



**ANTELOPE VALLEY AIR QUALITY MANAGEMENT
DISTRICT**

**GOVERNING BOARD
REGULAR MEETING**

AGENDA

TUESDAY, APRIL 19, 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 March 15, 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 \$105,933.57, subject to availability of funds, for services provided during the month of February 2016. Presenter: Jean Bracy.
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.

ITEMS FOR DISCUSSION

DEFERRED ITEMS

PUBLIC HEARINGS

None.

NEW BUSINESS

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.
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.

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.
11. 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 B20 blend fueled pickup truck; 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.
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.
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.

PRESENTATION

14. Smoke Management Agricultural/Prescribed Burn. Presenter: Vickie Rausch.

ADMINISTRATIVE ITEMS

15. Staff Reports:

Governing Board Counsel

Executive Director/APCO, Staff.

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

Adjourn to Regular Governing Board Meeting of Tuesday, May 17, 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: Monday, 4/11/16.

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, April 19, 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: **Monday, 4/11/16**
DATE

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD MEETING
TUESDAY, MARCH 15, 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

Board Members Absent:

Jim Ledford, City of Palmdale

CALL TO ORDER

Chair Crist called the meeting to order at 10:30 a.m. Board Member Hawkins 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 **LAWSON**, Seconded by **DISPENZA**, and carried unanimously, the Board acted as follows:

Agenda Item #2 - Approve Minutes from Regular Governing Board Meeting of February 16, 2016. Presenter: Crystal Goree.

Approved Minutes from Regular Governing Board Meeting of February 16, 2016.

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 \$105,710.01, subject to availability of funds, for services provided during the month of January 2016. Presenter: Jean Bracy.

Approved payment to MDAQMD in the amount of \$105,710.01, subject to availability of funds, for services provided during the month of January 2016.

ITEMS FOR DISCUSSION

DEFERRED

None.

PUBLIC HEARINGS

None.

NEW BUSINESS

Agenda Item #7 - 1) Ratify the AVAQMD's application submitted to ARB's Zero Emission Truck and Bus Pilot Commercial Deployment Project Program for the High Desert Pathways to Commercialization Pilot Project; 2) Authorize the Executive Director/APCO and staff to execute the agreement and amendments, approved as to legal form, with ARB which binds the parties to the terms and conditions set forth in the grant agreement. Presenter: Bret Banks.

Bret Banks provided background information and staff recommendation. Upon Motion by CHELETTE, Seconded by LAWSON and carried unanimously, the board ratified the AVAQMD's application submitted to ARB's Zero Emission Truck and Bus Pilot Commercial Deployment Project Program for the High Desert Pathways to Commercialization Pilot Project and authorized the Executive Director/APCO and staff to execute the agreement and amendments, approved as to legal form, with ARB which binds the parties to the terms and conditions set forth in the grant agreement.

Agenda Item #8 - 1) Award an amount not to exceed \$163,501 in Carl Moyer Program funds to High Desert Dairy for the replacement of one (1) older diesel-powered tractor with newer, cleaner technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan.

Julie McKeehan provided background information and staff recommendation. Chair Crist commended Ms. McKeehan for her outstanding work in the community. Upon Motion by HAWKINS, Seconded by DISPENZA and carried unanimously, the board Awarded an amount not to exceed \$163,501 in Carl Moyer Program funds to High Desert

Dairy for the replacement of one (1) older diesel-powered tractor with newer, cleaner technology and authorized the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Agenda Item #9 – 1) Award an amount not to exceed \$83,983 in Carl Moyer Program funds to Calandri SonRise Farms for the replacement of one (1) diesel-powered tractor with newer, cleaner technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan.

Julie McKeehan provided background information and staff recommendation. Upon Motion by CHELETTE, Seconded by DISPENZA and carried unanimously, the board awarded an amount not to exceed \$83,983 in Carl Moyer Program funds to Calandri SonRise Farms for the replacement of one (1) diesel-powered tractor with newer, cleaner technology and authorized the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Agenda Item #10 – 1) Award an amount not to exceed \$25,000 in Mobile Source Emissions Reduction Program (AB 923) funds to the City of Lancaster for the installation of five (5) Ebee Streetlight EV Charging units; 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 shared slideshow presentation on streetlight chargers. Ms. McKeehan reported that the chargers are cost effective and require minimal installation. Ms. McKeehan answered questions from the board regarding AB923 for infrastructure projects. Discussion ensued. Mark Bozigian, City of Lancaster, City Manager, answered board member questions regarding safety, security and parking enforcement for the streetlight chargers. Upon Motion by MANN, Seconded by HAWKINS and carried unanimously, the board awarded an amount not to exceed \$25,000 in Mobile Source Emissions Reduction Program (AB 923) funds to the City of Lancaster for the installation of five (5) Ebee Streetlight EV Charging units 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 \$2,112 of Mobile Source Emissions Reduction Program (AB 2766) funds to AVLAW.LLC for the repair of two (2) Charge Point Electric Vehicle Chargers; 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. Bret Banks answered questions from Chair Crist. Upon Motion by MANN, Seconded by CHELETTE and carried unanimously, the board awarded an amount not to exceed \$2,112 of Mobile Source Emissions Reduction Program (AB 2766) funds to

