



ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT

FY19-20

ADOPTED BUDGET

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT

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Executive Summary

This document presents the proposed budget for the Antelope Valley Air Quality Management District for Fiscal Year (FY) 2020. The Air District will continue to fulfill its mission and objectives through activities which focus on core and mandated programs, fiscally conservative internal controls, long range financial planning and the development of short and long-term sustainable approaches toward achieving cleaner air to protect the public's health and the environment.

The General Fund Revenue Budget, in the amount of \$1,935,540 is a projected 7% increase from the prior fiscal year actuals, due in part to a recommended 10% increase imposed January 1, 2019, and a proposed 9.5% increase on annual renewal fees and applications (Rule 301) effective January 1, 2020.

The budget for FY 2020 reflects the priorities established by Federal and State governments, and the AVAQMD Governing Board including maintenance and enhancement of Air District core functions as well as programs within the following key policy objectives:

Key Objectives

- Community Protection Air Quality Grant Program (AB 617/134)
- Carl Moyer Program (CMP)
- Mobile Emission Reduction AB2766/AB923
- Lawn Mower Replacement Program

BRET S. BANKS
DEPUTY
AIR POLLUTION CONTROL OFFICER



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About the AVAQMD



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.

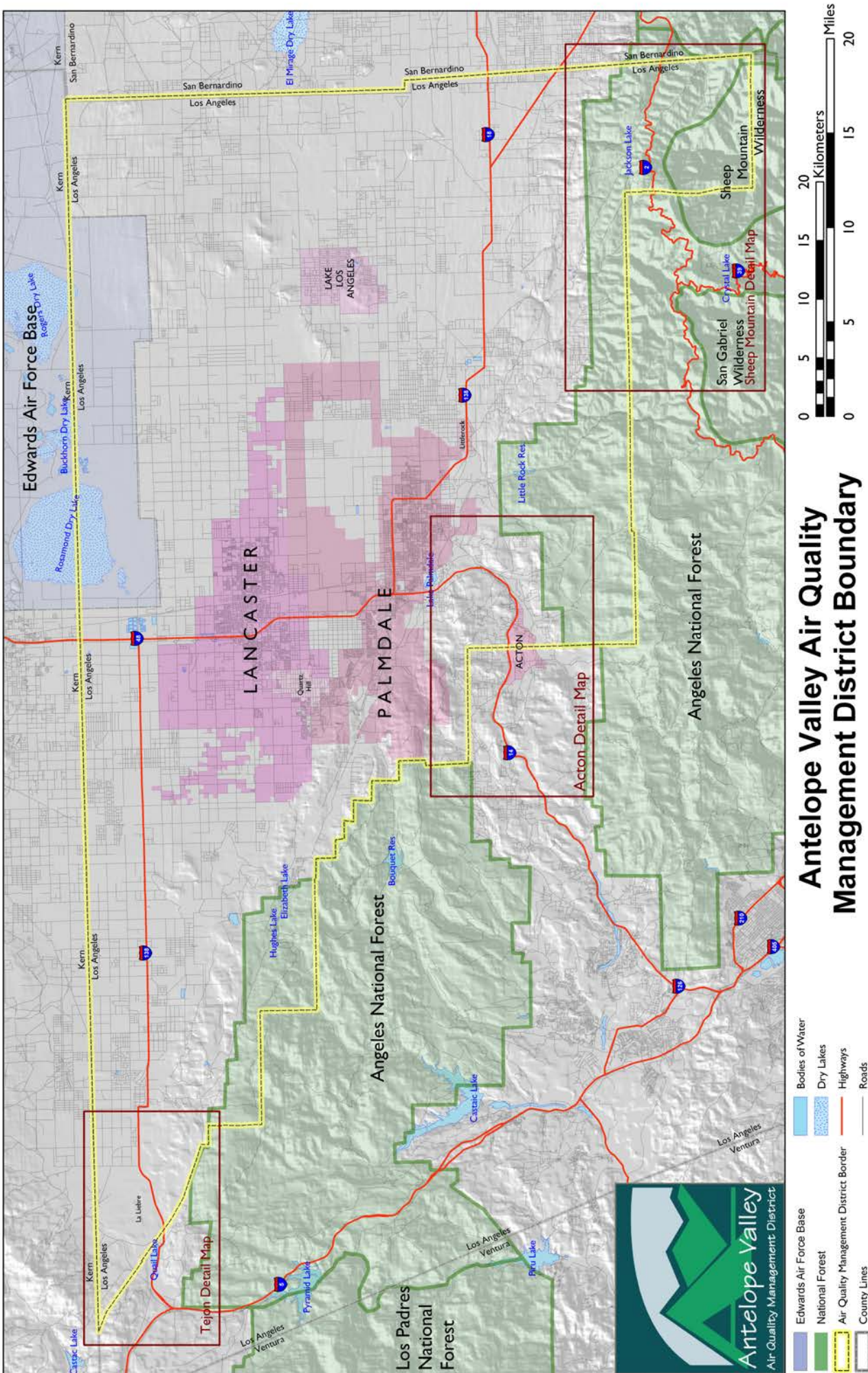
The District approaches air quality regulations in a manner that is responsive and accessible. Growth and new programs demand that the District continue to strive to streamline government, become more efficient, and conserve resources without limiting or decreasing the service provided to the regulated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

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.

