



**ANTELOPE VALLEY AIR QUALITY MANAGEMENT
DISTRICT**

**GOVERNING BOARD
REGULAR MEETING**

AGENDA

TUESDAY, MAY 17, 2016
10:30 A.M.

LOCATION

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

Call to Order – 10:30 a.m.

Pledge of Allegiance.

Roll Call.

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

1. PUBLIC COMMENT.

CONSENT CALENDAR

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

2. Approve Minutes from Regular Governing Board Meeting of April 19, 2016. Presenter: Crystal Goree.
3. Monthly Activity Report. Receive and File. Presenter: Bret Banks.
4. Monthly Grant Fund Summary. Receive and File. Presenter: Bret Banks.
5. The Financial Report is provided to the Governing Board for information concerning the current fiscal status of the District. Presenter: Jean Bracy.
6. Approve payment to MDAQMD in the amount of \$105,774.52, subject to availability of funds, for services provided during the month of March 2016. Presenter: Jean Bracy.

ITEMS FOR DISCUSSION

DEFERRED ITEMS

PRESENTATION

7. Bolthouse Farms Title V Exit. (No backup materials). Presenter: Bret Banks.

PUBLIC HEARINGS

8. Conduct Public Hearing to consider the proposed AVAQMD Budget for FY 2016-17:
 - a. Open public hearing;
 - b. Receive staff report;
 - c. Receive public testimony;
 - d. Close public hearing;
 - e. Continue to the meeting of June 21, 2016 for adoption.Presenters: Bret Banks and Jean Bracy.

NEW BUSINESS

None.

ADMINISTRATIVE ITEMS

9. **Staff Reports:**

Governing Board Counsel

Executive Officer/APCO, Staff.

10. **Board Member Reports and Suggestions for Future Agenda Items.**

Adjourn to Regular Governing Board Meeting of Tuesday, June 21, 2016.

If you challenge any decision regarding any of the listed proposals in court, you may be limited to raising only those issues you or someone else raised during the public testimony period regarding that proposal, or in written correspondence delivered to the Governing Board at, or prior to, the public hearing.

Due to time constraints and the number of persons wishing to give oral testimony, time restrictions may be placed on oral testimony regarding the above proposals. You may wish to make your comments in writing to assure that you are able to express yourself adequately.

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

I hereby certify, under penalty of perjury, that this agenda has been posted 72 hours prior to the stated meeting in a place accessible to the public. Copies of this agenda and any or all additional materials relating thereto are available at the District Office at 43301 Division Street, Suite 206, Lancaster, CA 93535 or by contacting the Deputy Clerk of the Board at 661-723-8070, ext. 1 or by email at cgoree@avaqmd.ca.gov

Mailed & Posted on: Thursday, 5/5/16.

Crystal Goree, Deputy Clerk of the Board

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

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

NOTICE IS HEREBY GIVEN that the Governing Board of the Antelope Valley Air Quality Management District (District) will conduct a Regular Meeting on Tuesday, May 17, 2016 at 10:30 a.m.

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

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

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

**CRYSTAL GOREE
DEPUTY CLERK OF THE GOVERNING BOARD
PHONE: (661) 723-8070, Ext. 1.**

Mailed and Posted: **Thursday, 5/5/16**
DATE

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD MEETING
TUESDAY, APRIL 19, 2016
ANTELOPE VALLEY DISTRICT OFFICE
LANCASTER, CA**

MINUTES

Board Members Present:

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

CALL TO ORDER

Chair Crist called the meeting to order at 10:30 a.m. Board Member Dispenza led the Pledge of Allegiance.

Roll call was taken.

PUBLIC COMMENT

Agenda Item #1

None.

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

Agenda Item #2 - Approve Minutes from Regular Governing Board Meeting of March 15,2016. Presenter: Crystal Goree.

Approved Minutes from Regular Governing Board Meeting of March 15, 2016.
Board Member Ledford abstained.

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

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

Agenda Item #5 - The Financial Report is provided to the Governing Board for information concerning the current fiscal status of the District.

Presenter: Jean Bracy.

Received and Filed Financial Report.

Agenda Item #6 - Approve payment to MDAQMD in the amount of \$105,933.57, subject to availability of funds, for services provided during the month of February 2016. Presenter: Jean Bracy.

Approved payment to MDAQMD in the amount of \$105,933.57, subject to availability of funds, for services provided during the month of February 2016

Agenda Item #7 - Approve a revised Agreement between the Antelope Valley Air Quality Management District (AVAQMD) and the Mojave Desert Air Quality Management District (MDAQMD) to deliver contracted services to the AVAQMD and authorize the Chairman to execute the Agreement. Presenter: Jean Bracy.

Approved a revised Agreement between the Antelope Valley Air Quality Management District (AVAQMD) and the Mojave Desert Air Quality Management District (MDAQMD) to deliver contracted services to the AVAQMD and authorized the Chairman to execute the Agreement.

ITEMS FOR DISCUSSION

DEFERRED

None.

PUBLIC HEARINGS

None.

NEW BUSINESS

Agenda Item #8 - 1) Award an amount not to exceed \$111,875 in Carl Moyer Program funds to Lane Ranch to retire two (2) older diesel-powered tractors for one (1) new lower-emission diesel tractor; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan.

Julie McKeehan provided background information, staff recommendation and answered board member questions. Upon Motion by LAWSON, Seconded by MANN and carried unanimously, the board awarded an amount not to exceed \$111,875 in Carl Moyer Program funds to Lane Ranch to retire two (2) older diesel-powered tractors for one (1) new lower-emission diesel tractor and authorized the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Agenda Item #9 - 1) Award an amount not to exceed \$82,871 in Carl Moyer Program funds to Bill's Landscaping, Inc. to retire one (1) older diesel-powered backhoe for one (1) new diesel backhoe that meets the current emission standards; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan.

Julie McKeehan provided background information and staff recommendation. Upon Motion by MANN, Seconded by DISPENZA and carried unanimously, the board awarded an amount not to exceed \$82,871 in Carl Moyer Program funds to Bill's Landscaping, Inc. to retire one (1) older diesel-powered backhoe for one (1) new diesel backhoe that meets the current emission standards and authorized the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Agenda Item #10 – 1) Approve \$80,000 in Carl Moyer Program and Mobile Source Emissions Reduction Program (AB 923) 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 Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Presenter: Julie McKeehan.

Julie McKeehan provided background information, staff recommendation and answered questions from Chair Crist. Upon Motion by LEDFORD, Seconded by LAWSON and carried unanimously, the board approved \$80,000 in Carl Moyer Program and Mobile Source Emissions Reduction Program (AB 923) funds toward continued implementation of the District's Voluntary Accelerated Vehicle Retirement Program (VAVR) and authorized an extended contract with Environmental Engineering Studies Incorporated (EES) and authorized the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Agenda Item #11 - 1) Award an amount not to exceed \$50,000 in Mobile Source Emissions Reduction Program funds (AB 2766) to the Los Angeles County Sheriff's Department, Lancaster Station for the purchase of a clean diesel pickup truck capable of operating on B20 biofuel; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames, technical project details, and execute an agreement, approved as to legal form by the Office of District Counsel.

Presenter: Bret Banks.

Bret Banks provided background information, staff recommendation and answered board member questions. Board Member CHELETTE moved the item as amended to include Antelope Valley Sheriff's Boosters in the title, Seconded by HAWKINS, and carried unanimously, awarding an amount not to exceed \$50,000 in Mobile Source Emissions Reduction Program funds (AB 2766) to the Los Angeles County Sheriff's Department, Lancaster Station/Antelope Valley Sheriff's Boosters for the purchase of

a clean diesel pickup truck capable of operating on B20 biofuel and authorized the Executive Director/APCO and staff to negotiate target time frames, technical project details, and execute an agreement, approved as to legal form by the Office of District Counsel.

Agenda Item #12 - 1) Award an amount not to exceed \$16,203 of Mobile Source Emissions Reduction Program (AB 2766) funding to Antelope Valley Produce towards the replacement of a non-compliant Transfer Refrigeration Unit (TRU) for a new, cleaner technology that meets the current emission standards; 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.

Bret Banks provided background information, staff recommendation and answered board member questions. Upon Motion by **MANN**, Seconded by **DISPENZA** and carried unanimously, the board awarded an amount not to exceed \$16,203 of Mobile Source Emissions Reduction Program (AB 2766) funding to Antelope Valley Produce towards the replacement of a non-compliant Transfer Refrigeration Unit (TRU) for a new, cleaner technology that meets the current emission standards and authorized the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Agenda Item #13 - 1) Allocate a maximum of \$10,000 from the District's general fund and a maximum of \$20,000 from Mobile Source Emissions Reduction Program AB 923 fund for the 2016 Lawn Mower Exchange 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.

Julie McKeehan provided background information, staff recommendation and answered board member questions. Discussion ensued. Board Member **LEDFOORD** moved the item as amended to approve the use of two locations on a go forward basis for this year, with Palmdale location and date to be determined, and subsequent years, Seconded by **CHELETTE**, and carried unanimously, allocating a maximum of \$10,000 from the District's general fund and a maximum of \$20,000 from Mobile Source Emissions Reduction Program AB 923 fund for the 2016 Lawn Mower Exchange Program and authorizing 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.

PRESENTATION

Agenda Item #14 – Smoke Management Agricultural/Prescribed Burn.

Presenter: Bret Banks.

