$ 2,450,389 |

(9) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2017, the District participated in the liability and property programs of the SDRMA as follows:

- Property coverage consists of general property of \$1,000,000,000, boiler & machinery of \$100,000,000, and pollution of \$2,000,000 per occurrence.
- General liability insurance covers bodily injury, property damage, employment benefits, employee and public officials errors and omission, and employment practices liability of \$5,000,000 per occurrence; public officials personal of \$500,00 per occurrence; and employee and public officials dishonesty of \$1,000,000 per occurrence.
- Auto liability consists of auto bodily injury and auto property damage of \$5,000,000 per occurrence, subject to a comprehensive deductible of \$250 and collision deductible of \$500.

Settled claims, if any, have not exceeded any of the coverage amounts in the last fiscal year. There were no reductions in insurance coverage in fiscal year 2017. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no material IBNR claim payables as of June 30, 2017.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2017

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the issue date, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 75

In June 2015, the GASB issued Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

This Statement replaces the requirements of Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57 – *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2017. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 81

In March 2016, the GASB issued Statement No. 81 – *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

Governmental Accounting Standards Board Statement No. 83

In November 2016, the GASB issued Statement No. 83 – *Certain Asset Retirement Obligations*. This Statement (1) addresses accounting and financial reporting for certain asset retirement obligations (AROs), (2) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (3) requires that recognition occur when the liability is both incurred and reasonably estimable, (4) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, (5) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually, and (6) requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2017

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 84

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 85

In March 2017, the GASB issued Statement No. 85 – *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 86

In May 2017, the GASB issued Statement No. 86 – *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2017

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

(11) Commitments and Contingencies

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(12) Subsequent Event

Events occurring after June 30, 2017, have been evaluated for possible adjustment to the financial statements or disclosure as of March 20, 2018, which is the date the financial statements were available to be issued. The District is not aware of any further subsequent events that would require recognition or disclosure in the financial statements.

Required Supplementary Information

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**Antelope Valley Air Quality Management District
Budget Comparison Schedule – General Fund
For the Year Ended June 30, 2017**

| | <u>Adopted Original Budget</u> | <u>Board Approved Changes</u> | <u>Revised Budget</u> | <u>Actual Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|---|--|---------------------------------------|---------------------------|---------------------------------------|---|
| Revenues: | | | | | |
| Charge for services | \$ 661,980 | - | 661,980 | 743,343 | 81,363 |
| Operating grants | 815,250 | - | 815,250 | 951,916 | 136,666 |
| Fine, forfeitures, and penalties | 35,000 | - | 35,000 | 20,750 | (14,250) |
| Investment earnings | 3,300 | - | 3,300 | 7,559 | 4,259 |
| Other revenue | - | - | - | 853 | 853 |
| Total revenues | <u>1,515,530</u> | <u>-</u> | <u>1,515,530</u> | <u>1,724,421</u> | <u>208,891</u> |
| Expenditures: | | | | | |
| Services and supplies | 1,492,530 | - | 1,492,530 | 1,393,648 | 98,882 |
| Contributions | - | - | - | 500 | (500) |
| Capital outlay | 23,000 | - | 23,000 | 1,597 | 21,403 |
| Total expenditures | <u>1,515,530</u> | <u>-</u> | <u>1,515,530</u> | <u>1,395,745</u> | <u>119,785</u> |
| Excess(deficiency) of revenue over expenditures | - | - | - | 328,676 | 328,676 |
| Other Financing sources: | | | | | |
| Operating transfers out | - | - | - | 20,149 | 20,149 |
| Net change in fund balance | <u>-</u> | <u>-</u> | <u>-</u> | <u>348,825</u> | <u>348,825</u> |
| Fund balance – beginning of year | <u>644,410</u> | | <u>644,410</u> | <u>644,410</u> | |
| Fund balance – end of period | <u>\$ 644,410</u> | | <u>644,410</u> | <u>993,235</u> | |

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**Antelope Valley Air Quality Management District
Budget Comparison Schedule – Mobile Emissions Program (AB 2766)
For the Year Ended June 30, 2017**

| | <u>Adopted Original Budget</u> | <u>Board Approved Changes</u> | <u>Revised Budget</u> | <u>Actual Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|---|--|---------------------------------------|---------------------------|---------------------------------------|---|
| Revenues: | | | | | |
| Operating grants | \$ 391,000 | - | 391,000 | 419,724 | 28,724 |
| Investment earnings | <u>2,500</u> | <u>-</u> | <u>2,500</u> | <u>4,029</u> | <u>1,529</u> |
| Total revenues | <u>393,500</u> | <u>-</u> | <u>393,500</u> | <u>423,753</u> | <u>30,253</u> |
| Expenditures: | | | | | |
| Services and supplies | <u>393,500</u> | <u>-</u> | <u>393,500</u> | <u>342,591</u> | <u>50,909</u> |
| Total expenditures | <u>393,500</u> | <u>-</u> | <u>393,500</u> | <u>342,591</u> | <u>50,909</u> |
| Net change in fund balance | <u>-</u> | <u>-</u> | <u>-</u> | <u>81,162</u> | <u>81,162</u> |
| Fund balance – beginning of year | <u>566,747</u> | | <u>566,747</u> | <u>566,747</u> | |
| Fund balance – end of period | <u>\$ 566,747</u> | | <u>566,747</u> | <u>647,909</u> | |