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/>



AVAQMD GOVERNING BOARD

THE ANTELOPE VALLEY AQMD
GOVERNING BOARD CONSISTS
OF 6 MEMBERS.

Marvin Crist, Chair

City of Lancaster

Austin Bishop, Vice Chair

City of Palmdale

Ronald A. Hawkins

Los Angeles County

Steven Hofbauer

District Supervisor Appointment

City of Palmdale

Ken Mann

City of Lancaster

Newton Chelette

Public Member

PROPOSED



What We Do

The AVAQMD works 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.

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

Antelope Valley AQMD
Budget Consolidated (All Funds)

	Budget FY 2019	EOY Estimate FY 2019	Budget FY 2020
<u>Revenues</u>			
Permit Fees	842,150	956,370	997,500
Application Fees	42,000	39,411	42,000
Fines & Penalties	9,000	8,300	9,000
Interest Income	14,300	22,311	22,435
Revenue from Programs	2,603,044	2,434,662	2,570,566
State Revenue	141,500	264,484	206,305
Total Revenues	3,651,994	3,725,538	3,847,806
<u>Expenses</u>			
Personnel Expenses			
Program Staff	1,200,218	1,199,999	1,275,000
Total Personnel Expenses	1,200,218	1,199,999	1,275,000
Operating Expenses			
Communications	23,500	22,636	20,500
Dues & Subscriptions	10,500	7,456	20,500
Non-Depreciable Inventory	11,000	238	10,000
Legal	19,000	16,033	19,000
Professional Services	207,650	219,706	217,400
Maintenance & Repairs	6,500	4,346	6,500
Training & Travel	11,000	6,045	10,150
Vehicles	12,000	6,397	10,000
Office Expenses	107,425	90,619	102,575
Program Expenses	1,753,826	1,929,744	2,060,266
Miscellaneous Expenses	800	742	915
Total Operating Expenses	2,163,201	2,303,962	2,477,806
Capital Expenses			
Furniture & Fixtures	25,000	25,006	0
Equipment	0	0	40,000
Vehicles	30,000	24,938	30,000
Computers	35,000	38,778	0
Software	0	0	25,000
Total Capital Expenses	90,000	88,722	95,000
Total Expenses	3,453,419	3,592,683	3,847,806
Cash To (From) Reserves	198,575	132,855	0

AVAQMD PROGRAMS

PROGRAM DESCRIPTIONS

PARTNERS

US EPA

U.S. Environmental Protection Agency

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

CARB

California Air Resources Board

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

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 brochures, public reports, 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.

"Low-cost" air quality sensors are an attractive means for local environmental groups and individuals to independently evaluate air quality. The AVAQMD will implement the installation of air quality sensors in specific areas within its jurisdiction to evaluate the performance of these devices while providing additional qualitative air quality data for various areas in the region.

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.

MOBILE SOURCE EMISSION REDUCTION PROGRAM

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.

STATIONARY SOURCES

One of the District's primary responsibilities is to process applications for permits in accordance with all applicable local, State, and Federal regulations. These permits are required for projects that propose industrial and/or commercial processes that have 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.

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:

COMPLIANCE



- 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.

PLANNING & RULE MAKING

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.