AVLAW.LLC for the repair of two (2) Charge Point Electric Vehicle Chargers 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.

PRESENTATION

Agenda Item #12 - Active Operation Dust Control Plan Update.

Presenter: Bret Banks.

Bret Banks shared slideshow presentation on Active Dust Control Plans. Mr. Banks provided information on rule background and shared photos of the dust control signs posted at Holliday Rock, sand and gravel operations and Solar Star 1, photovoltaic solar site. The board discussed and gave direction to Executive Officer/APCO and Board Counsel regarding adding an assignment clause to the dust control permit.

ADMINISTRATIVE ITEMS

Agenda Item #13 - Staff Reports

Governing Board Counsel – Allison Burns reminded board members to complete and return Form 700, due Friday, April 1, 2016. Ms. Burns also provided an update on the Public Records Act request.

Executive Officer/APCO – Bret Banks reported that the SCAQMD voted to relieve Executive Officer, Barry Wallerstein. Mr. Wallerstein served as Executive Officer since 1997, and had been with the agency since 1984. The board voted 7-6 to oust him. Mr. Banks reported that as a result of this, Senator De Leon has asked for the removal of Fifth District Supervisor, Mike Antonovich from the Board because of the Republican majority, as the State comes in to try and direct what happens on that Board.

Mr. Banks provided an update on the Palmdale Energy Project, Region IX. EPA submitted comments on the District created Preliminary Determination of Compliance..

Mr. Banks reported that the district's proposed budget will be presented at our next regularly scheduled meeting, April 19, 2016.

Agenda Item #14 – Board Member Reports and Suggestions For Future Agenda Items.

None.

The meeting was adjourned at 10:52 a.m. to the next regularly scheduled Governing Board Meeting, Tuesday, April 19, 2016, 10:30 a.m.

Item #3 - Monthly Activity Report – March 2016

	<u>March 2016</u>	<u>March 2015</u>	<u>YTD (7/1/15)</u>
Complaints	1	3	46
Complaint Investigations	1	3	46
Asbestos Notifications	13	10	98
Asbestos Inspections	0	0	1
Facility Inspections	65	44	460
Facility Inspections Completed (%)	97	93	97
Permit Inspections	163	123	811
Permit Inspections in Compliance (%)	99	100	98
Notice of Violation (NOV)	1	1	22

Outstanding NOVs

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

Project Comment Letters – March 2016

Attached

		AVAQMD CEQA PROJECTS				
		BOARD MEETING				
		4/19/2016				
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
3/1/2016	COL	Gingham 3, LLC	43,019 sf Industrial Building located on SWC of K-6 & Gingham	No Comment	4/1/2016	4/1/2016
3/8/2016	COL	BCP Commercial Properties, LLC	14, 120 sf Industrial Building located on SWC of K-6 & Gingham	No Comment	4/8/2016	4/1/2016
3/10/2016	COL	sPower-Del Sur North	50 mw PV solar facility generally bounded by Avenue F, Avenue G, 100th West and 95th West	DCP,Active DCP,In-Use Equipment	4/29/2016	3/15/2016

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 pending
	AVC Equipment Replacement AV0314#14	-1886.00 paid
Mar-16	AVLAW, LLC EV Charging Repair AV0316#11	-2117.00 pending

AB 2766 PROJECTS CURRENT BALANCE **\$318,135.23**

<i>Action Date</i>	<i>Project Name</i>	<i>Pending Action</i>
Apr-16	AV Produce TRU Replacement Project AV0416#?	-16203.00
Apr-16	LA County Sheriff's Bio Diesel Truck Project AV0416#?	-50000.00

AB 2766 PROJECTS BALANCE PENDING APPROVAL **\$251,932.23**

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
AB 923 PROJECTS CURRENT BALANCE		\$272,681.35
Action Date	Project Name	Pending Action
Apr-16	VAVR Program - Admin to EES AV0416#	-60,000.00
AB 923 PROJECTS BALANCE PENDING APPROVAL		\$212,681.35