Bret Banks shared PowerPoint presentation on Smoke Management Agricultural/Prescribed Burn. Mr. Banks provided information on Program Objectives, Rules & Regulations, Rule 444 - Open Outdoor Fires and the Smoke Management Plan

and Submittal Process. Mr. Banks also discussed the Prescribed Fire Information Reporting System (PFIRS). Information was also shared regarding the Burn Day Forecast, including the District's access code for callers, *601 to hear the updated forecast.

ADMINISTRATIVE ITEMS

Agenda Item #15 - Staff Reports

Governing Board Counsel – Allison Burns provided an update on the Public Records Request Legislation, verbal and written, stating that the legislation has died in Assembly and will not move forward.

Executive Director/APCO, Staff – Bret Banks provided information on the Palmdale Energy Project Public Workshop, Wednesday, 4/20/16 in Sacramento. Mr. Banks stated that district staff will participate via phone.

Mr. Banks informed the board that the Budget Hearing Public Notice has been disseminated to all permit holders. The Budget will be included on next month's agenda.

Mr. Banks provided a copy of the Carl Moyer Rural Assistance Program Brochure and discussed eligible project types and general requirements.

Agenda Item #16 – Board Member Reports and Suggestions For Future Agenda Items.

None.

The meeting was adjourned at 11:00 a.m. to the next regularly scheduled Governing Board Meeting, Tuesday, May 17, 2016, 10:30 a.m.

Item #3 - Monthly Activity Report – April 2016

	<u>April 2016</u>	<u>April 2015</u>	<u>YTD (7/1/16)</u>
Complaints	3	6	49
Complaint Investigations	3	6	49
Asbestos Notifications	8	4	106
Asbestos Inspections	0	0	1
Facility Inspections	35	31	495
Facility Inspections Completed (%)	98	97	98
Permit Inspections	90	123	901
Permit Inspections in Compliance (%)	98	100	98
Notice of Violation (NOV)	1	2	23

Outstanding NOVs

- AV00000174, Issued 07/2015
- AV00000187, Issued 02/2016
- AV00000188, Issued 03/2016

Project Comment Letters – April 2016

Attached

		AVAQMD CEQA PROJECTS				
		BOARD MEETING				
		5/17/2016				
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
4/13/2016	COL	So Cal Crushing	Concrete recycling yard on 4.41 acres located at 42349 5th Street East	Rule 403, 1403, In-Use, Off Road compliant equip, Permit any process equip	5/3/2016	4/13/2016
4/7/2016	COL	TTM 66842	Tentaive Tract Map-87 single family lots on the southeast corner of J-8 & 40th Street West	Rule 403, In-Use Off Road Compliant equip,	5/8/2016	4/13/2016

ITEM #4 - MONTHLY FUND GRANT SUMMARY

AB 2766 (\$4 DMV Fee) Annual Allocation for Mobile Projects \$538,333.00

AB 923 (\$2 DMV Fee) Annual Allocation for Mobile Projects \$538,333.00

AB 2766 & AB 923 CURRENT BALANCES

AB 2766 PROJECT & ADMIN. FUNDS

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

AB 2766 PROJECTS CURRENT BALANCE

\$253,284.88

Action Date *Project Name*
No Actions for May

Pending Action

AB 2766 PROJECTS BALANCE PENDING APPROVAL

\$253,284.88

AB 923 PROJECT & ADMIN. FUNDS

Action Date	Project Name	Approved Action
Mar-13	AVAQMD School District Projects	-985000.00 paid
Jun-13	Eastside School District Bus Replacement AV0613#14	-128780.00 paid
Sep-13	VAVR Program - Projects & Admin. to EES AV0913#13	-94000.00 paid
Oct-13	WM Bolthouse Farms ERP AV1013#12	-32150.25 paid
Oct-13	Craig Van Dam Farms ERP AV1013#10	-225253.00 paid
Jan-14	WM Bolthouse Farms ERP AV1013#12 Add'l Funds	-5370.00 paid
Mar-14	AVTA Wave Project - Electric Infrastructure AV0314#16	-250000.00 pending
Mar-14	High Desert Dairy ERP Project #1 AV0314#09	-14985.16 paid
May-14	RPH CNG Upgrade Project AV0514#11	-230862.00 paid
May-14	Eastside School District Bus Replacement AV0514#12	-70009.67 paid
Jun-14	VAVR Program - Admin. to EES AV0614#11	-25000.00 paid
Nov-14	AVSTA CNG Tank Replacement AV1114#8	-31459.00 paid
Dec-14	VAVR Program - Admin to EES AV1214#8	-25000.00 paid
Jan-15	AVSTA CNG School Bus Purchase AV0115#7	-100000.00 paid
Apr-15	Calandri SonRise Farms ERP Project #3 AV0415#8	-78372.75 paid
May-15	Gene Wheeler Farms ERP Project #2 AV0515#10	-142010.00 paid
Aug-15	VAVR Program - Projects & Admin. to EES AV0815#6	-60000.00 paid
Nov-15	Calandri SonRise Farms Repower Project #4 AV1115#9	-116471.00 pending
Jan-16	Antelope Valley Farming ERP Project AV0116#8	-181530.00 pending
Mar-16	Ebee Streetlight EV Charging Project AV0316#10	-25000.00 pending
Apr-16	VAVR Program - Admin to EES AV0416#10	-60000.00

AB 923 PROJECTS CURRENT BALANCE

\$214,613.16

Action Date Project Name
No Actions for May

Pending Action

AB 923 PROJECTS BALANCE PENDING APPROVAL

\$214,613.16

CARL MOYER PROGRAM PROJECT FUNDS

Action Date	Project Name	Approved Action
Mar-14	MDAQMD Year 14 Transfer AV0114#09	300,034.84 recv'd
Mar-14	Calandri SonRise Farms ERP Project #2 AV0314#13	-138852.00 paid
Mar-14	High Desert Dairy ERP Project #1 AV0314#09	-161182.84 paid
Jun-14	VAVR Program - Project funds to EES AV0614#11 CMP Rd. 16	-25000.00 paid
Jul-14	High Desert Dairy ERP Project #2 AV0714#11	-156386.00 paid
Jul-14	Valyermo Ranch ERP Project #2 AV0714#8	-154186.00 paid
Aug-14	Gene Wheeler Farms ERP Project #1 AV0814#8	-247459.00 paid
Dec-14	VAVR Program - Projects to EES AV1214#8	-50000.00 paid
Mar-15	Carl Moyer Prog. Funds Year 17 Awarded to AVAQMD	637511.00 recv'd
Mar-15	Carl Moyer Interest (FY 13-14) added to Year 16	834.45 recv'd
Apr-15	Calandri SonRise Farms ERP Project #3 AV0415#8	-284211.25 paid
Apr-15	High Desert Dairy ERP Project #3 AV0415#7	-134239.00 paid
Nov-15	Bill's Landscaping ERP Project #1 AV1115#7	-81828.00 paid
Nov-15	Gall Brothers Engineering ERP Project #1 AV1115#8	-138715.00 paid
Feb-16	MDAQMD Year 16 Transfer AV0216#7	324480.00 pending
Mar-16	High Desert Dairy ERP Project #4 AV0316#	-163,501.00 pending
Mar-16	Calandri SonRise Farms ERP Project #5 AV0315#	-83,983 pending
Mar-15	Carl Moyer Prog. Funds Year 18 Awarded to AVAQMD	659588.00 pending
Apr-16	Lane Ranch & Co. ERP Project AV0416#?	-111,875.00

CARL MOYER PROJECTS CURRENT BALANCE

\$541,808.00

Action Date Project Name
No Actions for May

Pending Action

CARL MOYER PROJECTS BALANCE PENDING APPROVAL

\$541,808.00

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

AGENDA ITEM 5

DATE: May 17, 2016

RECOMMENDATION: Receive and file.

SUMMARY: The Financial Report is provided to the Governing Board for information concerning the current fiscal status of the District.

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

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

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

STATEMENTS OF ACTIVITY (for all District funds) – *Report Recap* is the consolidated report which reflects the revenues received and expenses made during the period and year to date against the adopted budget for FY 16. The line item Program Costs includes those payments made from the District’s grant funds (AB 2766, AB 923, and Carl Moyer Fund). This Report Recap is supported by two additional reports: *District Wide* reports the expenses paid directly from the District’s operating account and grant funds. *Contracted Services* reports the expenses made by the contractor (MDAQMD) and passed through to the District. The target variance for February is 75% of Fiscal Year 2016. “Adjustments to Revenue” usually reflects the cancellation of permits. “Permitting” revenue reflects invoices issued for annual permit renewals and always assumes the expectation of revenue for those facilities with valid operating permits. Cancelling permits impacts the expected revenue. During this fiscal year the permits issued to the Palmdale Power Project were officially cancelled. In prior years this unpaid but expected revenue was reflected in the accounts receivable. When the permits are cancelled and the revenue is no longer expected, accounts receivable on financial statements are appropriately adjusted.

cc: Jean Bracy
Laquita Cole
Michelle Powell

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

AGENDA ITEM 5

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

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

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

REASON FOR RECOMMENDATION: Receive and file.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel; and by Bret Banks, Deputy Director – Antelope Valley Operations, on or before May 3, 2016.