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**Antelope Valley Air Quality Management District
Budget Comparison Schedule – Mobile Emissions Program (AB 923)
For the Year Ended June 30, 2017**

| | <u>Adopted Original Budget</u> | <u>Board Approved Changes</u> | <u>Revised Budget</u> | <u>Actual Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|---|--|---------------------------------------|---------------------------|---------------------------------------|---|
| Revenues: | | | | | |
| Operating grants | \$ 562,000 | - | 562,000 | 599,374 | 37,374 |
| Investment earnings | <u>5,500</u> | - | <u>5,500</u> | <u>7,757</u> | <u>2,257</u> |
| Total revenues | <u>567,500</u> | - | <u>567,500</u> | <u>607,131</u> | <u>39,631</u> |
| Expenditures: | | | | | |
| Services and supplies | <u>567,500</u> | - | <u>567,500</u> | <u>690,279</u> | <u>(122,779)</u> |
| Total expenditures | <u>567,500</u> | - | <u>567,500</u> | <u>690,279</u> | <u>(122,779)</u> |
| Net change in fund balance | - | - | - | (83,148) | <u>(83,148)</u> |
| Fund balance – beginning of year | <u>848,165</u> | | <u>848,165</u> | <u>848,165</u> | |
| Fund balance – end of period | <u>\$ 848,165</u> | | <u>848,165</u> | <u>765,017</u> | |

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**Antelope Valley Air Quality Management District
Budget Comparison Schedule – Carl Moyer Fund
For the Year Ended June 30, 2017**

| | <u>Adopted Original Budget</u> | <u>Board Approved Changes</u> | <u>Revised Budget</u> | <u>Actual Budgetary Basis</u> | <u>Variance Positive (Negative)</u> |
|---|--|---------------------------------------|---------------------------|---------------------------------------|---|
| Revenues: | | | | | |
| Operating grants | \$ 753,815 | - | 753,815 | 1,019,185 | 265,370 |
| Investment earnings | <u>2,000</u> | - | <u>2,000</u> | <u>4,791</u> | <u>2,791</u> |
| Total revenues | <u>755,815</u> | <u>-</u> | <u>755,815</u> | <u>1,023,976</u> | <u>268,161</u> |
| Expenditures: | | | | | |
| Services and supplies | <u>661,588</u> | - | <u>661,588</u> | <u>999,036</u> | <u>(337,448)</u> |
| Total expenditures | <u>661,588</u> | <u>-</u> | <u>661,588</u> | <u>999,036</u> | <u>(337,448)</u> |
| Excess(deficiency) of revenue over expenditures | 94,227 | - | 94,227 | 24,940 | (69,287) |
| Other Financing sources: | | | | | |
| Operating transfers out | - | - | - | (20,149) | (20,149) |
| Net change in fund balance | 94,227 | <u>-</u> | <u>94,227</u> | 4,791 | <u>(89,436)</u> |
| Fund balance – beginning of year | <u>39,437</u> | | <u>39,437</u> | <u>39,437</u> | |
| Fund balance – end of period | <u>\$ 133,664</u> | | <u>133,664</u> | <u>44,228</u> | |

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**Antelope Valley Air Quality Management District
Notes to the Required Supplementary Information
June 30, 2017**

Budgets and Budgetary Data

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year, the District's Executive Director will prepare and submit an operating budget to the Governing Board and adopted no later than June of each year. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. Annual budgets are adopted on the modified accrual basis of accounting for government fund types. The adopted budget becomes operative on July 1.

The Governing Board must approve all supplemental appropriations to the budget and transfers between major funds. The legal level of budgetary control is at the fund level. Budget information is presented as required supplementary information for the General fund, Mobile Emissions Program (AB 2766), Mobile Emissions Program (AB 923), and the Carl Moyer fund.

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Report on Compliance and Internal Controls

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**Independent Auditor's 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 and each major fund of Antelope Valley Air Quality Management District (District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 20, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 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. 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 the 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*.