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 pending
Nov-15	Gall Brothers Engineering ERP Project #1 AV1115#8	-138715.00 pending
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
CARL MOYER PROJECTS CURRENT BALANCE		\$736,554.00
Action Date	Project Name	Pending Action
Apr-16	Lane Ranch & Co. ERP Project AV0416#?	-111,875.00
Apr-16	Bill's Landscaping ERP Project AV0416#?	-82,871.00
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: April 19, 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 67% 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 adjusts 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, the 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 Karen K. Nowak, District Counsel; and by Bret Banks, Deputy Director – Antelope Valley Operations, on or before April 4, 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 February 29, 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	764,024.91	419,529.94	743,954.03	200,058.03	2,127,566.91
Cash Held For Other Fund	(84,360.10)	58,661.14	36,187.26	(10,488.30)	0.00
Receivables	71,076.69	0.00	0.00	97,291.52	168,368.21
Pre-Paid	9,899.64	0.00	0.00	0.00	9,899.64
Total Current Assets	760,641.14	478,191.08	780,141.29	286,861.25	2,305,834.76
Total Assets	760,641.14	478,191.08	780,141.29	286,861.25	2,305,834.76
Liabilities and Net Position					
Current Liabilities					
Payables	223,723.69	0.00	0.00	7,625.28	231,348.97
Due to Others	103,381.57	0.00	0.00	0.00	103,381.57
Unearned Revenue	0.00	0.00	0.00	623,212.80	623,212.80
Total Current Liabilities	327,105.26	0.00	0.00	630,838.08	957,943.34
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	203,552.80	0.00	0.00	0.00	203,552.80
Pre-Paid	5,670.38	0.00	0.00	0.00	5,670.38
Change in Net Position	(145,687.30)	(152,345.58)	(224,238.47)	(82,399.91)	(604,671.26)
Total Liabilities & Net Position	760,641.14	478,191.08	780,141.29	286,861.25	2,305,834.76

Antelope Valley AQMD
Statement of Revenues & Expenditures
For the Period Ending February 29, 2016

Financial Report

	<u>General Fund</u>	<u>AB2766 Mobile Emissions Program</u>	<u>AB923 Mobile Emissions Program</u>	<u>Carl Moyer Program</u>	<u>Total Governmental Funds</u>
Revenues					
Application and Permit Fees	37,897.84	0.00	0.00	0.00	37,897.84
AB 2766 and Other Program Revenues	56,852.83	30,548.76	43,624.25	0.00	131,025.84
Fines	1,973.00	0.00	0.00	0.00	1,973.00
Investment Earnings	337.86	190.51	404.82	272.53	1,205.72
Federal and State	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	2,755.41	0.00	0.00	0.00	2,755.41
Total Revenues	99,816.94	30,739.27	44,029.07	272.53	174,857.81
Expenditures					
Program Staff	100,338.85	0.00	0.00	2,822.82	103,161.67
Services and Supplies	15,440.50	1,000.00	9,203.80	138,715.00	164,359.30
Contributions to Other Participants	3,600.00	0.00	0.00	0.00	3,600.00
Capital Outlay Improvements and Equipment	0.00	0.00	0.00	0.00	0.00
Total Expenditures	119,379.35	1,000.00	9,203.80	141,537.82	271,120.97
Excess Revenue Over (Under) Expenditures	(19,562.41)	29,739.27	34,825.27	(141,265.29)	(96,263.16)

Antelope Valley AQMD
Statement of Activity - MTD and YTD
For 2/29/2016

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	38,377.17	572,512.56	635,000.00	(0.90)
Programs	131,025.84	1,243,334.26	2,346,346.00	(0.53)
Revenue - Other	2,755.41	2,755.41	0.00	0.00
Application Fees	2,497.00	34,719.60	37,000.00	(0.94)
State Revenue	0.00	76,976.89	135,000.00	(0.57)
Fines & Penalties	1,973.00	58,663.60	29,700.00	(1.98)
Interest Earned	1,205.72	12,231.57	13,250.00	(0.92)
Adjustments to Revenue	(2,976.33)	(285,799.15)	0.00	0.00
Total Revenues	174,857.81	1,715,394.74	3,196,296.00	(0.54)
Expenses				
Office Expenses	5,484.30	53,270.75	82,275.00	0.65
Communications	1,361.34	13,845.50	19,500.00	0.71
Vehicles	3,241.12	4,292.91	10,500.00	0.41
Program Costs	152,518.80	1,342,528.26	1,704,235.00	0.79
Travel	11.53	1,479.59	5,000.00	0.30
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	3,600.00	8,400.00	0.43
Maintenance & Repairs	225.00	1,776.00	7,000.00	0.25
Non-Depreciable Inventory	0.00	797.51	6,300.00	0.13
Dues & Subscriptions	250.00	7,772.91	9,800.00	0.79
Legal	1,520.45	2,255.50	14,000.00	0.16
Miscellaneous Expense	62.35	581.70	1,071.00	0.54
Suspense	12.51	12.51	0.00	0.00
Capital Expenditures	0.00	15,950.00	0.00	0.00
Total Expenses	165,187.40	1,465,428.14	1,901,081.00	0.77
Program Staff				
Excess Revenue Over (Under) Expenditures	9,670.41	249,966.60	1,295,215.00	(0.19)