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

PRESENTER: Jean Bracy, Deputy Director/Administration

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

Financial Report

	<u>General Fund</u>	<u>AB2766 Mobile Emissions</u>	<u>AB923 Mobile Emissions</u>	<u>Carl Moyer</u>	<u>Total</u>
Assets					
Current Assets					
Cash	839,635.07	452,451.58	830,663.36	118,514.79	2,241,264.80
Cash Held For Other Fund	10,512.91	7,412.38	(7,436.99)	(10,488.30)	0.00
Receivables	52,093.29	0.00	0.00	97,291.52	149,384.81
Pre-Paid	7,209.78	0.00	0.00	0.00	7,209.78
Total Current Assets	909,451.05	459,863.96	823,226.37	205,318.01	2,397,859.39
Total Assets	909,451.05	459,863.96	823,226.37	205,318.01	2,397,859.39
Liabilities and Net Position					
Current Liabilities					
Payables	314,671.06	0.00	0.00	14,966.56	329,637.62
Due to Others	103,451.57	0.00	0.00	0.00	103,451.57
Unearned Revenue	0.00	0.00	0.00	541,384.80	541,384.80
Total Current Liabilities	418,122.63	0.00	0.00	556,351.36	974,473.99
Restricted Fund Balance	0.00	630,536.66	1,004,379.76	(261,576.92)	1,373,339.50
Cash Reserves	370,000.00	0.00	0.00	0.00	370,000.00
Unassigned Fund Balance	202,013.40	0.00	0.00	0.00	202,013.40
Pre-Paid	7,209.78	0.00	0.00	0.00	7,209.78
Change in Net Position	(87,894.76)	(170,672.70)	(181,153.39)	(89,456.43)	(529,177.28)
Total Liabilities & Net Position	909,451.05	459,863.96	823,226.37	205,318.01	2,397,859.39

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

Financial Report

	<u>General Fund</u>	<u>AB2766 Mobile Emissions Program</u>	<u>AB923 Mobile Emissions Program</u>	<u>Carl Moyer Program</u>	<u>Total Governmental Funds</u>
Revenues					
Application and Permit Fees	61,192.92	0.00	0.00	0.00	61,192.92
AB 2766 and Other Program Revenues	56,081.91	30,171.20	43,085.08	81,828.00	211,166.19
Fines	4,068.54	0.00	0.00	0.00	4,068.54
Investment Earnings	408.35	199.90	0.00	284.76	893.01
Federal and State	49,445.92	0.00	0.00	0.00	49,445.92
Miscellaneous Income	0.00	0.00	0.00	0.00	0.00
Total Revenues	171,197.64	30,371.10	43,085.08	82,112.76	326,766.58
Expenditures					
Program Staff	95,820.39	0.00	0.00	7,341.28	103,161.67
Services and Supplies	11,458.18	48,698.22	0.00	81,828.00	141,984.40
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	107,278.57	48,698.22	0.00	89,169.28	245,146.07
Excess Revenue Over (Under) Expenditures	63,919.07	(18,327.12)	43,085.08	(7,056.52)	81,620.51

Antelope Valley AQMD
Statement of Activity - MTD and YTD
For 3/31/2016

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	57,808.19	630,320.75	635,000.00	(0.99)
Programs	211,201.19	1,454,535.45	2,346,346.00	(0.62)
Revenue - Other	0.00	2,755.41	0.00	0.00
Application Fees	4,013.00	38,732.60	37,000.00	(1.05)
State Revenue	49,445.92	126,422.81	135,000.00	(0.94)
Fines & Penalties	4,068.54	62,732.14	29,700.00	(2.11)
Interest Earned	893.01	13,124.58	13,250.00	(0.99)
Adjustments to Revenue	(663.27)	(286,462.42)	0.00	0.00
Total Revenues	326,766.58	2,042,161.32	3,196,296.00	(0.64)
Expenses				
Office Expenses	1,931.52	59,307.82	82,275.00	0.72
Communications	1,404.66	15,250.16	19,500.00	0.78
Vehicles	1,610.66	7,924.55	10,500.00	0.75
Program Costs	130,526.22	1,473,054.48	1,704,235.00	0.86
Travel	817.37	2,296.96	5,000.00	0.46
Professional Services				
Financial Audit & Actuarial Svcs	0.00	12,000.00	12,000.00	1.00
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	5,265.00	15,000.00	0.35
Stipends	500.00	4,100.00	8,400.00	0.49
Maintenance & Repairs	225.00	2,001.00	7,000.00	0.29
Non-Depreciable Inventory	0.00	797.51	6,300.00	0.13
Dues & Subscriptions	850.00	8,622.91	9,800.00	0.88
Legal	1,250.00	3,505.50	14,000.00	0.25
Miscellaneous Expense	149.53	731.23	1,071.00	0.68
Suspense	0.00	12.51	0.00	0.00
Capital Expenditures	0.00	15,950.00	0.00	0.00
Total Expenses	139,264.96	1,610,819.63	1,901,081.00	0.85
Program Staff				
Excess Revenue Over (Under) Expenditures	187,501.62	431,341.69	1,295,215.00	(0.33)

Antelope Valley AQMD
Statement of Activity - MTD and YTD
For 3/31/2016

10 Contracted Services

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
<u>Revenues</u>				
<u>Expenses</u>				
Office Expenses	0.00	8,616.64	5,800.00	1.49
Communications	0.00	0.00	250.00	0.00
Vehicles	0.00	0.00	500.00	0.00
Travel	153.79	750.00	3,000.00	0.25
Professional Services				
Financial Audit & Actuarial Svcs	65.65	161.14	12,000.00	0.01
Consulting Fees	2,500.00	22,500.00	32,500.00	0.69
Non-Depreciable Inventory	0.00	37.31	0.00	0.00
Dues & Subscriptions	0.00	0.00	225.00	0.00
Capital Expenditures	0.00	0.00	15,000.00	0.00
Total Expenses	2,719.44	32,065.09	69,275.00	0.46
<u>Program Staff</u>				
Program Staff	103,161.67	928,453.88	1,237,940.00	0.75
Total Program Staff	103,161.67	928,453.88	1,237,940.00	0.75
Excess Revenue Over (Under) Expenditures	(105,881.11)	(960,518.97)	(1,307,215.00)	(0.73)

Antelope Valley AQMD
Statement of Activity - MTD and YTD
For 3/31/2016

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	57,808.19	630,320.75	635,000.00	(0.99)
Programs	211,201.19	1,454,535.45	2,346,346.00	(0.62)
Revenue - Other	0.00	2,755.41	0.00	0.00
Application Fees	4,013.00	38,732.60	37,000.00	(1.05)
State Revenue	49,445.92	126,422.81	135,000.00	(0.94)
Fines & Penalties	4,068.54	62,732.14	29,700.00	(2.11)
Interest Earned	893.01	13,124.58	13,250.00	(0.99)
Adjustments to Revenue	(663.27)	(286,462.42)	0.00	0.00
Total Revenues	326,766.58	2,042,161.32	3,196,296.00	(0.64)
Expenses				
Office Expenses	1,931.52	67,924.46	88,075.00	0.77
Communications	1,404.66	15,250.16	19,750.00	0.77
Vehicles	1,610.66	7,924.55	11,000.00	0.72
Program Costs	130,526.22	1,473,054.48	1,704,235.00	0.86
Travel	971.16	3,046.96	8,000.00	0.38
Professional Services				
Financial Audit & Actuarial Svcs	65.65	12,161.14	24,000.00	0.51
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	2,500.00	27,765.00	47,500.00	0.58
Stipends	500.00	4,100.00	8,400.00	0.49
Maintenance & Repairs	225.00	2,001.00	7,000.00	0.29
Non-Depreciable Inventory	0.00	834.82	6,300.00	0.13
Dues & Subscriptions	850.00	8,622.91	10,025.00	0.86
Legal	1,250.00	3,505.50	14,000.00	0.25
Miscellaneous Expense	149.53	731.23	1,071.00	0.68
Suspense	0.00	12.51	0.00	0.00
Capital Expenditures	0.00	15,950.00	15,000.00	1.06
Total Expenses	141,984.40	1,642,884.72	1,970,356.00	0.83
Program Staff				
Program Staff	103,161.67	928,453.88	1,237,940.00	0.75
Total Program Staff	103,161.67	928,453.88	1,237,940.00	0.75
Excess Revenue Over (Under) Expenditures	81,620.51	(529,177.28)	(12,000.00)	(44.10)