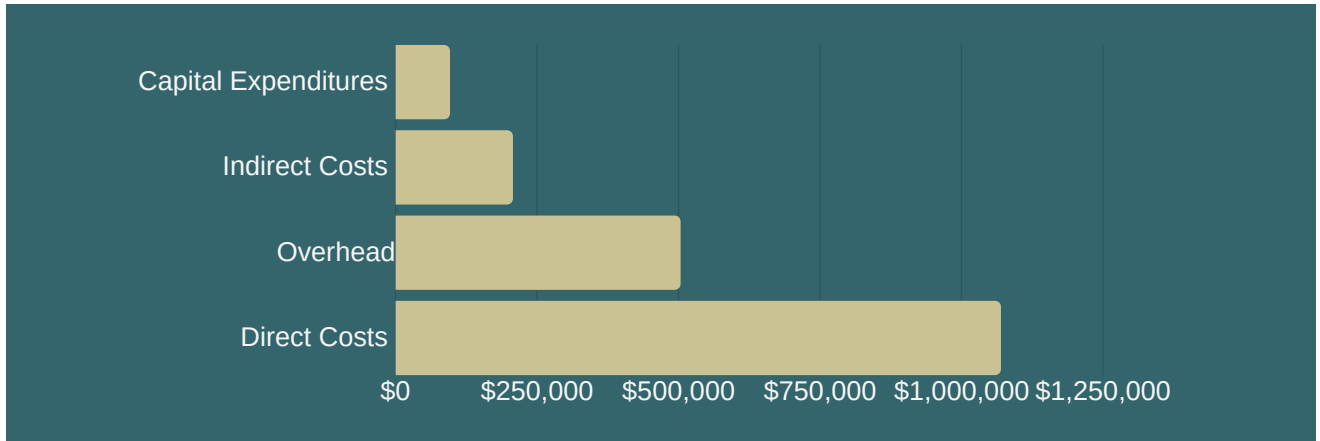
Planning staff serve as the District liaison with regional, State and Federal governments, ensuring District compliance with applicable requirements and significant developments. Planning staff also perform California Environmental Quality Act (CEQA) review and comment functions in the District's role 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 onehour 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

Antelope Valley AQMD
General Fund Consolidated Budget

	Budget FY 2019	EOY Estimates FY 2019	Budget FY 2020
<u>Revenues</u>			
Permit Fees	842,150	956,370	1,072,500
Application Fees	42,000	39,411	30,000
Fines & Penalties	9,000	8,300	9,000
Interest Income	4,000	6,311	6,435
Revenue from Programs	774,300	605,918	611,300
State Revenue	141,500	264,484	206,305
Total Revenues	1,812,950	1,880,794	1,935,540
<u>Expenses</u>			
Personnel Expenses			
Program Staff	1,100,000	1,199,999	1,338,000
Total Personnel Expenses	1,100,000	1,199,999	1,338,000
Operating Expenses			
Communications	23,500	22,636	20,500
Dues & Subscriptions	10,500	32,456	20,500
Non-Depreciable Inventory	11,000	238	10,000
Legal	19,000	16,033	19,000
Professional Services	207,650	219,706	217,400
Maintenance & Repairs	6,500	4,346	6,500
Training & Travel	11,000	6,045	10,150
Vehicles	12,000	6,397	10,000
Office Expenses	107,425	90,619	102,575
Program Expenses	15,000	85,000	85,000
Miscellaneous Expenses	800	742	915
Total Operating Expenses	424,375	484,218	502,540
Capital Expenses			
Furniture & Fixtures	25,000	25,006	0
Equipment	0	0	40,000
Vehicles	30,000	24,938	30,000
Computers	35,000	38,778	0
Software	0	0	25,000
Total Capital Expenses	90,000	88,722	95,000
Total Expenses	1,614,375	1,772,939	1,935,540
Cash To (From) Reserves	198,575	107,855	0

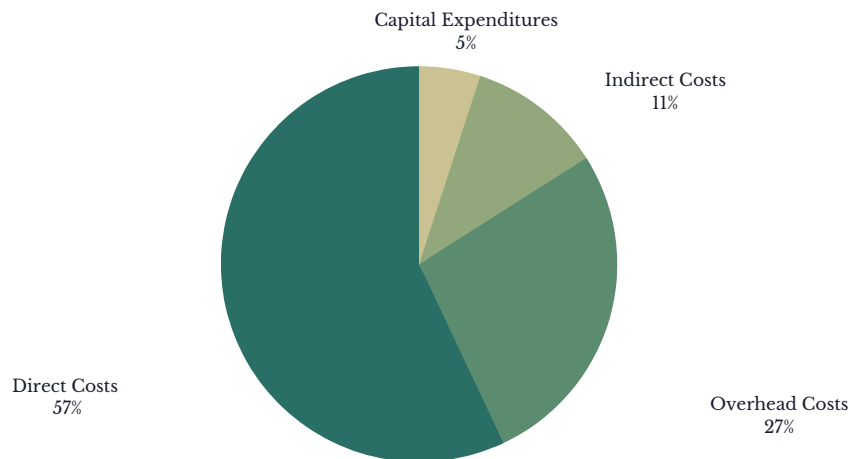
GENERAL FUND BUDGET



Operating Costs

The AVAQMD is a service based agency. Direct costs for permitting, compliance, stationary sources, and air monitoring staff make up 57% of the general fund budget. Administrative, executive, and public relations support staff make up 27% of the general fund budget.

Indirect costs include all operating expenditures and make up 11% while capital expenditures make up roughly 5% of the general fund budget.