**Independent Auditor’s Report on Internal Controls Over Financial Reporting
And on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, (continued)**

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 District’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 District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fedak & Brown LLP
Cypress, California
March 20, 2018

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**Antelope Valley Air Quality
Management District**

Management Report

June 30, 2017

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Fedak & Brown LLP
Certified Public Accountants

Antelope Valley Air Quality Management District

Management Report

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CONFIDENTIAL

Governing Board
Antelope Valley Air Quality Management District
Lancaster, California

Dear Members of the Governing Board:

In planning and performing our audit of the financial statements of the Antelope Valley Air Quality Management District (District) as of and for the year ended June 30, 2017, 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 auditing 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 District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and may not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the following deficiencies in internal control to be a material weakness:

Summary of Current Year Observations, Comments, and Recommendations

Material Weakness

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. We consider the following deficiencies in internal control to be a material weakness:

Summary of Current Year Observations, Comments, and Recommendations, continued

Material Weakness, continued

Carl Moyer Unearned Revenue

The grant funding for the Carl Moyer program is received before the District spends the grant funding. Based on the nature and timing of the awards received and spent, grant funding for the Carl Moyer program should maintain a relationship where unspent grant funding at the beginning of the year plus current year's new award less grant expenditures equal unspent grant funding at the end of the year. Since the grant revenues are not earned until the funding is spent, the revenues from the grant should equal the expenses of the grant. The accounting records provided by the District did not provide these relationships and a journal entry was proposed.

We recommend that the District implement a process to ensure the accuracy of the Carl Moyer grant funding by reconciling the beginning and ending unearned grant revenues, and recognized Carl Moyer grant revenues and expenses.

Management's Response

Going forward, the District plans to program its accounting software to recognize grant revenues for the Carl Moyer program as expenses are incurred. This process will ensure grant revenues and grant expenses to be equivalent; and will assist in the reconciliation process of beginning unearned grant revenues and ending unearned grant revenues.

Other Comment

Our other observation, comment, and recommendation, all of which have been discussed with the appropriate members of management, are summarized below.

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Governing Board to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Governing Board with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance at June 30, 2017.

* * * * *

Restriction on Use

This communication is intended solely for the information and use of management, the audit committee, the Governing Board, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Restriction on Use, continued

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

Fedak & Brown, LLP
Cypress, California
March 20, 2018

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APPENDIX

**Antelope Valley Air Quality
Management District**

Audit/Finance Committee Letter

June 30, 2017

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Governing Board
Antelope Valley Air Quality Management District
Lancaster, California

We have audited the basic financial statements of the Antelope Valley Air Quality Management District (District) for the year ended June 30, 2017, and have issued our report thereon dated March 20, 2018. Generally accepted auditing standards require that we provide the Governing Board and management with the following information related to our audit of the District's basic financial statements.

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 basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. 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 basic financial statements prepared by management and are based upon 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 basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the position in the basic financial statements were:

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the basic financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that it is reasonable in relation to the basic financial statements taken as a whole.

Certain basic financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the basic financial statements were:

The disclosure of fair value of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 3 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosures in the basic financial statements are neutral, consistent and clear.

Significant Audit Findings, continued

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.

Disagreements with Management

For the purpose 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 basic 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 representational letter dated March 20, 2018.

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 basic 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

We applied certain limited procedures to the management discussion and analysis and budget comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

We appreciate the cooperation extended us by management and the staff of the District in the performance of our audit testwork. We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

Restriction on Use, continued

This information is intended solely for the information and use of the Governing Board and management of the District and is not intended to be, and should not be, used by anyone other than the specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Fedak & Brown, LLP
Cypress, California
March 20, 2018

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**Antelope Valley Air Quality Management District
Schedule of Adjusting and Reclassifying Journal Entries
June 30, 2017**

| Account | Description | Debit | Credit |
|---|--------------------------------|--------------------------|--------------------------|
| Adjusting Journal Entries | | | |
| Adjusting Journal Entries JE # 1 | | | |
| To reconcile prior year ending net position to current year beginning net position. | | | |
| 10-1290-00-0000 | Bank Transfers | 5,026.00 | |
| 10-1725-00-0000 | Acc Dep Improvements Not Bldgs | 1,720.00 | |
| 10-1730-00-0000 | Furniture & Fixtures | 725.00 | |
| 10-1735-00-0000 | Acc Dep Furniture & Fixtures | 4,439.00 | |
| 10-1745-00-0000 | Acc Dep Machinery & Equipment | 6,670.00 | |
| 10-1755-00-0000 | Acc Dep Vehicles | 2,445.00 | |
| 10-1775-00-0000 | Acc Amort Software | 32,269.00 | |
| 10-4290-00-0000 | Unidentified Income | 564.15 | |
| 25-3000-00-0000 | Restricted Fund Balance | 5,495.85 | |
| 30-4120-00-3040 | Carl Moyer Revenue Round 18 | 284,749.03 | |
| 30-7300-00-3040 | Program Expenditures Round 18 | 12,476.20 | |
| 10-3300-00-0000 | Unassigned Fund Balance | | 5,026.00 |
| 10-3300-00-0000 | Unassigned Fund Balance | | 564.15 |
| 10-3700-00-0000 | Investment in Capital Assets | | 48,268.00 |
| 25-7300-00-2000 | Program Expenditures Grants | | 5,495.85 |
| 30-3000-00-0000 | Restricted Fund Balance | | 297,225.23 |
| Total | | <u>356,579.23</u> | <u>356,579.23</u> |
| Adjusting Journal Entries JE # 2 | | | |
| To record depreciation expense. | | | |
| 10-7685-00-0000 | Depr Exp Other | 44,718.77 | |
| 10-1725-00-0000 | Acc Dep Improvements Not Bldgs | | 1,587.48 |
| 10-1735-00-0000 | Acc Dep Furniture & Fixtures | | 4,097.28 |
| 10-1745-00-0000 | Acc Dep Machinery & Equipment | | 6,109.71 |
| 10-1755-00-0000 | Acc Dep Vehicles | | 2,256.78 |
| 10-1765-00-0000 | Acc Dep Computers | | 881.00 |
| 10-1775-00-0000 | Acc Amort Software | | 29,786.52 |
| Total | | <u>44,718.77</u> | <u>44,718.77</u> |
| Adjusting Journal Entries JE # 3 | | | |
| To record July 2017 rent paid on June 2017 for as prepaid expense. | | | |
| 10-1300-00-0000 | Pre Paid Expenses | 4,447.69 | |
| 10-7015-00-0000 | Facility Leases | | 4,447.69 |
| Total | | <u>4,447.69</u> | <u>4,447.69</u> |