Antelope Valley AQMD
Bank Register from 3/01/2016 to 3/31/2016
Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0002864	3/04/2016	[10076] ANTELOPE VALLEY AQMD-Credit Card Transactions - February 2016	8,099.24	0.00	189,853.31
0002865	3/04/2016	[10076] ANTELOPE VALLEY AQMD-Credit Card Transactions - January 2016	13,451.21	0.00	176,402.10
0002866	3/04/2016	[01148] ANTELOPE VALLEY PRESS-Business People 2016 Advert	100.00	0.00	176,302.10
0002867	3/04/2016	[00548] GRANITE CONSTRUCTION CO - PALMDALE-Refund on Inv 2016025 - Dust Control Plan - Duplicate Payment	575.00	0.00	175,727.10
0002868	3/04/2016	[10036] SECURA COM-Quarterly Alarm Monitoring March 2016 - May 2016	116.85	0.00	175,610.25
0000190	3/08/2016	Credit Card Transaction - Quality Cleaners	0.00	332.24	175,942.49
0000190	3/09/2016	Credit Card Transaction - AV Solar Ranch	0.00	332.24	176,274.73
0000191	3/09/2016	Credit Card Transaction - Sunpower	0.00	575.00	176,849.73
0000190	3/10/2016	Credit Card Transaction - WDR	0.00	509.00	177,358.73
	3/11/2016	Service Charge	149.53	0.00	177,209.20
0000190	3/14/2016	Credit Card Transaction - FAA	0.00	1,993.44	179,202.64
0000190	3/23/2016	Credit Card Transaction - Sky Ready Mix	0.00	573.00	179,775.64
0002869	3/24/2016	[01148] ANTELOPE VALLEY PRESS-Notice of Prelim Determination PEP	270.45	0.00	179,505.19
0002870	3/24/2016	[10007] BOHN'S PRINTING-Window Envelopes	96.30	0.00	179,408.89
0002871	3/24/2016	[10405] CANON FINANCIAL SERVICES-Copier Lease March 16	298.12	0.00	179,110.77
0002872	3/24/2016	[10012] CAPCOA-Agency Mebership Dues 2016	850.00	0.00	178,260.77
0002873	3/24/2016	[10071] MAIL FINANCE-Invoices N5705545, N5758641, N5809341	283.89	0.00	177,976.88
0002874	3/24/2016	[10260] QCS BUILDING SERVICES-Custodial Service March 2016	225.00	0.00	177,751.88
0002875	3/24/2016	[00069] SOUTHERN CALIFORNIA EDISON-Electric Service March 20	353.20	0.00	177,398.68
0002876	3/24/2016	[10039] SPARKLETTS-Water Delivery Service March 16	31.27	0.00	177,367.41
0002877	3/24/2016	[10455] STRADLING YOCCA CARLSON & ROTH-Invoices 304328, 305502- 0000	1,360.00	0.00	176,007.41
0002878	3/24/2016	[10045] VERIZON BUSINESS-VOIP & Internet Service March 16	1,361.34	0.00	174,646.07
0002879	3/24/2016	[10063] VOYAGER FLEET SYSTEMS-Fuel Card Charges Feb 16	304.30	0.00	174,341.77
0000192	3/28/2016	Credit Card Transaction - Angeles National Forest	0.00	31.25	174,373.02
0000193	3/28/2016	Credit Card Transaction - Norrr Assoc	0.00	424.00	174,797.02
0000194	3/30/2016	Credit Card Transaction - Hertz	0.00	35.94	174,832.96
Total for Report:			27,925.70	4,806.11	

Antelope Valley AQMD
Bank Register from 3/01/2016 to 3/31/2016
LA County General Fund P6A

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000189	3/01/2016	Daily Deposit	0.00	11,801.64	566,072.36
	3/01/2016	Interest Earned	0.00	408.35	566,480.71
0082778	3/03/2016	Transfer AB2766 - December 2015	30,548.76	0.00	535,931.95
0082779	3/03/2016	Transfer AB923 - December 2015	43,624.25	0.00	492,307.70
0000190	3/04/2016	Daily Deposit	0.00	73,580.32	565,888.02
0000191	3/08/2016	Daily Deposit	0.00	25,960.34	591,848.36
0000192	3/14/2016	Daily Deposit	0.00	142,407.42	734,255.78
0082781	3/15/2016	Transfer AB923 - January 2016	43,085.08	0.00	691,170.70
0082782	3/15/2016	Transfer AB2766 - January 2016	30,171.20	0.00	660,999.50
0000193	3/18/2016	Daily Deposit	0.00	5,834.39	666,833.89
0082780	3/22/2016	Transfer - R & R Pipeline Returned Project Funds	20,700.00	0.00	646,133.89
0000194	3/24/2016	Daily Deposit	0.00	2,810.51	648,944.40
0000195	3/30/2016	Daily Deposit	0.00	7,129.65	656,074.05
Total for Report:			168,129.29	269,932.62	

Antelope Valley AQMD
Bank Register from 3/01/2016 to 3/31/2016
LA County AB2766 U5R

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	3/01/2016	Interest Earned	0.00	199.90	419,729.84
0082778	3/03/2016	Transfer AB2766 - December 2015	0.00	30,548.76	450,278.60
M16-44	3/03/2016	[10452] LOPEZ, FEDERICO-AB2766 Grant	1,000.00	0.00	449,278.60
M16-45	3/08/2016	[10258] ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT-AB2766 Grant	1,886.00	0.00	447,392.60
0082782	3/15/2016	Transfer AB2766 - January 2016	0.00	30,171.20	477,563.80
0082780	3/22/2016	Transfer - R & R Pipeline Returned Project Funds	0.00	20,700.00	498,263.80
M16-46	3/23/2016	[10456] CCGI/FOREST CITY LLC-AB2766 Grant	45,812.22	0.00	452,451.58
Total for Report:			48,698.22	81,619.86	

Antelope Valley AQMD
Bank Register from 3/01/2016 to 3/31/2016
LA County AB923

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0082779	3/03/2016	Transfer AB923 - December 2015	0.00	43,624.25	787,578.28
0082781	3/15/2016	Transfer AB923 - January 2016	0.00	43,085.08	830,663.36
Total for Report:			0.00	86,709.33	

Antelope Valley AQMD
Bank Register from 3/01/2016 to 3/31/2016
LA County Carl Moyer U5S

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	3/01/2016	Interest Earned	0.00	284.76	200,342.79
C16-7	3/03/2016	[10448] BILLS LANDSCAPING, INC-Moyer Grant	81,828.00	0.00	118,514.79
Total for Report:			81,828.00	284.76	

Antelope Valley AQMD
Bank Register from 3/01/2016 to 3/31/2016
District Cards

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
000048	3/01/2016	[10070] BARBARA LODS-Office/Kitchen Supplies	72.83	0.00	-60.32
000049	3/01/2016	[10069] BRET BANKS-Cubesmart - Offsite Storage Lease Feb 2016	139.00	0.00	-199.32
000050	3/01/2016	[10069] BRET BANKS-Holiday Inn - Lodging CAPCOA Enf Mgrs Meeting	121.20	0.00	-320.52
000051	3/01/2016	[10069] BRET BANKS-Southwest - Airfare CAPCOA Small and Rural Meeting	210.96	0.00	-531.48
000052	3/01/2016	[10069] BRET BANKS-All Things Engravable - Name Plate for District Counsel	27.25	0.00	-558.73
000053	3/01/2016	[10069] BRET BANKS-Cubesmart - Offsite Storage Lease March 2016	139.00	0.00	-697.73
000010	3/01/2016	March 2016 Payment	0.00	710.24	12.51
Total for Report:			710.24	710.24	

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

AGENDA ITEM 6

DATE: May 17, 2016

RECOMMENDATION: Approve payment to MDAQMD in the amount of \$105,774.52, subject to availability of funds, for services provided during the month of March 2016.

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

CONFLICT OF INTEREST: None

BACKGROUND:

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

This payment request represents services rendered for March 2016, in the total amount of \$105,774.52 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 May 3, 2016.

FINANCIAL DATA: The contract and direct expenditure amounts are part of the approved District budget for FY 16. No change in appropriations is anticipated as a result of the approval of this item.

PRESENTER: Jean Bracy, Deputy Director/Administration

cc: Jean Bracy
Laquita Cole
Michelle Powell



Mojave Desert AQMD
 14306 Park Avenue
 Victorville, CA 92392
 760.245.1661

Due Date **DUE UPON RECEIPT**
 Invoice Date **3/31/2016**
 Invoice Number **41275**

INVOICE

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

FY16	Amount
Program Staff	79,088.72
Professional Services	65.65
Travel & Training	47.20
Overhead	2,500.00
Antelope Valley AB2766	11,993.07
Antelope Valley Excess Emissions	973.05
Antelope Valley Moyer	7,341.28
Antelope Valley	2,318.61
Antelope Valley NSR	1,446.94
<p>TO INSURE PROPER CREDIT - PLEASE INCLUDE A COPY OF THE INVOICE WITH YOUR PAYMENT</p> <p>FOR CREDIT CARD PAYMENTS PLEASE VISIT www.mdaqmd.ca.gov</p>	
	Invoice Total 105,774.52 Amount Paid 0.00
MAKE CHECKS PAYABLE TO MOJAVE DESERT AQMD PLEASE INCLUDE THE INVOICE NUMBER ON THE CHECK	Balance Due 105,774.52

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

*AGENDA ITEM **8***

DATE: May 17, 2016

RECOMMENDATION: Conduct Public Hearing to consider the proposed AVAQMD Budget for FY 2016-17: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Continue to the meeting of June 21, 2016 for adoption.

SUMMARY: A Public Hearing is required to receive comments regarding the proposed AVAQMD Budget for FY 2016-17. Staff will present the proposed budget and answer questions.

BACKGROUND: The budget process includes presentation to the Governing Board of staff's recommendations for programs and projects for the new fiscal year. In addition, opportunity for public comment is required by law and incorporated into the process.

The Proposed Budget for Fiscal Year 2016-17 was published on April 15, 2016. A notice was advertised in the local publication and mailed to each permit holder informing them the budget was published and available for review and comment. The proposed budget was also posted on the District's website.

The Proposed Budget for Fiscal Year 2016-17 is attached and made part of this agenda item. The Budget will be presented for adoption on June 21, 2016.

This Budget has no extraordinary demands and meets the District's requirements for normal operations. Seventy six percent (76%) of the District's 7.5 contracted staff positions are involved full time in the issuance of permits, the inspection and enforcement of such permits or the administration of the permit issuance, management and/or renewal process; other District employees are partially involved in these activities. The proposed 12% fee increase is expected to add \$68,000 and constitutes only a portion of the total projected cost increase for FY 17. Funds from other sources, including grant support revenue, are expected to fully close the gap. Therefore, pursuing a fee increase is well within the provisions of Health & Safety Code §42311(a) and falls within the exemption found in Article XIIC §1(e)(3) of the California Constitution.