Antelope Valley AQMD
Statement of Activity - MTD and YTD
For 2/29/2016

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	237.88	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	21.85	596.21	3,000.00	0.20
Professional Services				
Financial Audit & Actuarial Svcs	12.17	95.49	12,000.00	0.01
Consulting Fees	2,500.00	20,000.00	32,500.00	0.62
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	2,771.90	29,345.65	69,275.00	0.42
<u>Program Staff</u>				
Program Staff	103,161.67	825,292.21	1,237,940.00	0.67
Total Program Staff	103,161.67	825,292.21	1,237,940.00	0.67
Excess Revenue Over (Under) Expenditures	(105,933.57)	(854,637.86)	(1,307,215.00)	(0.65)

Antelope Valley AQMD
Statement of Activity - MTD and YTD
For 2/29/2016

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	38,377.17	572,512.56	635,000.00	(0.90)
Programs	131,025.84	1,243,334.26	2,346,346.00	(0.53)
Revenue - Other	2,755.41	2,755.41	0.00	0.00
Application Fees	2,497.00	34,719.60	37,000.00	(0.94)
State Revenue	0.00	76,976.89	135,000.00	(0.57)
Fines & Penalties	1,973.00	58,663.60	29,700.00	(1.98)
Interest Earned	1,205.72	12,231.57	13,250.00	(0.92)
Adjustments to Revenue	(2,976.33)	(285,799.15)	0.00	0.00
Total Revenues	174,857.81	1,715,394.74	3,196,296.00	(0.54)
Expenses				
Office Expenses	5,722.18	61,887.39	88,075.00	0.70
Communications	1,361.34	13,845.50	19,750.00	0.70
Vehicles	3,241.12	4,292.91	11,000.00	0.39
Program Costs	152,518.80	1,342,528.26	1,704,235.00	0.79
Travel	33.38	2,075.80	8,000.00	0.26
Professional Services				
Financial Audit & Actuarial Svcs	12.17	12,095.49	24,000.00	0.50
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	2,500.00	25,265.00	47,500.00	0.53
Stipends	500.00	3,600.00	8,400.00	0.43
Maintenance & Repairs	225.00	1,776.00	7,000.00	0.25
Non-Depreciable Inventory	0.00	834.82	6,300.00	0.13
Dues & Subscriptions	250.00	7,772.91	10,025.00	0.78
Legal	1,520.45	2,255.50	14,000.00	0.16
Miscellaneous Expense	62.35	581.70	1,071.00	0.54
Suspense	12.51	12.51	0.00	0.00
Capital Expenditures	0.00	15,950.00	15,000.00	1.06
Total Expenses	167,959.30	1,494,773.79	1,970,356.00	0.76
Program Staff				
Program Staff	103,161.67	825,292.21	1,237,940.00	0.67
Total Program Staff	103,161.67	825,292.21	1,237,940.00	0.67
Excess Revenue Over (Under) Expenditures	(96,263.16)	(604,671.26)	(12,000.00)	(50.39)