**Antelope Valley Air Quality Management District
Schedule of Adjusting and Reclassifying Journal Entries
June 30, 2017**

| Account | Description | Debit | Credit |
|---|--|--------------------------|--------------------------|
| Adjusting Journal Entries JE # 4 | | | |
| To reconcile to new trial balance. | | | |
| 10-6000-10-1040 | Program Staff PERP | 292.86 | |
| 10-6000-10-1900 | Program Staff MDAQMD | 80,715.36 | |
| 10-6000-10-2000 | Program Staff Grants | 5,846.92 | |
| 10-6000-10-3040 | Round 18 | 3,836.25 | |
| 10-7405-10-1900 | Travel MDAQMD | 24.84 | |
| 10-7505-10-1900 | Payroll Contract MDAQMD | 167.22 | |
| 10-7510-10-0000 | Financial Services | 12,992.81 | |
| 25-6000-10-2000 | Program Staff Grants | 1,922.36 | |
| 30-1032-00-0000 | Carl Moyer Trust | 78,686.82 | |
| 30-2600-00-3020 | Deferred Revenue Moyer Rnd 16 | 317,696.48 | |
| 30-2600-00-3050 | Deferred Revenue Round 19 | 15,774.95 | |
| 30-7300-00-3030 | Program Expenditures Moyer Rnd 17 | 1,482.25 | |
| 30-7300-00-3040 | Program Expenditures Round 18 | 121,966.80 | |
| 30-7300-00-3050 | Program Expenditures Round 19 | 15,774.95 | |
| 10-2000-00-0000 | Accounts Payable System | | 103,876.26 |
| 25-2000-00-0000 | Accounts Payable System | | 1,922.36 |
| 30-2000-00-0000 | Accounts Payable System | | 78,686.82 |
| 30-2600-00-3040 | Deferred Revenue Round 18 | | 194,247.43 |
| 30-4120-00-3040 | Carl Moyer Revenue Round 18 | | 123,449.05 |
| 30-4120-00-3050 | Carl Moyer Revenue Round 19 | | 15,774.95 |
| 30-7300-00-3020 | Program Expenditures Moyer Rnd 16 | | 139,224.00 |
| Total | | <u>657,180.87</u> | <u>657,180.87</u> |
| Adjusting Journal Entries JE # 5 | | | |
| To reverse Moyer Admin reimbursement recorded expensed twice. | | | |
| 30-2000-00-0000 | Accounts Payable System | 58,537.82 | |
| 30-7310-00-3030 | Program Expenditures - Administrative Moyer Rnd 17 | | 51,499.00 |
| 30-7310-00-3040 | Program Expenditures - Administrative Round 18 | | 7,038.82 |
| Total | | <u>58,537.82</u> | <u>58,537.82</u> |
| Adjusting Journal Entries JE # 6 | | | |
| To recognize revenue for expenses incurred for the Carl Moyer fund. | | | |
| 30-2600-00-3050 | Deferred Revenue Round 19 | 24,256.00 | |
| 30-2610-00-3040 | Deferred Admn Rev Round 18 | 76.00 | |
| 30-4120-00-3050 | Carl Moyer Revenue Round 19 | | 24,332.00 |
| Total | | <u>24,332.00</u> | <u>24,332.00</u> |