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

Revenue projections indicate that income derived from permit application and renewal fees (with the proposed fee increase) will constitute 40.5% of the operating revenue of the AVAQMD. The loss of the expected revenue from major facility impacts the goal of reaching fair pay from permitted facilities for the work performed. The proportion of the revenue derived from the District's fee-rate sources is slowing increasing. This year the District will again increase the allocation from AB 2766 toward operations.

As noted above, staffing costs account for 76% of the District's expenditures. The district's mandated functions such as compliance, permit issuance, and permit administration are labor intensive, therefore the related revenue should be structured to support the relevant regulatory and administrative activities. A restructuring of the billing mechanism with Mojave Desert AQMD creates a shift on expenses, reducing the cost of Personnel Expenses, and increasing the Operating Expenses for the line item "overhead expenses."

The District's has a new contract with Mojave Desert AQMD beginning July 1, 2016. A revised billing structure for services will allow ongoing review of the resources needed to conduct a stand-alone agency. This review will enable the Governing Board and staff to employ strategies to achieve specific goals toward meeting the needs and expectations of the Antelope Valley community for these regulatory services.

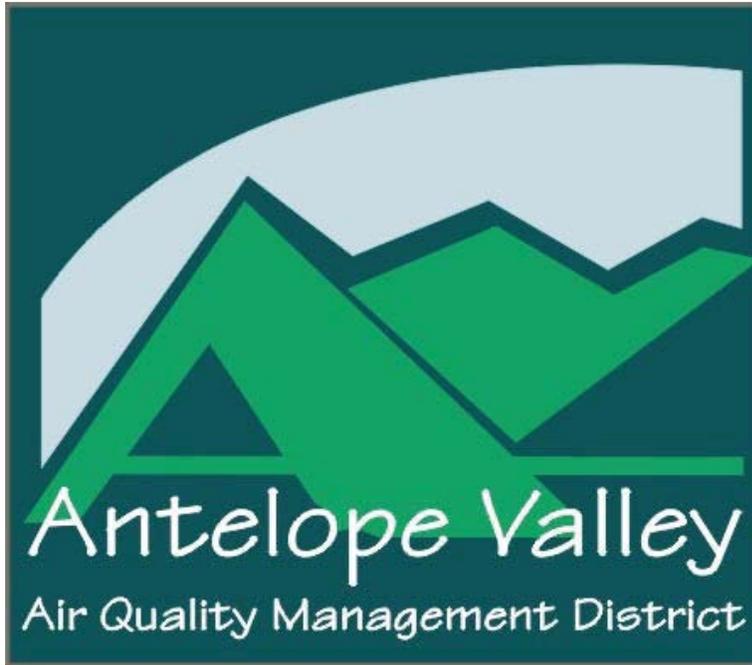
If executed as presented, the proposed budget for Fiscal Year 17 is expected to be balanced.

REASON FOR RECOMMENDATION: Opportunities for public comment about the District's proposed budget is required by statute.

REVIEW BY OTHERS: This agenda item was approved as to legal form by Allison Burns, Special Counsel; and was reviewed by Bret Banks, Deputy Director – Antelope Valley AQMD Operations, on or before May 5, 2015.

FINANCIAL DATA: There is no additional financial impact resulting from this presentation and public hearing.

PRESENTER: Bret Banks, Executive Director/APCO
Jean Bracy, Director of Administrative Services



43301 Division St.
Suite 206
Lancaster, CA 93535
(661) 723-8070
Fax (661) 723-3450
www.avaqmd.ca.gov

"It's a Breath of Fresh Air"

Proposed
BUDGET
FISCAL YEAR 2016-17

April 15, 2016

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43301 Division St., Suite 206
Lancaster, CA 93535

(661) 723-8070
Fax (661) 723-3450

April 15, 2016

Governing Board of the
Antelope Valley Air Quality Management District

PROPOSED BUDGET FOR FISCAL YEAR 2016-17

This is the budget of the Antelope Valley Air Quality Management District (AVAQMD) for Fiscal Year 2016-17. This document provides for the required, necessary and desired services as established by this Governing Board and various Federal, State, and local regulations. A budget is designed to provide the Board and staff with a tool from which sound fiscal management decisions may be made.

The Consolidated Budget includes estimated revenues and expenses for all AVAQMD activity, including the grant programs. The General Fund Revenue Budget, in the amount of \$1,515,530 is a projected 4.3% increase from the prior fiscal year, due in part to a recommended 15% increase imposed January 1, 2016, and a proposed 12% fee increase effective January 1, 2017. This adopted budget is balanced but anticipates using an additional 10% of revenue from AB2766.

The General Fund Expense Budget, in the amount of \$1,515,530 reflects an overall increase of .9% from the budget for FY 2015-16. The planned expenditures include continuing projects to help streamline government and regulatory functions. The AVAQMD contracts most of its services from the Mojave Desert Air Quality Management District.

The AVAQMD is a service based agency in which program staff (salaries and benefits for 7.5 full time equivalent - FTE) will comprise 74% of the operations budget. The office is supported with six full time positions. Additional services are provided as needed under contract with the Mojave Desert AQMD.

Sincerely,

Bret S. Banks
Executive Director/
Air Pollution Control Officer

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"It's a breath of fresh air"

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

INTRODUCTION

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

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

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

DISTRICT PROGRAMS AND PROJECTS

Community Outreach

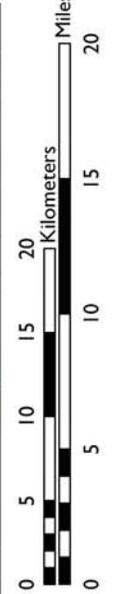
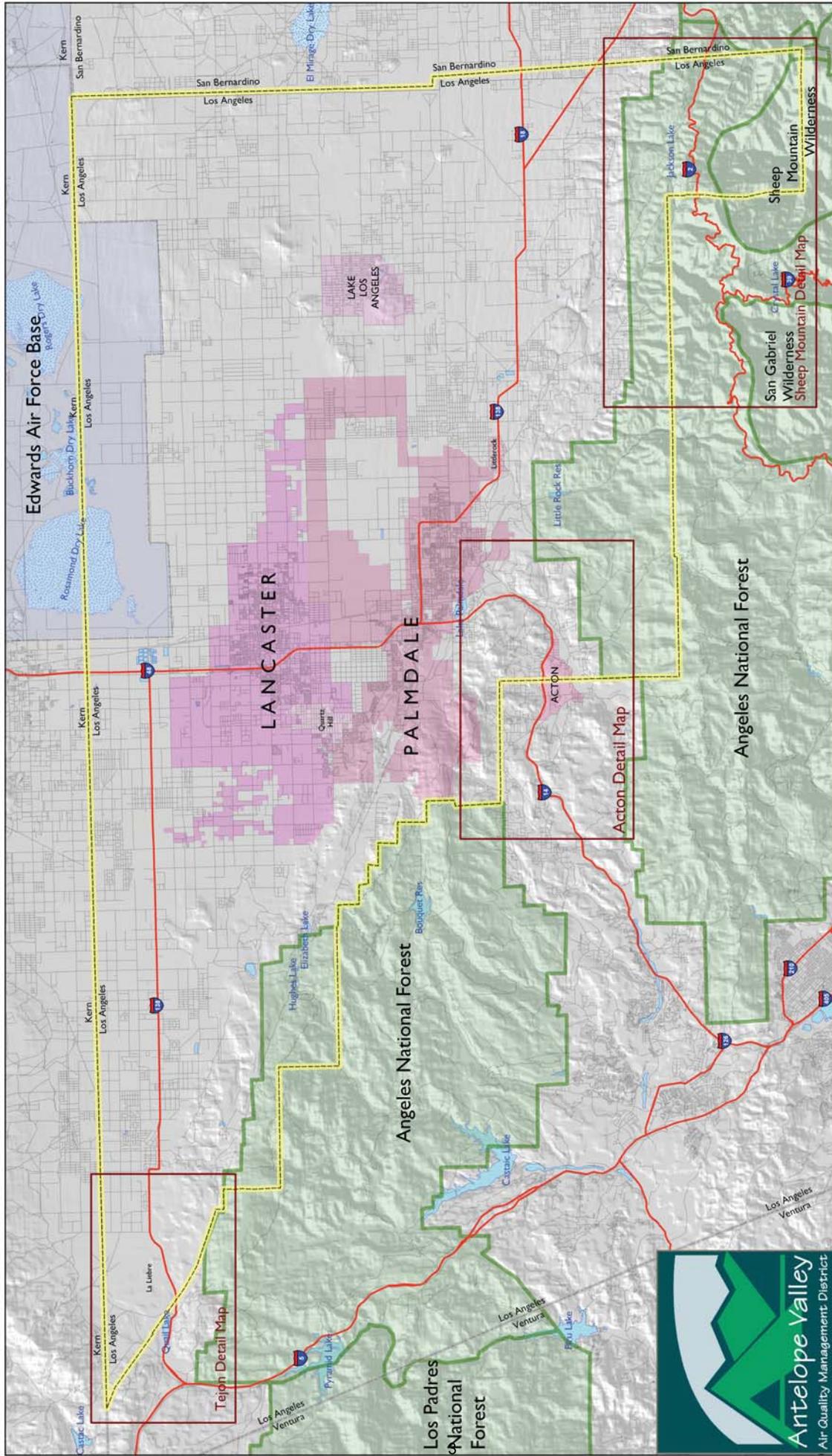
The District strives to be known throughout the community as a partner in the development of the local economy while protecting human health and the environment. This representation is achieved by providing information through participation in community events such as the Antelope Valley Board of Trade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