Antelope Valley AQMD
Bank Register from 2/01/2016 to 2/29/2016
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>
0000187	2/01/2016	Credit Card Transaction - Barnard Const & Portal Ridge Solar	0.00	1,148.00	215,466.48
0002844	2/11/2016	[10002] ANTELOPE VALLEY BOARD OF TRADE-AVBOT Business Membership FY16	250.00	0.00	215,216.48
0002845	2/11/2016	[10361] AQUA TERRA AERIS LAW GROUP-Litigation services for specific enforcement action	2,000.00	0.00	213,216.48
0002846	2/11/2016	[10006] BANK OF THE WEST-CC Charges Jan 16	594.10	0.00	212,622.38
0002847	2/11/2016	[10016] COUNTY OF LOS ANGELES-Bank Service Fees July - Sep 2015	43.35	0.00	212,579.03
0002848	2/11/2016	[10260] QCS BUILDING SERVICES-Janitorial Service Feb 16	225.00	0.00	212,354.03
0002849	2/11/2016	[10063] VOYAGER FLEET SYSTEMS-Invoices 869322420605, 869322420605	595.35	0.00	211,758.68
0000188	2/11/2016	Credit Card Transaction - TM Wrecking	0.00	287.00	212,045.68
	2/11/2016	Service Charge	54.60	0.00	211,991.08
0000187	2/17/2016	Credit Card Transaction - Granite Const	0.00	575.00	212,566.08
0000187	2/19/2016	Credit Card Transaction - HP Assoc	0.00	212.00	212,778.08
0002850	2/25/2016	[10405] CANON FINANCIAL SERVICES-Copier Lease Feb 16	298.12	0.00	212,479.96
0002851	2/25/2016	[10055] NEWTON CHELETTE-GB Mtg 2/16/16	100.00	0.00	212,379.96
0002852	2/25/2016	[10057] MARVIN CRIST-GB Mtg 2/16/16	100.00	0.00	212,279.96
0002853	2/25/2016	[10053] MIKE DISPENZA-GB Mtg 2/16/16	100.00	0.00	212,179.96
0002854	2/25/2016	[10059] ENTERPRISE FLEET MANAGEMENT-Fleet Maintenance Charges Jan 16	54.99	0.00	212,124.97
0002855	2/25/2016	[10058] RONALD HAWKINS-GB Mtg 2/16/16	100.00	0.00	212,024.97
0002856	2/25/2016	[10232] KEYSTONE SCIENCE SCHOOL-Key Issues 2016 Pledge	3,600.00	0.00	208,424.97
0002857	2/25/2016	[10054] KENNETH MANN-GB Mtg 2/16/16	100.00	0.00	208,324.97
0002858	2/25/2016	[01654] NEW CINGULAR WIRELESS PCS DBA AT&T-Refund on Inv AV2183 - Canceled Permit E012189	273.43	0.00	208,051.54
0002859	2/25/2016	[10031] NOVACOAST INC-CAPS Development Phase 23	9,932.50	0.00	198,119.04
0002860	2/25/2016	[00069] SOUTHERN CALIFORNIA EDISON-Electric Service Feb 16	421.76	0.00	197,697.28
0002861	2/25/2016	[10039] SPARKLETTS-Water Delivery Service Feb 16	31.37	0.00	197,665.91
0002862	2/25/2016	[10045] VERIZON BUSINESS-VOIP & Internet Service Feb 16	1,361.34	0.00	196,304.57
0002863	2/25/2016	[10050] WOELFL FAMILY TRUST-Office Lease March 16	4,229.26	0.00	192,075.31
0000189	2/29/2016	Credit Card Transaction - Boeing	0.00	5,877.24	197,952.55
Total for Report:			24,465.17	8,099.24	

Antelope Valley AQMD
Bank Register from 2/01/2016 to 2/29/2016
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>
	2/01/2016	Interest Earned	0.00	337.86	438,088.72
0000185	2/08/2016	Daily Deposit	0.00	21,539.96	459,628.68
0000186	2/09/2016	Daily Deposit	0.00	38,400.88	498,029.56
0000187	2/19/2016	Daily Deposit	0.00	158,294.04	656,323.60
0000188	2/29/2016	Daily Deposit	0.00	3,855.54	660,179.14
R16-06	2/29/2016	[10026] MOJAVE DESERT AQMD-Service Contract Invoice 41178	105,908.42	0.00	554,270.72
Total for Report:			105,908.42	222,428.28	

Antelope Valley AQMD
Bank Register from 2/01/2016 to 2/29/2016
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>
	2/01/2016	Interest Earned	0.00	190.51	420,529.94
M16-42	2/05/2016	[10450] JENNINGS, LLOYD-AB2766 Grant	1,000.00	0.00	419,529.94
Total for Report:			1,000.00	190.51	

Antelope Valley AQMD
Bank Register from 2/01/2016 to 2/29/2016
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>
	2/01/2016	Interest Earned	0.00	404.82	753,157.83
M16-43	2/25/2016	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-AB923 Grant	<u>9,203.80</u>	<u>0.00</u>	743,954.03
Total for Report:			9,203.80	404.82	

Antelope Valley AQMD
Bank Register from 2/01/2016 to 2/29/2016
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>
	2/01/2016	Interest Earned	0.00	272.53	338,773.03
C16-6	2/10/2016	[10449] GALL BROTHERS GENERAL ENGINEERING-Moyer Grant	138,715.00	0.00	200,058.03
		Total for Report:	138,715.00	272.53	