**Antelope Valley Air Quality Management District
Schedule of Adjusting and Reclassifying Journal Entries
June 30, 2017**

| Account | Description | Debit | Credit |
|---|--|-------------------------|-------------------------|
| Reclassifying Journal Entries | | | |
| Reclassifying Journal Entries JE # 7 | | | |
| To reclassify indirect cost from the Carl Moyer fund to the General fund. | | | |
| 10-1100-25-0000 | Cash Held For Other Fund | 20,149.00 | |
| 10-4100-00-3040 | Administrative Funding Round 18 | 20,149.00 | |
| 30-2000-00-0000 | Accounts Payable System | 20,149.00 | |
| 30-FB9999 | Transfer in/out | 20,149.00 | |
| 10-1200-00-0000 | Accounts Receivable System | | 20,149.00 |
| 10-FB9999 | Transfer in/out | | 20,149.00 |
| 30-1100-10-0000 | Cash Held For Other Fund | | 20,149.00 |
| 30-7310-00-3040 | Program Expenditures - Administrative Round 18 | | 20,149.00 |
| Total | | <u><u>80,596.00</u></u> | <u><u>80,596.00</u></u> |

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The following page(s) contain the backup material for Agenda Item: [Community Air Protection Authorization. 1\) Approve the FY 17-18 Grant Agreement for submission to the California Air Resources Board \(CARB\) for the implementation for expenses necessary for the implementation of Assembly Bill 617 \(C. Garcia, Chapter 136](#)

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

AGENDA ITEM #8

DATE: March 20, 2018

RECOMMENDATION: 1) Approve the FY 17-18 Community Air Protection Program Grant Agreement for its submission to the California Air Resources Board (CARB) for the implementation of expenses necessary for the implementation of Assembly Bill 617 (C. Garcia, Chapter 136, Statutes of 2017); 2) Authorize the acceptance of funds allocated and awarded to the District; and the Executive Director/APCO and staff to execute the agreement, approved as to legal form.

SUMMARY: This item formally accepts funds allocated to the District, approve the District's participation in, and compliance with the Community Air Protection Program. This grant award supports the required and related expenses necessary for the implementation of Assembly Bill 617. The grant award amount is consistent with allocation approved by the California Air Pollution Controls Officers Association (CAPCOA) Board on October 26, 2017. In addition, this item authorizes the Executive Director/APCO and staff to execute agreements with CARB which binds the parties to the terms and conditions set forth in the application and the Community Air Protection Program Guidelines.

BACKGROUND: The Program's focus is to reduce exposure in communities most impacted by air pollution. The District will work closely with CARB staff, community groups, community members, environmental organizations, and regulated industries to develop a new community-focused action framework for community air protection.

Named the Community Air Protection Program (CAP), this first-of-its-kind statewide effort includes community air monitoring and community emissions reduction programs. In addition, the Legislature has appropriated funding to support early actions to address localized air pollution through targeted incentive funding to deploy cleaner technologies in these communities, as well as grants to support community participation. CAP also includes new requirements for accelerated retrofit of pollution controls on industrial sources, increased penalty fees, and greater transparency and availability of air quality and emissions data, which will help advance air pollution control efforts throughout the State. This new authority provides an opportunity to continue to enhance our air quality planning efforts and better integrate community, regional, and State level programs to provide clean air for all Californians.

cc: Jean Bracy
Laquita Cole
Michelle Powell

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

AGENDA ITEM #8

PAGE 2

REASON FOR RECOMMENDATION: The Community Air Protection Program Guidelines require that the Governing Board formally approve District application and authorize the Executive Director/APCO and staff to execute the agreement with CARB.

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before March 7, 2018.

FINANCIAL DATA: Community Air Protection Program funds are to the AVAQMD budget; this action will amend the Adopted FY 18 AVAQMD Budget in the amount of 65,569.00 for Revenue and 65,569.00 for expenses.

PRESENTER: Bret Banks, Executive Director



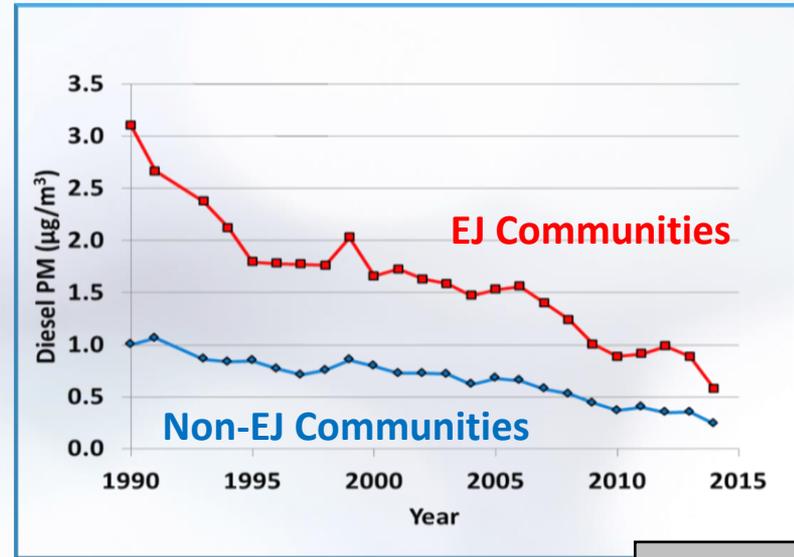
Overview of AB 617

Community Air Protection Program

AVAQMD Governing Board Meeting –
March 20, 2018

Motivation for AB 617

- Historical focus on regional air quality
- Significant improvement, but disproportionate burdens remain
- Need for community-level focus
- Address cumulative exposure
- Take advantage of advances in monitoring technologies