Antelope Valley AQMD
General Fund Budget
Revenue Detail

	<u>Budget FY 2019</u>	<u>EOY Estimate FY 2019</u>	<u>Budget FY 2020</u>
Revenues			
Permit Fees			
Permit Fees Rev	719,750	809,000	850,000
Asbestos Demo/Reno Rev	68,000	90,587	90,000
Title V Rev	4,400	4,000	4,500
Rule Revenue	<u>50,000</u>	<u>52,783</u>	<u>53,000</u>
	842,150	956,370	997,500
Application Fees			
Permit Application Fees	40,000	37,461	40,000
AG Application Fees	<u>2,000</u>	<u>1,950</u>	<u>2,000</u>
	42,000	39,411	42,000
Fines & Penalties			
Notice of Violations Fee	<u>9,000</u>	<u>8,300</u>	<u>9,000</u>
	9,000	8,300	9,000
Interest Income			
Interest Revenue	<u>4,000</u>	<u>6,311</u>	<u>6,435</u>
	4,000	6,311	6,435
Other Revenue			
Revenue from Programs			
AB2766 Program	773,000	604,618	610,000
Hot Spots	<u>1,300</u>	<u>1,300</u>	<u>1,300</u>
	774,300	605,918	611,300
State Revenue			
PERP Regulation	35,000	26,796	30,000
State Contracts	7,500	140,569	79,305
State Subvention	<u>99,000</u>	<u>97,119</u>	<u>97,000</u>
	141,500	264,484	206,305
Total General Fund Revenues	<u>1,812,950</u>	<u>1,880,794</u>	<u>1,872,540</u>

REVENUE ANALYSIS

56%

Permitting revenue for FY20 is \$997.5k up 16% from the previous fiscal year due to a 10% fee increase Jan 2019 and new sources. Permitting revenue, applications, fines & penalties, and interest revenue make up 56% of operating revenue.

33%

Since 1991, local governments have received AB 2766 funds to implement programs to meet requirements of federal and state Clean Air Acts, and for implementation of motor vehicle measures in the AQMD Air Quality Management Plan (AQMP). AB2766 revenue makes up 33% of operating revenue.

11%

State revenue included in the FY20 operations budget includes revenue from the Portable Equipment Registration Program, AB617, and state subvention and makes up 11 % of operating revenue.

SUPPORT STAFF

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

LEGAL COUNSEL

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

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

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 Consolidated Expense Budget Detail

	<u>Budget FY 2019</u>	<u>EOY Estimate FY 2019</u>	<u>Budget FY 2020</u>
Expenses			
Personnel Expenses			
Program Staff	1,100,000	1,199,999	1,338,000
Total Personnel Expenses	1,100,000	1,199,999	1,338,000
Operating Expenses			
Communications			
Telephones	5,000	8,503	6,000
Long Distance Charges	500	333	500
Internet	15,000	11,934	12,000
Tech Support	3,000	1,866	2,000
	<u>23,500</u>	<u>22,636</u>	<u>20,500</u>
Dues & Subscriptions			
Memberships & Sponsorships	10,000	32,226	20,000
Publications & Subscriptions	500	230	500
	<u>10,500</u>	<u>32,456</u>	<u>20,500</u>
Non-Depreciable Inventory			
Machinery & Equipment Exp	9,000	28	9,000
Safety Equipment Exp	2,000	210	1,000
	<u>11,000</u>	<u>238</u>	<u>10,000</u>
Legal			
Legal Notices	4,000	3,363	4,000
Legal Services	15,000	12,670	15,000
	<u>19,000</u>	<u>16,033</u>	<u>19,000</u>
Professional Services			
Payroll Contract	250	0	0
Financial Services	190,000	202,306	200,000
Research Studies	6,000	6,000	6,000
Consulting Fees	3,000	3,000	3,000
Stipends	8,400	8,400	8,400
	<u>207,650</u>	<u>219,706</u>	<u>217,400</u>
Maintenance & Repairs			
General Bldg. Maintenance	2,000	1,691	2,000
Custodial Services	3,000	2,655	3,000
Equipment Repair	1,500	0	1,500
	<u>6,500</u>	<u>4,346</u>	<u>6,500</u>
Training & Travel			
Training	3,500	312	3,000
Travel	7,500	5,615	7,000
Mileage	0	118	150
	<u>11,000</u>	<u>6,045</u>	<u>10,150</u>