Antelope Valley AQMD
Bank Register from 2/01/2016 to 2/29/2016
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>
0000043	2/01/2016	[10069] BRET BANKS-#9116 - Batteries for office equipment	16.88	0.00	-16.88
0000044	2/01/2016	[10069] BRET BANKS-#9116 - Purchase and Install 4 Tires for District Vehicle Black Dodge Caliber	470.00	0.00	-486.88
0000045	2/01/2016	[10069] BRET BANKS-#9116 - Dinner CAPCOA Enf Mgrs Meeting	11.53	0.00	-498.41
0000046	2/01/2016	[10070] BARBARA LODS-#9108 - Kitchen Supplies	75.43	0.00	-573.84
0000047	2/01/2016	[10006] BANK OF THE WEST-Finance Charge	7.75	0.00	-581.59
0000009	2/11/2016	Feb 16 Payment	0.00	594.10	12.51
Total for Report:			581.59	594.10	

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

AGENDA ITEM 6

DATE: April 19, 2016

RECOMMENDATION: 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.

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 February 2016, in the total amount of \$105,933.57 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 Karen K. Nowak, District Counsel as to legal form; and by Bret Banks, Executive Director/APCO, on or before April 5, 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 **2/29/2016**
 Invoice Number **41244**

INVOICE

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

FY16	Amount
Program Staff	92,034.65
Overhead	2,500.00
Office Expenses	237.88
Professional Services	12.17
Travel & Training	21.85
Antelope Valley NSR	2,252.70
Antelope Valley Moyer	2,822.82
Antelope Valley Excess Emissions	360.24
Antelope Valley AB2766	5,691.26
<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 105,933.57 Amount Paid 0.00
MAKE CHECKS PAYABLE TO MOJAVE DESERT AQMD PLEASE INCLUDE THE INVOICE NUMBER ON THE CHECK	Balance Due 105,933.57

**ANTELOPE VALLEY AQMD
Program Staff
FY 2015-16**

Program	FY 14-15 Contracted Hours	FY 15-16 Contracted Hours	Average Contract Cost/hr	Annual Contract Cost	FTE
Lancaster Office	12,480	12,480	\$ 74.03	923,901	6.00
Planning, Grants, and Rulemaking	260	250	71.48	17,869	0.12
Air Monitoring and Surveillance	208	525	73.29	38,477	0.25
Compliance	156	250	145.12	36,280	0.12
Stationary Sources	858	150	70.37	10,556	0.07
Executive Management and Legal	468	750	142.77	107,078	0.36
Community Relations & Education	273	100	91.23	9,123	0.05
Administration	1,937	1,100	86.05	94,655	0.53
TOTAL	16,640	15,605		\$ 1,237,940	7.50

Full Time Equivalents (FTE) 8.00 7.50

Fiscal Year Comparison:	<u>Contract Cost</u>	<u>FTE</u>
Fiscal Year 2014-15	\$ 1,168,959	8.00
Fiscal Year 2015-16	\$ 1,237,940	7.50
Percent Change:	5.6%	-6.22%

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

AGENDA ITEM 7

DATE: April 19, 2016

RECOMMENDATION: 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.

SUMMARY: This item presents non-substantive revisions to the Agreement between the MDAQMD and the AVAQMD.

BACKGROUND: At the December 15, 2015 meeting, the Governing Board approved a draft agreement between the AVAQMD and the MDAQMD for the MDAQMD to deliver contracted air pollution control and administrative services to the AVAQMD. The Agreement was ratified by the MDAQMD Governing Board on February 22, 2016. Upon review of the Agreement Special Counsel to the AVAQMD Governing Board Allison Burns requested revisions to further clarify certain sections. Staff and Special Counsel to the MDAQMD Governing Board consider the sections revised to be non-substantial. This Agreement, with revisions, will be presented to the MDAQMD Governing Board on April 25, 2016.

The attachments to this item include a table describing changes to content, a redline document that compares the revisions and the Agreement approved by the AVAQMD on December 15, 2015; and “clean” copy of the Agreement with the noted revisions.

REASON FOR RECOMMENDATION: Governing Board approval is required to enter into agreements.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or about April 4, 2016.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Bret Banks, Executive Director/APCO

cc: Jean Bracy

1 In consideration of the mutual covenants and conditions the AVAQMD and the MDAQMD
2 agree as follows:

3 **TERMS AND CONDITIONS**

4 **1. PURPOSE**

5 The purpose of this agreement is for the AVAQMD to contract from the MDAQMD certain
6 administrative and operations services as AVAQMD and MDAQMD have determined are necessary
7 to enable AVAQMD to meet the regulatory and legislated responsibilities of an air quality
8 management district for compensation consistent with all applicable laws and regulations. This
9 agreement is entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 of the
10 California Government Code (commencing with §6500).