Focus on Community Action

Community focused framework

- Community-level air quality monitoring
- Community emissions reduction programs
- Accelerated retrofit of pollution controls on industrial facilities
- Enhanced emissions reporting requirements
- Grants to local community groups

Joint Implementation of Program Elements

MONITORING

- Identify communities for monitoring
- Statewide Monitoring Plan
- District and community operated networks
- Statewide data display

EMISSIONS

- Statewide reporting system
- Statewide pollution mapping tool

FUNDING

- Incentive funding
- Community assistance grants

EMISSION REDUCTION PROGRAMS

- Identify communities for emission reduction programs
- Statewide Strategy
- District Community Emission Reduction Programs
- District BARCT implementation
- State and district strategies

Other Implementation Elements

Technology Clearinghouse

Best available control technologies

Stationary, area-wide, and mobile sources

Emissions Reporting

Annual reporting for specified facilities

Development of uniform methodologies

Resource Center

Land use and transportation best practices

Community air monitoring resources

Education and outreach

Community Identification

- Prioritize communities with highest exposure burdens
 - Deployment of community air monitoring
 - Development of community emission reduction programs
- Focus on disadvantaged communities and sensitive receptor locations



Statewide Monitoring Plan



- Review capabilities of air monitoring technologies
- Review existing community air monitoring systems
- Provide recommendations for additional air monitoring
- Establish guidance on best practices

Statewide Reduction Strategy



By October 2018
with ongoing
updates

- Methods for assessment of community exposure and contributing sources
- Strategies for reducing emissions
- Criteria for community emissions reduction programs

Strategies for Reducing Emissions and Exposure

- Suite of measures that community emissions reduction programs will draw on
- Existing CARB and air district planning efforts will provide foundational reductions
- Community emissions reduction programs will identify additional community-specific strategies
- Comprehensive approach to leverage existing authorities along with innovative new strategies

Elements of Community Emissions Reduction Programs

AB 617 Requirements

- Emission reduction targets
- Specific reduction strategies
- Implementation schedule
- Enforcement plan

Additional Elements

- Air quality goals
- Metrics to track progress
- Community steering committee
- Public engagement plan

CEQA analysis

- CEQA analysis on community emissions reduction programs as applicable

Funding to Benefit Communities

\$250 Million for Incentive Funding to Support Immediate Reductions

CLEAN TECHNOLOGY INCENTIVES – \$250 MILLION



\$5 M for Community Assistance Grants

- Funding to support:
 - ✓ Capacity building – training and support
 - ✓ Technical assistance
 - ✓ Community engagement
- Solicitation to be released mid February

Concept Paper for Program Framework

- Staff's initial proposals based on outreach to date:
 - Process for identification and selection of communities
 - Strategies for reducing emissions and exposure
 - Criteria for community emissions reduction programs
 - Criteria for community air monitoring
 - Additional implementation elements
- Mechanism to seek advice and feedback to guide ongoing program development

Major Milestones

September
2018

- **CARB:** Select initial communities and adopt planning framework for monitoring and emissions reduction programs

January
2019

- **Air Districts:** Adopt expedited schedule for implementation of Best Available Retrofit Control Technology (BARCT)

July 2019

- **Air Districts:** Deploy community air monitoring campaigns

October
2019

- **Air Districts:** Adopt community emissions reduction programs and submit to CARB

Fall 2019

- **CARB:** Select additional communities (and annually thereafter)

December
2023

- **Air Districts:** Implement BARCT requirements

Clean Technologies Incentives

AB134

- Assembly Bill 134 – established distribution criteria for Greenhouse Gas Reduction Fund
- Provides additional possible funding for existing programs
- Provides new funding