Antelope Valley AQMD
General Fund Consolidated Expense Budget Detail

	Budget FY 2019	EOY Estimate FY 2019	Budget FY 2020
Vehicles			
Vehicle Gas & Oil	5,500	1,538	3,000
Vehicle Maintenance	1,500	2,416	4,000
Vehicle Repairs	1,000	681	1,000
Vehicle Insurance	4,000	1,762	2,000
	<u>12,000</u>	<u>6,397</u>	<u>10,000</u>
Office Expenses			
Software	11,000	2,379	7,000
Utilities	7,000	6,747	7,000
Supplies	3,300	2,815	2,800
Facility Leases	66,000	62,665	66,000
Equipment Lease	5,200	4,904	5,000
Postage	500	69	100
Courier	175	143	175
Printing/Shredding Services	1,000	966	1,000
Security	750	428	500
Liability Insurance	10,000	4,576	5,000
Meeting Expenses	500	256	500
Community Relations	2,000	4,671	7,500
	<u>107,425</u>	<u>90,619</u>	<u>102,575</u>
Program Expenses			
Program Expenditures	10,000	85,000	85,000
Contributions to Other Agencies	5,000	0	0
	<u>15,000</u>	<u>85,000</u>	<u>85,000</u>
Miscellaneous Expenses			
Bank Fees	800	742	800
Interest Expense	0	0	115
	<u>800</u>	<u>742</u>	<u>915</u>
Total Operating Expenses	424,375	484,218	502,540
Capital Expenses			
Furniture & Fixtures	25,000	25,006	0
Equipment	0	0	40,000
Vehicles	30,000	24,938	30,000
Computers	35,000	38,778	0
Software	0	0	25,000
Total Capital Expenses	90,000	88,722	95,000
Total Expenses	1,614,375	1,772,939	1,935,540

Antelope Valley AQMD
General Fund
District Wide Expense Budget Detail

	<u>Budget FY 2019</u>	<u>EOY Estimate FY 2019</u>	<u>Budget FY 2020</u>
Expenses			
Personnel Expenses			
Operating Expenses			
Communications			
Telephones	5,000	8,503	6,000
Long Distance Charges	500	333	500
Internet	15,000	11,934	12,000
Tech Support	3,000	1,866	2,000
	<u>23,500</u>	<u>22,636</u>	<u>20,500</u>
Dues & Subscriptions			
Memberships & Sponsorships	10,000	32,226	20,000
Publications & Subscriptions	500	230	500
	<u>10,500</u>	<u>32,456</u>	<u>20,500</u>
Non-Depreciable Inventory			
Machinery & Equipment Exp	9,000	28	9,000
Safety Equipment Exp	2,000	210	1,000
	<u>11,000</u>	<u>238</u>	<u>10,000</u>
Legal			
Legal Notices	4,000	3,363	4,000
Legal Services	15,000	12,670	15,000
	<u>19,000</u>	<u>16,033</u>	<u>19,000</u>
Professional Services			
Research Studies	6,000	6,000	6,000
Consulting Fees	3,000	3,000	3,000
Stipends	8,400	8,400	8,400
	<u>17,400</u>	<u>17,400</u>	<u>17,400</u>
Maintenance & Repairs			
General Bldg. Maintenance	2,000	1,691	2,000
Custodial Services	3,000	2,655	3,000
Equipment Repair	1,500	0	1,500
	<u>6,500</u>	<u>4,346</u>	<u>6,500</u>
Training & Travel			
Training	3,000	312	3,000
Travel	7,000	5,615	7,000
Mileage	0	118	150
	<u>10,000</u>	<u>6,045</u>	<u>10,150</u>

Antelope Valley AQMD
General Fund
District Wide Expense Budget Detail

	<u>Budget FY 2019</u>	<u>EOY Estimate FY 2019</u>	<u>Budget FY 2020</u>
Vehicles			
Vehicle Gas & Oil	5,000	1,538	3,000
Vehicle Maintenance	1,500	2,416	4,000
Vehicle Repairs	1,000	681	1,000
Vehicle Insurance	4,000	1,762	2,000
	<u>11,500</u>	<u>6,397</u>	<u>10,000</u>
Office Expenses			
Software	3,500	0	7,000
Utilities	7,000	6,747	7,000
Supplies	2,800	2,763	2,800
Facility Leases	66,000	62,014	66,000
Equipment Lease	5,200	4,904	5,000
Postage	0	69	100
Courier	175	143	175
Printing/Shredding Services	1,000	966	1,000
Security	750	428	500
Liability Insurance	10,000	4,576	5,000
Meeting Expenses	500	256	500
Community Relations	2,000	4,671	7,500
	<u>98,925</u>	<u>87,537</u>	<u>102,575</u>
Program Expenses			
Program Expenditures	10,000	85,000	85,000
Contributions to Other Agencies	5,000	0	0
	<u>15,000</u>	<u>85,000</u>	<u>85,000</u>
Miscellaneous Expenses			
Bank Fees	800	742	800
Interest Expense	0	0	115
	<u>800</u>	<u>742</u>	<u>915</u>
Total Operating Expenses	224,125	278,830	302,540
Capital Expenses			
Furniture & Fixtures	25,000	25,006	0
Equipment	0	0	40,000
Vehicles	30,000	24,938	30,000
Computers	35,000	38,778	0
Software	0	0	25,000
Total Capital Expenses	90,000	88,722	95,000
Total Expenses	314,125	367,552	397,540

CONTRACT WITH THE MOJAVE DESERT AQMD

PROGRAM STAFF: 15,080 HOURS • 7.25 FTE • \$1,275K

PERIOD

JANUARY 1, 2016 - JUNE 30, 2021

TERMS AND CONDITIONS

The AVAQMD contractS with the MDAQMD for administrative and operations services as necessary to enable AVAQMD to meet the regulatory and legislated responsibilities of an air quality management district for compensation consistent with all applicable laws and regulations. This agreement is pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 of the California Government Code (commencing with §6500).