Mobile Emissions Reduction Program

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

AVAQMD Website

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



Antelope Valley Air Quality Management District Boundary

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





Governing Board Members
April 2016

Marvin Crist, *Chair*
City of Lancaster

Mike Dispenza, *Vice Chair*
City of Palmdale

James C. Ledford, Jr.
City of Palmdale

Ken Mann
City of Lancaster

Vern Lawson
Los Angeles County
District Supervisor Appointment

Ronald A. Hawkins
Los Angeles County
District Supervisor Appointment

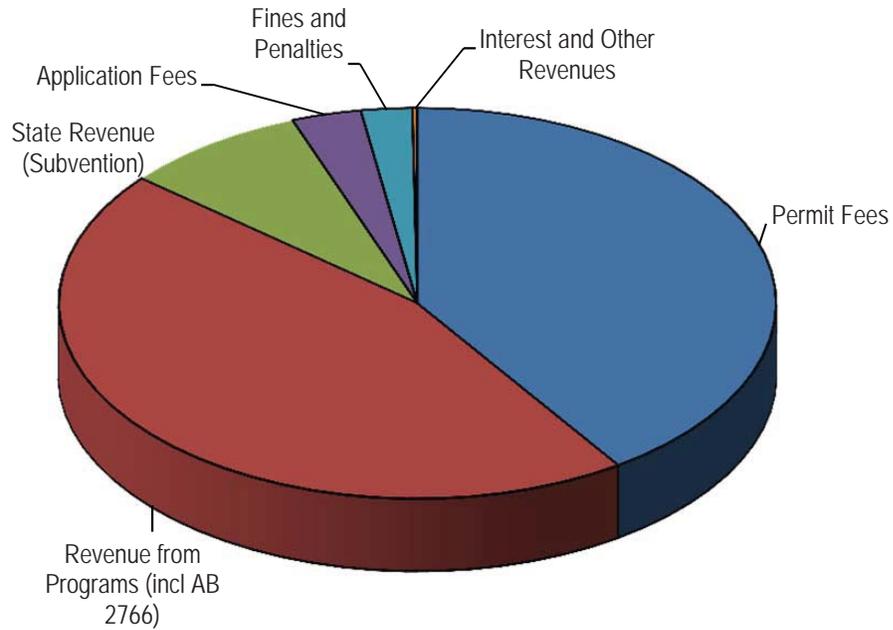
Newton Chelette
Public Member

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**Antelope Valley AQMD
Consolidated Budget (All Funds)**

	Adopted Budget FY 2016	End-of-Year Estimate FY 2016	Proposed Budget FY 2017
<u>Revenues</u>			
Permit Fees	635,000	604,251	614,480
Application Fees	37,000	44,936	47,500
Fines & Penalties	29,700	63,800	35,000
Interest Income	13,250	13,605	13,300
Other Revenue	0	2,755	0
Revenue from Programs	2,346,346	2,386,036	2,396,065
State Revenue	135,000	126,422	126,000
Total Revenues	3,196,296	3,241,805	3,232,345
<u>Expenses</u>			
Personnel Expenses			
Program Staff	1,237,940	1,237,184	1,205,592
Total Personnel Expenses	1,237,940	1,237,184	1,205,592
Operating Expenses			
Communications	19,750	20,276	23,500
Dues & Subscriptions	10,025	11,497	10,500
Non-Depreciable Inventory	6,300	1,114	6,300
Legal	2,000	3,007	17,000
Professional Services	85,900	69,820	185,335
Maintenance & Repairs	7,000	2,668	7,000
Training & Travel	8,000	4,649	9,500
Vehicles	11,000	6,003	10,000
Office Expenses	88,075	81,251	96,380
Program Expenses	1,704,235	1,685,086	1,637,438
Miscellaneous Expenses	1,071	692	800
Total Operating Expenses	1,943,356	1,886,063	2,003,753
Capital Expenses			
Software	15,000	30,950	23,000
Total Capital Expenses	15,000	30,950	23,000
Total Expenses	3,196,296	3,154,197	3,232,345
Cash To (From) Reserves	0	87,608	0

Antelope Valley AQMD
General Fund
Sources of Estimated Revenue
Fiscal Year 2016-17



REVENUE TYPES	AMOUNT	% of Total
Permit Fees	614,480	40.55%
Revenue from Programs (incl AB 2766)	689,250	45.48%
State Revenue (Subvention)	126,000	8.31%
Application Fees	47,500	3.13%
Fines and Penalties	35,000	2.31%
Interest and Other Revenues	3,300	0.22%
TOTAL	1,515,530	100%

Antelope Valley AQMD
General Fund Budget
Revenue Detail

	Adopted Budget FY 2016	End-of-Year Estimates FY 2016	Proposed Budget FY 2017
Revenues			
Permit Fees			
Permit Fees Rev	585,000	527,251	545,000
Asbestos Demo/Reno Rev	45,000	73,000	65,000
Title V Rev	5,000	4,000	4,480
	<u>635,000</u>	<u>604,251</u>	<u>614,480</u>
Application Fees			
ERC Application Fees	0	208	0
Permit Application Fees	34,000	43,428	46,000
AG Application Fees	3,000	1,300	1,500
	<u>37,000</u>	<u>44,936</u>	<u>47,500</u>
Fines & Penalties			
Notice of Violations Fee	11,700	33,800	12,000
Rule Revenue	18,000	30,000	23,000
	<u>29,700</u>	<u>63,800</u>	<u>35,000</u>
Interest Income			
Interest Revenue	3,200	3,805	3,300
	<u>3,200</u>	<u>3,805</u>	<u>3,300</u>
Other Revenue			
Unidentified Income	0	2,755	0
	<u>0</u>	<u>2,755</u>	<u>0</u>
Revenue from Programs			
AB2766 Program	599,500	722,000	686,250
Hot Spots	3,000	2,000	3,000
	<u>602,500</u>	<u>724,000</u>	<u>689,250</u>
State Revenue			
PERP Regulation	36,000	27,419	27,000
State Subvention	99,000	99,003	99,000
	<u>135,000</u>	<u>126,422</u>	<u>126,000</u>
Total General Fund Revenues	<u>1,442,400</u>	<u>1,569,969</u>	<u>1,515,530</u>

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AIR QUALITY PROGRAM DESCRIPTIONS and Projects

Community Relations and Education Program

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

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

Air Quality Monitoring Program

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

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

Compliance Program

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

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

Stationary Sources Program

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

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

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

Planning, Rulemaking

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

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

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

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

Mobile Source Emission Reduction Program

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

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

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

Antelope Valley AQMD
General Fund
District Wide Expense Budget Detail

	<u>Adopted Budget FY 2016</u>	<u>End-of-Year Estimates FY 2016</u>	<u>Proposed Budget FY 2017</u>
Expenses			
Personnel Expenses			
Operating Expenses			
Communications			
Telephones	8,000	4,416	5,000
Long Distance Charges	500	166	500
Internet	9,000	13,969	12,000
Web Hosting	1,000	0	4,000
Tech Support	1,000	1,725	2,000
	<u>19,500</u>	<u>20,276</u>	<u>23,500</u>
Dues & Subscriptions			
Memberships & Sponsorships	9,300	11,208	10,000
Publications & Subscriptions	500	289	500
	<u>9,800</u>	<u>11,497</u>	<u>10,500</u>
Non-Depreciable Inventory			
Furniture & Fixtures Exp	2,500	447	2,500
Machinery & Equipment Exp	3,500	321	3,500
Safety Equipment Exp	300	296	300
	<u>6,300</u>	<u>1,064</u>	<u>6,300</u>
Legal			
Legal Notices	2,000	1,194	2,000
Legal Services	0	1,813	15,000
	<u>2,000</u>	<u>3,007</u>	<u>17,000</u>
Professional Services			
Financial Services	12,000	16,000	12,000
Research Studies	6,000	0	6,000
Consulting Fees	15,000	7,020	3,000
Stipends	8,400	4,800	8,400
	<u>41,400</u>	<u>27,820</u>	<u>29,400</u>
Maintenance & Repairs			
General Bldg. Maintenance	2,000	404	2,000
Custodial Services	3,000	2,264	3,000
Equipment Repair	2,000	0	2,000
	<u>7,000</u>	<u>2,668</u>	<u>7,000</u>
Training & Travel			
Training	2,000	772	3,000
Travel	2,500	1,186	3,000
Mileage	500	0	500
	<u>5,000</u>	<u>1,958</u>	<u>6,500</u>