11 **2. TERM OF AGREEMENT**

12 The term of this agreement shall be for a period of five (5) years commencing on January 1,
13 2016 and ending on June 30, 2021, with an option to continue for two (2) more years under the same
14 terms and conditions, unless earlier terminated, extended, or modified as provided herein. Although
15 the agreement will become effective as of January 1, 2016, and the parties will commence planning
16 for the 2016-2017 fiscal year, it is intended that the provision of Services pursuant to this agreement
17 will commence on July 1, 2016. All Services that are provided between January 1, 2016 and June 30,
18 2016, will be subject to the existing agreement between MDAQMD and AVAQMD for administrative
19 services.

20 **3. SCOPE OF SERVICES**

21 The MDAQMD agrees to provide the administration, operations, and services as specified in
22 “Scope of Materials and Services” (Exhibit “A”), attached and incorporated by this reference
23 (collectively, the “Services”). MDAQMD and AVAQMD will mutually agree upon an annual budget
24 for the Services based on a best estimate of the costs to provide such Services and historical data,
25 which budget will be adopted by AVAQMD prior to the commencement of each fiscal year (“Annual
26 Budget”). The Annual Budget for the fiscal year commencing on July 1, 2016, is attached hereto as
27 Exhibit “B”. The Annual Budget will be subject to amendment in accordance with changes in the
28

1 actual costs of goods and services provided by MDAQMD as described in Section 5(c). Exhibit 1
2 may be amended in whole or in part to reflect any changes or adjustments as directed by the actions of
3 the Governing Boards of the AVAQMD and/or the MDAQMD. For purposes of interpretation of the
4 scope and nature of the Services, the governing order of document precedence shall be first Exhibit 1
5 and second the current fiscal year budget for the AVAQMD, as amended.

6 **4. COMPENSATION**

7 The MDAQMD shall perform its obligations under this agreement in accordance with the
8 approved Annual Budget, as amended, each fiscal year during the term of this agreement or until
9 the termination or expiration of this agreement. Compensation is based on the cost matrix as
10 described below:

- 11 A. MDAQMD may purchase materials and supplies which will be reimbursed by the
12 AVQMD at the actual cost of the material or supplies;
- 13 B. AVAQMD shall pay the pro rata portion of base salary and associated employment
14 benefits for all time spent by Program Staff (as defined in Section 11) on AVAQMD
15 matters as described in the Annual Budget.
- 16 C. The MDAQMD agrees to provide the following products and services in the scope of
17 this agreement to the level used by the MDAQMD in the scope of its regular business
18 practices: Questys (electronic file and content management system), AccuFund
19 (accounting system), CAPS (Compliance and Permit System), AirVision (air monitoring
20 data collection and reporting system). Where the AVAQMD has purchased and/or owns
21 user licenses or enhancements, or chooses to enhance any of these services beyond the
22 level used by MDAQMD, the AVAQMD agrees to cover the cost for the enhancements
23 and related maintenance.
- 24 D. Except as provided in Paragraph C above, the MDAQMD may make available certain
25 services or products for which they are the sole owner, or certain services or purchases from
26 which both Districts derive relevant benefits. The MDAQMD may assess a
27 proportionate share of the purchase cost and/or service costs to the AVAQMD not to
28

1 exceed a proportionate amount based on the ratio of operating permits between both
2 Districts at the end of current fiscal year.

3 E. If additional services are required or requested over and above the services described in
4 Exhibit 1 or which exceed the Annual Budget, as amended, then such services and
5 associated costs shall be provided when directed and approved by the AVAQMD
6 Governing Board.

7 F. AVAQMD will further pay a charge to cover administrative overhead and compensate
8 MDAQMD for the indirect costs of delivering the services described herein. Said charge
9 will be calculated as 14% of the total billed each month for services and will be added
10 to the invoice.

11 **5. PAYMENT OF COSTS**

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

15 A. Payment for the costs of services and materials provided by the MDAQMD to the
16 AVAQMD pursuant to this agreement shall be made at the direction of the AVAQMD
17 Governing Board.

18 B. Professional services of MDAQMD staff will be billed monthly at 1/12 of the
19 contracted amount approved in the annual AVAQMD Budget as set forth in the
20 line item, "Program Staff."