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

AVAQMD STAFF

12,480 HOURS

\$80/hr • \$998.4k/yr • 6 FTE

PLANNING & RULE MAKING

175 HOURS

\$80/hr • \$14k/yr • FTE .08

AIR MONITORING

300 HOURS

\$100 • \$30k/yr • FTE .14

STATIONARY SOURCES

300 HOURS

\$90 • \$27k/yr • FTE .14

EXECUTIVE

300 HOURS

\$125 • \$37.5k/yr • FTE .14

COMMUNITY RELATIONS

125 HOURS

\$85 • \$10.6k/yr • FTE .06

ADMINISTRATION

1400 HOURS

\$113 • \$158.2k/yr • FTE .67

Antelope Valley AQMD
General Fund
Contracted Services Expense Budget Detail

	<u>Budget FY 2019</u>	<u>EOY Estimate FY 2019</u>	<u>Budget FY 2020</u>
Expenses			
Personnel Expenses			
Program Staff	<u>1,100,000</u>	<u>1,199,999</u>	<u>1,338,000</u>
Total Personnel Expenses	1,100,000	1,199,999	1,338,000
Operating Expenses			
Communications			
Dues & Subscriptions			
Non-Depreciable Inventory			
Legal			
Professional Services			
Payroll Contract	250	0	0
Financial Services	<u>190,000</u>	<u>202,306</u>	<u>200,000</u>
	190,250	202,306	200,000
Maintenance & Repairs			
Training & Travel			
Training	500	0	0
Travel	<u>500</u>	<u>0</u>	<u>0</u>
	1,000	0	0

Antelope Valley AQMD
General Fund
Contracted Services Expense Budget Detail

	<u>Budget FY 2019</u>	<u>EOY Estimate FY 2019</u>	<u>Budget FY 2020</u>
Vehicles			
Vehicle Gas & Oil	<u>500</u>	<u>0</u>	<u>0</u>
	500	0	0
Office Expenses			
Software	7,500	2,379	0
Supplies	500	52	0
Facility Leases	0	651	0
Postage	<u>500</u>	<u>0</u>	<u>0</u>
	8,500	3,082	0
Program Expenses			
Miscellaneous Expenses			
Total Operating Expenses	<u>200,250</u>	<u>205,388</u>	<u>200,000</u>
Capital Expenses			
Total Expenses	<u>1,300,250</u>	<u>1,405,387</u>	<u>1,538,000</u>

FUND BALANCE

The Antelope Valley AQMD Fund Balances are designated according to Governing Board Policy 07-01, summarized in the following: Committed, Restricted, and Unassigned. The Unassigned Fund Balance is the representation of the net resources not allocated to the categories described above.

COMMITTED FUND BALANCE

\$561,762

The amount is equivalent to 30% of the Operating Expenses. The fund may be increased to provide protection against uncertain economic times.

RESTRICTED FUND BALANCE

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.

Antelope Valley AQMD
Program Funds Consolidated Budget Detail

	<u>Budget FY 2019</u>	<u>EOY Estimate FY 2019</u>	<u>Budget FY 2020</u>
<u>Revenues</u>			
Administrative Funding	100,218	100,218	92,408
AB2766 Program	427,000	427,000	610,000
Carl Moyer Program	701,526	701,526	646,858
AB923 Program	600,000	600,000	610,000
Interest Revenue	10,300	16,000	16,000
Total Consolidated Program Revenue	1,839,044	1,844,744	1,975,266
<u>Expenses</u>			
Program Staff	100,218	0	0
Program Expenditures	1,723,326	1,744,526	1,882,858
	15,500	100,218	92,408
Total Consolidated Program Expense	1,839,044	1,844,744	1,975,266

AVAQMD Program Objectives

AB2766

\$610k in grant initiatives a \$183k increase of or 43% from FY19

AB923

\$610k in grant initiatives an increase of \$10k or 1.7% from FY19

CARL MOYER PROGRAM

\$647K in grant initiatives. a decrease of \$55k or 8% from FY19

Antelope Valley AQMD
Program Funds AB2766 Budget Detail

	<u>Budget FY 2019</u>	<u>EOY Estimate FY 2019</u>	<u>Budget FY 2020</u>
<u>Revenues</u>			
AB2766 Program	427,000	427,000	610,000
Interest Revenue	<u>2,700</u>	<u>3,000</u>	<u>3,000</u>
Total AB2766 Program Revenue	429,700	430,000	613,000
 <u>Expenses</u>			
Program Expenditures	<u>429,700</u>	<u>430,000</u>	<u>613,000</u>
Total AB2766 Program Expense	429,700	430,000	613,000