AB134

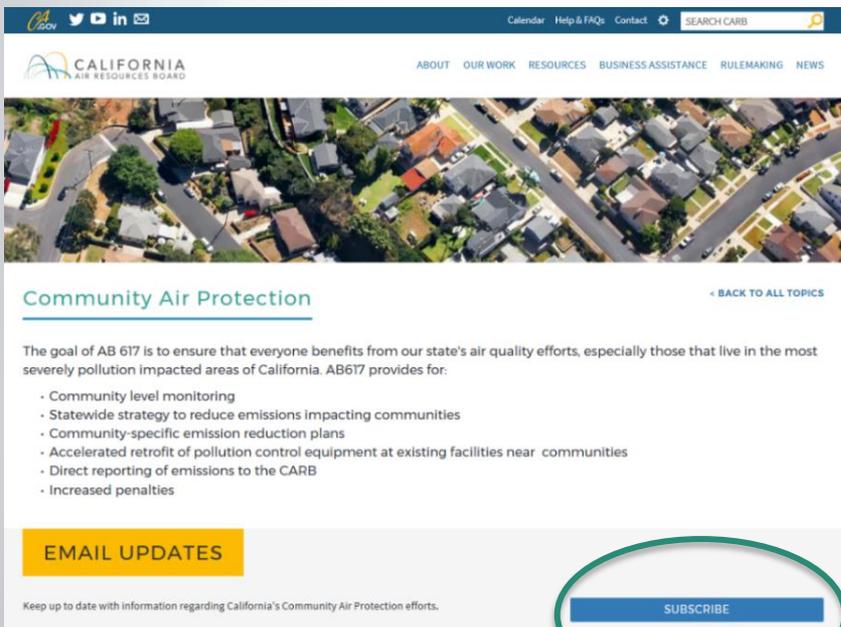
- Signed by the Governor in September 2017
- Projects must meet criteria in Carl Moyer Program Guidelines
- Seeks early actions to reduce emissions with focus on reductions in disadvantaged and low-income communities.

AB134

- Up to \$250,000,000 distributed as follows:
 - 43 % SCAQMD
 - 32 % San Joaquin Valley APCD
 - 20 % Bay Area AQMD
- \$2,000,000 to Small and Rural Districts
 - Four communities in the top 25% of CalEnviroScreen which includes AVAQMD

CARB AB617 Contact

CARB Office of Community Air Protection



The screenshot shows the CARB website's 'Community Air Protection' page. At the top, there is a navigation bar with the CARB logo, social media icons, and a search bar. Below the navigation bar is a header with the CARB logo and a menu of links: ABOUT, OUR WORK, RESOURCES, BUSINESS ASSISTANCE, RULEMAKING, NEWS. The main content area features an aerial photograph of a residential neighborhood. Below the photo, the heading 'Community Air Protection' is followed by a link to 'BACK TO ALL TOPICS'. The text explains the goal of AB 617 and lists several key actions: community level monitoring, statewide strategy to reduce emissions, community-specific emission reduction plans, accelerated retrofit of pollution control equipment, direct reporting of emissions, and increased penalties. At the bottom of the page, there is a yellow 'EMAIL UPDATES' button and a blue 'SUBSCRIBE' button, which is circled in green with an arrow pointing to it.

- Website:
 - ww2.arb.ca.gov/our-work/topics/community-air-protection
- Email
 - CommunityAir@arb.ca.gov
 - AireComunitario@arb.ca.gov
- Click “Subscribe” for listserve:
 - Community Air (or) airecomunitario

The following page(s) contain the backup material for Agenda Item: [Robertson Palmdale Honda Electric Vehicle Charging Station Project. 1\) Award an amount not to exceed \\$86,000 in Mobile Source Emission Reductions Program \(AB 2766\) funds to Robertson Palmdale Honda toward infrastructure and installation of Electric Vehic](#)

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

AGENDA ITEM #9

DATE: March 20, 2018

RECOMMENDATION: 1) Award an amount not to exceed \$86,000 in Mobile Source Emission Reductions Program (AB 923) funds to Robertson's Palmdale Honda toward the purchase, installation and infrastructure of Electric Vehicle Charging Stations; 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 Robertson's Palmdale Honda towards the purchase, installation and infrastructure for one (1) DC Fast Charger, one (1) dual port Level II charger and two (2) single port Level II chargers for the Service Bay.

BACKGROUND: Robertson's Palmdale Honda submitted an application to the District requesting grant funds towards the purchase, installation and infrastructure for one (1) DC Fast Charger, one (1) dual port Level II charger and two (2) single port Level II chargers for the Service Bay. Robertson's Palmdale Honda supports the District goals of reducing sources of regional air pollution by the installation of electric vehicle charging stations accessible to the public and for support of growing increase in zero-emission vehicles.

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 March 8, 2018.

FINANCIAL DATA: Funds are granted from the District's Mobile Source Emission Reductions (AB 923) funds.

PRESENTER: Bret Banks, Executive Director

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: [Home2 Suites Electric Vehicle Charging Station Project. 1\) Award an amount not to exceed \\$15,200 in Mobile Source Emission Reductions Program \(AB 923\) funds to Home2 Suites by Hilton Palmdale toward infrastructure and installation of Electric Vehicle Cha](#)

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

AGENDA ITEM #10

DATE: March 20, 2018

RECOMMENDATION: 1) Award an amount not to exceed \$15,200 in Mobile Source Emission Reductions Program (AB 923) funds to Home2 Suites by Hilton Palmdale toward infrastructure and installation of Electric Vehicle Charging Stations; 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 Home2 Suites towards infrastructure and installation of four (4) Level II single-port Electric Vehicle Charging Stations donated by Green Commuter.