Antelope Valley AQMD
General Fund
District Wide Expense Budget Detail

	Adopted Budget FY 2016	End-of-Year Estimates FY 2016	Proposed Budget FY 2017
Vehicles			
Vehicle Gas & Oil	5,000	3,760	5,000
Vehicle Maintenance	2,500	1,743	2,500
Vehicle Insurance	3,000	0	2,000
	<u>10,500</u>	<u>5,503</u>	<u>9,500</u>
Office Expenses			
Software	2,500	0	3,500
Utilities	6,600	5,879	6,600
Supplies	3,200	2,329	3,200
Facility Leases	54,000	52,032	56,000
Equipment Lease	6,400	7,544	8,000
Postage	450	473	600
Courier	175	0	175
Printing/Shredding Services	800	567	855
Security	300	933	750
Liability Insurance	6,000	0	8,000
Meeting Expenses	500	240	500
Community Relations	1,000	1,939	2,000
	<u>81,925</u>	<u>71,936</u>	<u>90,180</u>
Program Expenses			
Program Expenditures	10,000	10,000	10,000
Contributions to Other Agencies	0	3,600	4,850
	<u>10,000</u>	<u>13,600</u>	<u>14,850</u>
Miscellaneous Expenses			
Bank Fees	1,071	651	800
Interest Expense	0	41	0
	<u>1,071</u>	<u>692</u>	<u>800</u>
Total Operating Expenses	194,496	160,021	215,530
Capital Expenses			
Software	0	15,950	10,000
Total Capital Expenses	0	15,950	10,000
Total Expenses	194,496	175,971	225,530

SUPPORT PROGRAM DESCRIPTIONS

Executive Office

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

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

Legal Counsel

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

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

Operations

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

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

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

Administrative Services

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

Antelope Valley AQMD
General Fund
Contracted Services Expense Budget Detail

	<u>Adopted Budget FY 2016</u>	<u>End-of-Year Estimates FY 2016</u>	<u>Proposed Budget FY 2017</u>
Expenses			
Personnel Expenses			
Program Staff	1,237,940	1,237,184	1,111,365
Total Personnel Expenses	1,237,940	1,237,184	1,111,365
Operating Expenses			
Communications			
Web Hosting	50	0	0
Tech Support	200	0	0
	<u>250</u>	<u>0</u>	<u>0</u>
Dues & Subscriptions			
Professional Dues	225	0	0
	<u>225</u>	<u>0</u>	<u>0</u>
Non-Depreciable Inventory			
Machinery & Equipment Exp	0	50	0
	<u>0</u>	<u>50</u>	<u>0</u>
Legal			
Professional Services			
Payroll Contract	0	0	300
Financial Services	12,000	12,000	155,635
Consulting Fees	32,500	30,000	0
	<u>44,500</u>	<u>42,000</u>	<u>155,935</u>
Maintenance & Repairs			
Training & Travel			
Training	1,000	1,000	1,000
Travel	1,000	691	1,000
Mileage	1,000	1,000	1,000
	<u>3,000</u>	<u>2,691</u>	<u>3,000</u>

Antelope Valley AQMD
General Fund
Contracted Services Expense Budget Detail

	<u>Adopted Budget FY 2016</u>	<u>End-of-Year Estimates FY 2016</u>	<u>Proposed Budget FY 2017</u>
Vehicles			
Vehicle Gas & Oil	500	500	500
	<u>500</u>	<u>500</u>	<u>500</u>
Office Expenses			
Software	4,200	8,100	5,000
Supplies	500	65	100
Postage	1,100	800	1,000
Meeting Expenses	0	0	100
	<u>5,800</u>	<u>8,965</u>	<u>6,200</u>
Program Expenses			
Miscellaneous Expenses			
Total Operating Expenses	<u>54,275</u>	<u>54,206</u>	<u>165,635</u>
Capital Expenses			
Software	15,000	15,000	13,000
Total Capital Expenses	<u>15,000</u>	<u>15,000</u>	<u>13,000</u>
Total Expenses	<u><u>1,307,215</u></u>	<u><u>1,306,390</u></u>	<u><u>1,290,000</u></u>

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Antelope Valley AQMD
General Fund Consolidated Budget

	Adopted Budget FY 2016	End-of-Year Estimate FY 2016	Proposed Budget FY 2017
<u>Revenues</u>			
Permit Fees	635,000	604,251	614,480
Application Fees	37,000	44,936	47,500
Fines & Penalties	29,700	63,800	35,000
Interest Income	3,200	3,805	3,300
Other Revenue	0	2,755	0
Revenue from Programs	602,500	724,000	689,250
State Revenue	135,000	126,422	126,000
Total Revenues	1,442,400	1,569,969	1,515,530
<u>Expenses</u>			
Personnel Expenses			
Program Staff	1,237,940	1,237,184	1,111,365
Total Personnel Expenses	1,237,940	1,237,184	1,111,365
Operating Expenses			
Communications	19,750	20,276	23,500
Dues & Subscriptions	10,025	11,497	10,500
Non-Depreciable Inventory	6,300	1,114	6,300
Legal	2,000	3,007	17,000
Professional Services	85,900	69,820	185,335
Maintenance & Repairs	7,000	2,668	7,000
Training & Travel	8,000	4,649	9,500
Vehicles	11,000	6,003	10,000
Office Expenses	87,725	80,901	96,380
Program Expenses	10,000	13,600	14,850
Miscellaneous Expenses	1,071	692	800
Total Operating Expenses	248,771	214,227	381,165
Capital Expenses			
Software	15,000	30,950	23,000
Total Capital Expenses	15,000	30,950	23,000
Total Expenses	1,501,711	1,482,361	1,515,530
Cash To (From) Reserves	(59,311)	87,608	0

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

Expense Category	Expense Description
Vehicles	Fuel, oil, maintenance for the District's fleet of four light duty vehicles
<u>Office Expenses</u>	
Software	Annual maintenance contracts, network server maintenance, and desktop solutions
Liability insurance	The District is a member of the Special District Risk Management Authority (SDRMA), a risk management pool for liability insurance and related coverage.
Community Relations	Products, events, and publications (public service Recognition such as the AIRE awards, promotional items for community outreach events; special event fees for Looking Good Lancaster, Antelope Valley Board of Trade Business Outlook Conference, and Salute to Youth)
<u>Program Expenses</u>	
Program Expenditures	Expenses and activities eligible for use of restricted funds
Contributions to Other	Keystone Science School, sponsor one local teacher; Mojave Environmental Education Consortium (MEEC); funds designated from the General Fund for specific local area grants (annual lawn mower exchange program
Agencies	
<u>Capital Expenditures</u>	
Equipment	Replace –as needed - air monitoring equipment (greater than \$5,000)
Software	<u>District wide:</u> Develop new website <u>Contracted:</u> CAPS (Compliance and Permit database) Maintenance and ongoing development for permit tracking; Development costs shared with MDAQMD.

Antelope Valley AQMD
Program Funds Consolidated Budget Detail

	<u>Adopted Budget FY 2016</u>	<u>End-of-Year Estimates FY 2016</u>	<u>Proposed Budget FY 2017</u>
<u>Revenues</u>			
Administrative Funding	70,835	70,835	94,227
AB2766 Program	490,500	391,700	391,000
Carl Moyer Program	637,511	637,511	659,588
AB923 Program	545,000	561,990	562,000
Interest Revenue	10,050	9,800	10,000
	<hr/>	<hr/>	<hr/>
Total Consolidated Program Revenue	1,753,896	1,671,836	1,716,815
<u>Expenses</u>			
Program Expenditures	1,623,400	1,580,461	1,622,588
Program Expenditures - Administrative Grants	70,835	91,025	0
Community Relations	350	350	0
	<hr/>	<hr/>	<hr/>
Total Consolidated Program Expense	1,694,585	1,671,836	1,622,588

Antelope Valley AQMD
Program Funds AB2766 Budget Detail

	<u>Adopted Budget FY 2016</u>	<u>End-of-Year Estimates FY 2016</u>	<u>Proposed Budget FY 2017</u>
<u>Revenues</u>			
AB2766 Program	490,500	391,700	391,000
Interest Revenue	<u>2,250</u>	<u>2,500</u>	<u>2,500</u>
Total AB2766 Program Revenue	492,750	394,200	393,500
<u>Expenses</u>			
Program Expenditures	<u>492,750</u>	<u>394,200</u>	<u>393,500</u>
Total AB2766 Program Expense	492,750	394,200	393,500

Antelope Valley AQMD
Program Funds AB923 Budget Detail

	<u>Adopted Budget FY 2016</u>	<u>End-of-Year Estimates FY 2016</u>	<u>Proposed Budget FY 2017</u>
<u>Revenues</u>			
AB923 Program	545,000	561,990	562,000
Interest Revenue	<u>6,300</u>	<u>5,200</u>	<u>5,500</u>
Total AB923 Program Revenue	551,300	567,190	567,500
<u>Expenses</u>			
Program Expenditures	491,989	547,000	567,500
Program Expenditures - Administrative Grants	<u>0</u>	<u>20,190</u>	<u>0</u>
Total AB923 Program Expense	491,989	567,190	567,500

Antelope Valley AQMD
Program Funds Carl Moyer Budget Detail

	<u>Adopted Budget FY 2016</u>	<u>End-of-Year Estimates FY 2016</u>	<u>Proposed Budget FY 2017</u>
<u>Revenues</u>			
Administrative Funding	70,835	70,835	94,227
Carl Moyer Program	637,511	637,511	659,588
Interest Revenue	<u>1,500</u>	<u>2,100</u>	<u>2,000</u>
Total Carl Moyer Program Revenue	709,846	710,446	755,815
<u>Expenses</u>			
Program Expenditures	638,661	639,261	661,588
Program Expenditures - Administrative Moyer Rnd 14	70,835	70,835	0
Community Relations	<u>350</u>	<u>350</u>	<u>0</u>
Total Carl Moyer Program Expense	709,846	710,446	661,588