Antelope Valley AQMD **Program Funds AB923 Budget Detail**

	<u>Budget FY 2019</u>	<u>EOY Estimate FY 2019</u>	<u>Budget FY 2020</u>
<u>Revenues</u>			
AB923 Program	600,000	600,000	610,000
Interest Revenue	<u>5,600</u>	<u>9,000</u>	<u>9,000</u>
Total AB923 Program Revenue	605,600	609,000	619,000
 <u>Expenses</u>			
Program Expenditures	590,100	609,000	619,000
Program Expenditures - Administrative Grants	<u>15,500</u>	<u>0</u>	<u>0</u>
Total AB923 Program Expense	605,600	609,000	619,000

Antelope Valley AQMD
Program Funds Carl Moyer Budget Detail

	<u>Budget FY 2019</u>	<u>EOY Estimate FY 2019</u>	<u>Budget FY 2020</u>
<u>Revenues</u>			
Administrative Funding	100,218	100,218	92,408
Carl Moyer Program	701,526	701,526	646,858
Interest Revenue	2,000	4,000	4,000
	<hr/>	<hr/>	<hr/>
Total Carl Moyer Program Revenue	803,744	805,744	743,266
<u>Expenses</u>			
Program Staff	100,218	0	0
Program Expenditures	703,526	705,526	650,858
Program Expenditures - Administrative Moyer Rnd 14	0	100,218	92,408
	<hr/>	<hr/>	<hr/>
Total Carl Moyer Program Expense	803,744	805,744	743,266

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

	Budget FY 2016	Budget FY 2017	Budget FY 2018	Budget FY 2019	Budget FY 2020
Revenues					
Permit Fees	635,000	614,480	701,000	792,150	1,019,500
Application Fees	37,000	47,500	51,450	42,000	30,000
Fines & Penalties	29,700	35,000	54,000	59,000	62,000
Interest Income	13,250	13,300	15,900	14,300	22,435
Revenue from Programs	2,346,346	2,396,065	2,537,404	2,603,044	2,570,566
State Revenue	135,000	126,000	129,000	141,500	206,305
Total Revenues	3,196,296	3,232,345	3,488,754	3,651,994	3,910,806
Expenses					
Personnel Expenses					
Salaries & Wages	1,237,940	1,205,592	1,193,926	1,200,218	1,338,000
Total Personnel Expenses	1,237,940	1,205,592	1,193,926	1,200,218	1,338,000
Operating Expenses					
Communications	19,750	23,500	43,500	23,500	20,500
Dues & Subscriptions	10,025	10,500	10,500	10,500	20,500
Non-Depreciable Inventory	6,300	6,300	8,000	11,000	10,000
Legal	2,000	17,000	19,000	19,000	19,000
Professional Services	85,900	185,335	221,750	207,650	217,400
Maintenance & Repairs	7,000	7,000	6,575	6,500	6,500
Training & Travel	8,000	9,500	11,000	11,000	10,150
Vehicles	11,000	10,000	10,500	12,000	10,000
Office Expenses	88,075	96,380	94,475	107,425	102,575
Program Expenses	1,704,235	1,637,438	1,784,228	1,753,826	2,060,266
Miscellaneous Expenses	1,071	800	800	800	915
Total Operating Expenses	1,943,356	2,003,753	2,210,328	2,163,201	2,477,806
Capital Expenses					
Furniture & Fixtures	0	0	25,000	25,000	0
Equipment	0	0	12,000	0	40,000
Vehicles	0	0	25,000	30,000	30,000
Computers	0	0	20,000	35,000	0
Software	15,000	23,000	2,500	0	25,000
Total Capital Expenses	15,000	23,000	84,500	90,000	95,000
Total Expenses	3,196,296	3,232,345	3,488,754	3,453,419	3,910,806