BACKGROUND: Home2 Suites by Hilton Palmdale submitted an application to the District requesting grant funds towards infrastructure and installation of donated Electric Vehicle (EV) Charging Stations. Home2 Suites proposes 24/7 public access charging stations, (4) Level II single-port chargers to be located at Home 2 Suites at 38750 5th Street, Palmdale. Home2 Suites supports the District goals of reducing sources of regional air pollution by the installation of electric vehicle charging stations accessible to the public and for support of growing increase in zero-emission vehicles.

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 March 8, 2018.

FINANCIAL DATA: Funds are granted from the District's Mobile Source Emission Reductions (AB 923) funds.

PRESENTER: Julie McKeehan, Grants Analyst

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: [Sierra Commons Electric Vehicle Charging Station Project. 1\) Award an amount not to exceed \\$30,640 in Mobile Source Emission Reductions Program \(AB 923\) funds to Sierra Commons SPE, LLC toward infrastructure and installation of Electric Vehicle Charging](#)

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

AGENDA ITEM #11

DATE: March 20, 2018

RECOMMENDATION: 1) Award an amount not to exceed \$30,640 in Mobile Source Emission Reductions Program (AB 923) funds to Sierra Commons SPE, LLC toward infrastructure and installation of Electric Vehicle Charging Stations; 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 Sierra Commons SPE, LLC towards infrastructure and installation of one (1) ADA compliant Level II single-port and three (3) Level II single-port Electric Vehicle Charging Stations donated by Green Commuter.

BACKGROUND: Sierra Commons SPE, LLC submitted an application to the District requesting grant funds towards infrastructure and installation of donated Electric Vehicle (EV) Charging Stations. Sierra Commons proposes 24/7 public access charging stations, (4) Level II single-port chargers to be located at The Commons, 39605 10th Street West, Palmdale. Sierra Commons SPE, LLC, landlord of The Commons, supports the District goals of reducing sources of regional air pollution by the installation of electric vehicle charging stations accessible to the public and for support of growing increase in zero-emission vehicles.

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 March 8, 2018.

FINANCIAL DATA: Funds are granted from the District's Mobile Source Emission Reductions (AB 923) funds.

PRESENTER: Julie McKeehan, Grants Analyst

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: [Year-Round Lawn Mower Exchange Rebate Program. 1\) Allocate \\$10,000 from Mobile Source Emission Reduction Program \(AB 923\) funds to establish a Year-Round Lawn Mower Exchange Rebate Program; and 2\) Authorize the Executive Director/APCO and staff to negoti](#)

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

AGENDA ITEM #12

DATE: March 20, 2018

RECOMMENDATION: 1) Allocate \$10,000 from the District's general fund and \$10,000 from Mobile Source Emissions Reduction Program (AB 923) fund to establish a Year-Round Lawn Mower Exchange Rebate Program; and 2) Authorize the Executive Director/ APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel.

SUMMARY: This item continues the implementation of the District's Lawn Mower Exchange Program (Program); however, starting April 2018, the District to offer a year-round rebate program to AV residents to exchange a gasoline-powered lawn mower and receive a rebate toward the purchase of a new, rechargeable, battery-electric lawn mower from a list of eligible manufacturers. The rebate will be a first-come, first served until all Program funds are exhausted. Rebate amounts are based on the purchase price of the new electric lawn mower, not including taxes and delivery. The electric mower purchased must be rechargeable and must include battery and charger (electric plug-in lawn mowers are ineligible). Rebates are scheduled as follows: 1) Purchase price of \$401 or more are eligible for a maximum rebate of \$250; 2) Purchase price of \$251 - \$400 are eligible for a maximum rebate of \$200; and 3) Purchase price of \$250 or less are eligible for a maximum rebate of \$145. \$10,000 of general funds will be used toward the first 40 mowers of \$251 or more, and \$10,000 of AB 923 funds will be used for all remaining eligible mowers. The purpose of a year-round rebate program is to encourage AV residents toward cleaner technologies and offer a program for exchange any time of the year.

BACKGROUND: The District's Lawn Mower Exchange Program was implemented in 2009 using the District's General Funds and Air Quality Improvement Program (AQIP) funds. The initial Program offered local residents an opportunity to retire their gasoline-powered lawn mowers for a District incentive plus a generous vendor discount to offset the purchase of a new zero emissions rechargeable electric lawn mower. Program participation has declined during the recent years due to competition with water conservation incentives for turf removal during the recent drought.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

AGENDA ITEM #12

PAGE 2

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

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before March 9, 2018.

FINANCIAL DATA: Sufficient funding is available from the District's general funds and AB 923.

PRESENTER: Julie McKeehan, Grants Analyst