**Antelope Valley AQMD
Financial History & Summary**

	2008-09 ACTUAL	2009-10 ACTUAL	2010-11 ACTUAL	2011-12 ACTUAL	2012-13 ACTUAL	2013-14 ACTUAL	2014-15 ACTUAL
REVENUE						General Fund Only	General Fund Only
APPLICATION FEES	97,955	59,965	71,107	68,607	70,071	37,070	70,157
FINES AND FORFEITURES	6,102	38,668	8,951	8,850	41,040	57,123	15,263
INTEREST INCOME	(31,930)	13,385	9,963	6,490	4,008	3,645	3,891
OTHER INCOME	99,415	44,539	47,186	37,062	34,673	15	477
PERMIT FEES	385,658	388,096	388,955	456,964	484,004	559,821	640,901
PROGRAM FEES							
AB 923	582,643	523,532	513,191	546,078	530,545	-	-
AB 2766	1,018,329	1,047,065	1,026,382	1,092,156	1,061,091	623,966	555,053
OTHER	6,268	5,288	2,508	2,053	1,913	-	40,856
STATE CONTRACTS	3,880	30,836	26,976	32,319	22,635	35,618	36,124
STATE SUBVENTION	97,410	95,734	95,937	99,539	99,741	99,287	99,115
	<u>2,265,729</u>	<u>2,247,107</u>	<u>2,191,156</u>	<u>2,350,118</u>	<u>2,349,721</u>	<u>1,416,544</u>	<u>1,461,837</u>
Unassigned General Fund Balance from Prior Year	279,497	342,972	281,792	219,379	225,270	-	-
TOTAL REVENUE AND UNASSIGNED FUND BALANCE	2,545,227	2,590,080	2,472,947	2,569,497	2,574,991	1,416,544	1,461,837
EXPENSES							
CONTRACT COSTS							
PROGRAM STAFF (Salaries & Benefits)	937,735	952,951	975,969	990,826	1,034,633	1,082,353	1,168,959
OPERATING EXPENSES	139,900	140,431	83,750	68,991	31,157		
CONTRACT EXPENSES						49,218	42,751
DISTRICT WIDE (DIRECT) EXPENSES						188,407	151,426
CAPITAL EXPENDITURES						73,609	32,471
DIRECT COSTS	102,498	53,550	120,933	138,303	172,083		
CAPITAL EXPENDITURES	64,606	66,491	103,273	103,178	69,324		
GRANT PROGRAM EXPENSES	1,067,315	1,047,065	923,744	1,037,549	1,060,881		
OTHER CHARGES	45,200	47,800	55,900	5,378	16,877	-	-
	<u>2,357,254</u>	<u>2,308,288</u>	<u>2,263,568</u>	<u>2,344,224</u>	<u>2,384,955</u>	<u>1,393,587</u>	<u>1,395,607</u>
FUND BALANCE	187,972	281,792	209,379	225,273	190,037		
CHANGES TO FUND BALANCE DESIGNATIONS							
Committed Fund Balance							
Operating Cash Reserves	110,000	-	(10,000)	-	20,000		
Assigned Fund Balance							
Special Project Reserves	(265,000)	-	-	-	-		
Grants from the Fund Balance	-	-	-	-	-		
Total Fund Balance Designations	<u>(155,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>20,000</u>		
TOTAL FUND BALANCE DESIGNATIONS (see p. 8)							
Operating Cash Reserves	310,000	310,000	300,000	300,000	320,000	370,000	370,000
Unassigned Fund Balance						141,693	208,464
Prepaid Expenses						1,300	759
Restricted	-	-	-	-	-	-	-
FUND BALANCE	<u>310,000</u>	<u>310,000</u>	<u>300,000</u>	<u>300,000</u>	<u>320,000</u>	<u>512,994</u>	<u>579,223</u>
UNASSIGNED FUND BALANCE	342,972	281,792	219,379	225,270	170,036		
Applied increases to application and annual permit renewal fees (applied January 1)*	3.1%	0.0% 27	2.0%	2.3%	12.0%	15.0%	15.0%

ANTELOPE VALLEY AQMD FUND BALANCE DESCRIPTIONS

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

COMMITTED

Operating Cash Reserves

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

RESTRICTED

Mobile Emissions Reduction Grant (AB 2766) Fund

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

Incentive Based Emission Reduction Funding (AB 923)

These funds are collected on motor vehicle registrations (\$2 each) in the Antelope Valley region beginning October 1, 2005. Funds are granted by the Governing Board for specific projects as allowed in the Health and Safety Code §44229.

Carl Moyer Grant Program Funds

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

Unassigned Fund Balance

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

Antelope Valley AQMD
Consolidated Budget (All Funds)
Year to Year Comparison

	Approved Budget FY 2016	Estimated Year End FY 15-16	Budget to Actual Change	Adopted Budget FY 16-17	FY16 Budget FY17 Budget Change
Revenues					
Permit Fees	635,000	604,251	(30,749)	614,480	(20,520)
Application Fees	37,000	44,936	7,936	47,500	10,500
Fines & Penalties	29,700	63,800	34,100	35,000	5,300
Interest Income	13,250	13,605	355	13,300	50
Other Revenue	0	2,755	2,755	0	0
Revenue from Programs	2,346,346	2,386,036	39,690	2,396,065	49,719
State Revenue	135,000	126,422	(8,578)	126,000	(9,000)
Total Revenues	3,196,296	3,241,805	45,509	3,232,345	36,049
Expenses					
Personnel Expenses					
Salaries & Wages	1,237,940	1,237,184	(756)	1,205,592	(32,348)
Total Personnel Expenses	1,237,940	1,237,184	(756)	1,205,592	(32,348)
Operating Expenses					
Communications	19,750	20,276	526	23,500	3,750
Dues & Subscriptions	10,025	11,497	1,472	10,500	475
Non-Depreciable Inventory	6,300	1,114	(5,186)	6,300	0
Legal	2,000	3,007	1,007	17,000	15,000
Professional Services	85,900	69,820	(16,080)	185,335	99,435
Maintenance & Repairs	7,000	2,668	(4,332)	7,000	0
Training & Travel	8,000	4,649	(3,351)	9,500	1,500
Vehicles	11,000	6,003	(4,997)	10,000	(1,000)
Office Expenses	88,075	81,251	(6,824)	96,380	8,305
Program Expenses	1,704,235	1,685,086	(19,149)	1,637,438	(66,797)
Miscellaneous Expenses	1,071	692	(379)	800	(271)
Total Operating Expenses	1,943,356	1,886,063	(57,293)	2,003,753	60,397
Capital Expenses					
Software	15,000	30,950	15,950	23,000	8,000
Total Capital Expenses	15,000	30,950	15,950	23,000	8,000
Total Expenses	3,196,296	3,154,197	(42,099)	3,232,345	36,049

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

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

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

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

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BUDGET CATEGORY DESCRIPTIONS

REVENUE

Permit Fees

Permit Fees Rev	Initial Operating and Annual Renewal Permit Fees
Asbestos Demo/Reno Rev	Fees for Permits related to Asbestos Removal - Rule 306
Title V Permit Rev	Permit fees for Federal Permit Program

Application Fees

ERC Application Fees	Emission Reduction Credit-Rule 313
New Source Review	Project Evaluation for Complex Source-Rule 301
Permit Application Fees	Filing of new permits and permit changes
Variance Filing Fees	Filing fee for each petition to District Hearing Board -Rule 303
AG Application Fees	

Federal Revenue

ARB (PM _{2.5} Program)	Federal 103 grant pass through (via CAPCOA) funding to support PM _{2.5} monitoring
Section 105 (PSD)	Federal EPA 105 Pilot Grant (established FY 12) to develop PSD Program
Federal Grants and Agreements	Grant awards and fee for services with federal agencies.

Fine & Penalties

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

Interest Income

Interest Revenue	Interest on funds held on deposit or in trust, all funds
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Other Revenue

Contracts	Reimbursement for contracted services: Antelope Valley AQMD, Ft. Irwin, Twentynine Palms Marine Base
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Revenue from Programs

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

State Revenue

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

BUDGET CATEGORY DESCRIPTIONS

EXPENSES

Program Staff	Contracted costs to provide staff for District operations
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OPERATING EXPENSES

Communications	Telephones, cellular phones, video teleconferencing, internet, cable service, web hosting, and related tech support
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Dues & Subscriptions	District memberships and sponsorships, publications and subscriptions, allowances for professional dues (negotiated two per employee)
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Non-Depreciable Inventory	Items purchased for furniture, equipment, machinery, and safety equipment costing less than \$5,000
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Legal	Outsourced legal services for Governing Board, Hearing Board, personnel and labor relations; publication costs for required notices
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Professional Services	Support contract expenses: San Bernardino County, third party payroll services, financial services including annual fiscal audit, research studies consulting fees, Board stipends
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Maintenance & Repairs	General building maintenance, custodial services, landscaping, on site equipment repair
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Training & Travel	Employee training; professional development and related travel expenses; general travel expenses
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Vehicles	Lease costs, gas and oil, maintenance and repair, insurance for District's fleet
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Office Expenses	Software, utilities, Supplies, facility leases, equipment leases, postage, courier, printing and shredding services, security, liability insurance, meeting expenses and community relations
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Program Expenses	Expenses attributable to the use of special funds: AB 2766 eligible expenses, Carl Moyer grant program expenses, OPEB (retiree health benefits program) related
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CAPITAL EXPENSES

Furniture & Fixtures	Threshold: \$5,000
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Equipment	Threshold: \$5,000
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Vehicles	Vehicles not otherwise leased
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Computers	Threshold: \$5,000
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Software	Capitalized costs associated with major application software (CAPS, Questys, AccuFund)
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ACRONYMS

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