Antelope Valley AQMD

Budget Consolidated General Fund

Year to Year Comparison

	Budget FY 2016	Budget FY 2017	Budget FY 2018	Budget FY 2019	Budget FY 2020
Revenues					
Permit Fees	635,000	614,480	701,000	792,150	1,019,500
Application Fees	37,000	47,500	51,450	42,000	30,000
Fines & Penalties	29,700	35,000	54,000	59,000	62,000
Interest Income	3,200	3,300	3,500	4,000	6,435
Revenue from Programs	602,500	689,250	687,000	774,300	611,300
State Revenue	135,000	126,000	129,000	141,500	206,305
Total Revenues	1,442,400	1,515,530	1,625,950	1,812,950	1,935,540
Expenses					
Personnel Expenses					
Salaries & Wages	1,237,940	1,111,365	1,100,000	1,100,000	1,338,000
Total Personnel Expenses	1,237,940	1,111,365	1,100,000	1,100,000	1,338,000
Operating Expenses					
Communications	19,750	23,500	43,500	23,500	20,500
Dues & Subscriptions	10,025	10,500	10,500	10,500	20,500
Non-Depreciable Inventory	6,300	6,300	8,000	11,000	10,000
Legal	2,000	17,000	19,000	19,000	19,000
Professional Services	85,900	185,335	221,750	207,650	217,400
Maintenance & Repairs	7,000	7,000	6,575	6,500	6,500
Training & Travel	8,000	9,500	11,000	11,000	10,150
Vehicles	11,000	10,000	10,500	12,000	10,000
Office Expenses	87,725	96,380	94,475	107,425	102,575
Program Expenses	10,000	14,850	15,350	15,000	85,000
Miscellaneous Expenses	1,071	800	800	800	915
Total Operating Expenses	248,771	381,165	441,450	424,375	502,540
Capital Expenses					
Furniture & Fixtures	0	0	25,000	25,000	0
Equipment	0	0	12,000	0	40,000
Vehicles	0	0	25,000	30,000	30,000
Computers	0	0	20,000	35,000	0
Software	15,000	23,000	2,500	0	25,000
Total Capital Expenses	15,000	23,000	84,500	90,000	95,000
Total Expenses	1,501,711	1,515,530	1,625,950	1,614,375	1,935,540

ACRONYMS

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

BUDGET CATEGORIES

REVENUE

Permit Fees

Permit Fees Rev

Operating and Annual Renewal Permit Fees

Asbestos Demo/Reno Rev

Fees for Permits related to Asbestos Removal - Rule 302

Title V Permit Rev

Permit fees for Federal Permit Program

Application Fees

ERC Application Fees

Emission Reduction Credit

New Source Review

Project Evaluation for Complex Source-Rule 301

Permit Application Fees

Filing of new permits and permit changes

Variance Filing Fees

Filing fee for each petition to District Hearing Board -Rule 303

AG Application Fees

Fine & Penalties

Excess Emissions Fees

Fee charged when a variance is granted by Hearing Board - Rule 303

Notice of Violations Fees

Fee Charged for unpermitted source, or violation of permit condition

Interest Revenue

Interest on funds held on deposit, all funds

Revenue from Programs

Administrative Funding

Program pass thru funds for administration costs of the program

AB2766 Program

Revenue received through DMV vehicle registration

California Clean Air Act Fees

State mandated fee collected on behalf of Carb

Hot Spots

State mandated fee: "Air Toxic "Hot Spot"

State Revenue

PERP State Funds

Portable Engine Registration Program.

State Subvention

Funds received from state budget to supplement Permitting and Air Monitoring

EXPENSES

Program Staff

Contracted costs to provide staff for District operations

Operating Expenses

Communications

Telephones, teleconferencing, internet, cable, hosting, tech support

Dues & Subscriptions

District memberships and sponsorships, publications and subscriptions

Non-Depreciable Inventory

Furniture, equipment, machinery, and safety equipment < \$5,000

Legal

Legal services for Governing Board, Hearing Board; publication

Professional Services

Financial services, audit, research studies, consulting fees, stipends

Maintenance & Repairs

General building maintenance, custodial services, and repairs

Training & Travel

Employee training; professional development and related travel

Vehicles

Fuel and oil, maintenance and repair, insurance for District's fleet

Office Expenses

Software, utilities, supplies, leases, postage, courier, printing and shredding services, security, insurance, meeting expenses and community relations
Expenses attributable to the use of special funds

Program Expenses

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

CAPITAL EXPENSES

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

AGENDA ITEM

PAGE 1

DATE: May 21, 2019

RECOMMENDATION: Conduct Public Hearing to consider the proposed AVAQMD Budget for FY 2019-20: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Continue to the meeting of June 18, 2019 for adoption.

SUMMARY: A Public Hearing is required to receive comments regarding the proposed AVAQMD Budget for FY 2019-20.

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

The Budget for Fiscal Year 2019-20 was published on April 18, 2019 and a notice was advertised in the local publication and mailed to each permit holder. The proposed budget was posted on the District's website and will be presented for adoption on June 18, 2019.

The budget includes anticipated revenue to be derived from a proposed 9.5% fee increase. The fee increase is well within the provisions of Health & Safety Code §42311(a) and falls within the exemption found in Article XIIIC §1(e)(3) of the California Constitution.

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 on or before May 21, 2019.

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

PRESENTER: Bret Banks, Executive Director/APCO