21 C. Not less than quarterly, the MDAQMD will reconcile the actual costs to deliver the
22 Services against the estimates approved in the Annual Budget. If the actual cost to
23 deliver the Services exceeds the estimate in the Annual Budget, then MDAQMD
24 will be entitled to invoice AVAQMD for such excess cost. If the actual cost to
25 deliver the Services is less than the estimate in the Annual Budget, then MDAQMD
26 will credit AVAQMD for such cost saving. If an increase or decrease in actual cost is
27 expected to continue for the remainder of the fiscal year, then the Annual Budget and
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1 the monthly billing will be modified accordingly, provided however, that with respect
2 to increases in the Annual Budget, MDAQMD will cooperate with AVAQMD to find
3 ways to mitigate such increases.

4 D. The AVAQMD shall pay the amount indicated on the invoice within forty-five (45)
5 days of the date of the invoice. If the AVAQMD does not pay the amount indicated
6 on the invoice within forty-five (45) days, interest may accrue on the unpaid amount at
7 the legal rate of interest per annum or such rate as allowed by any subsequent
8 amendment to California law.

9 In the event the AVAQMD disputes an amount indicated on an invoice, such dispute shall
10 be resolved in accordance with the conflict resolution procedures as set forth in Section 8 below. In
11 the event of such a dispute, interest will accrue on only that part of the disputed amount which is
12 determined to be due and owing to the MDAQMD as provided in Section 4 above.

13 In the event of a breach or termination of this agreement, the MDAQMD is entitled to payment
14 for Services actually performed and materials actually provided as of the date of the breach or
15 termination. In such event the MDAQMD shall provide a final invoice as set forth above
16 detailing the materials and services provided and hours expended for the period between the last
17 date indicated on the previous invoice to the date of the breach or termination. The final invoice
18 will include the cost of MDAQMD to transition all Dedicated Staff, as defined in Section 11, and for
19 AVAQMD to assume all Personnel Costs as set forth in Section 11.

20 **6. INDEMNITY AND LIABILITY**

21 AVAQMD and MDAQMD shall, to the extent authorized by law, indemnify and hold
22 harmless each other, their agents and employees against all liabilities arising out of or connected
23 with the performance of this agreement.

24 In the event litigation is threatened or commenced by a third party regarding negligent acts
25 or omissions of the AVAQMD, its officers, volunteers and authorized agents while performing
26 services for the AVAQMD to which the MDAQMD becomes a party, the AVAQMD shall retain and
27 bear all litigation costs of the AVAQMD and MDAQMD engendered by such litigation.

1 In the event litigation is threatened or commenced by a third party regarding negligent acts
2 or omissions of the MDAQMD, its officers, employees, volunteers and authorized agents while
3 performing services for the MDAQMD to which the AVAQMD becomes a party, the MDAQMD shall
4 retain and bear all litigation costs of the AVAQMD and MDAQMD engendered by such litigation.

5 For the purposes of this section, negligent acts and omissions include, but not limited to,
6 the following: the adoption and implementation of rules, regulations, plans and policies; the
7 issuance of permits; the issuance and management of grants and grant programs; the performance of
8 duties under the California Environmental Quality Act Pub. Res. Code 21000 et seq.); and the
9 enforcement of rules, regulations, and orders of either the AVAQMD or MDAQMD.
10 Notwithstanding the foregoing MDAQMD staff will not be considered to be acting negligently if
11 they properly carry out the rules, regulations, plans and policies adopted by AVAQMD.
12 AVAQMD remains solely responsible for such rules, regulations, permit issuance, grant activities,
13 plans and policies, as well as defending any third party claim which challenges the enforceability
14 and/or legality of same.

15 **7. INSURANCE**

16 Within thirty (30) days from the execution of this agreement and for the term of this
17 agreement: the MDAQMD will include the AVAQMD as an additional named insured on the
18 MDAQMD policies for general liability insurance, worker's compensation insurance, and
19 employment practices insurance; and the AVAQMD will include the MDAQMD as an additional
20 named insured on such policies.

21 It is mutually understood that while the AVAQMD and the MDAQMD continue to
22 purchase insurance protection from the same risk pool additional insurance is not required.

23 The AVAQMD shall obtain and maintain general liability insurance, property insurance,
24 vehicle comprehensive and collision insurance, errors and omissions insurance, and other insurance as
25 approved by the AVAQMD Governing Board at the expense of the AVAQMD.

26 In the event the AVAQMD directly obtains the services of officers and employees outside the
27 scope of this agreement the AVAQMD shall obtain and maintain worker's compensation and
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1 employment practices insurance at the expense of the AVAQMD. Such additional insurance shall be
2 obtained within thirty (30) days from the employment of officers or employees outside the scope of
3 this agreement The AVAQMD will, as necessary, include the MDAQMD as an additional named
4 insured on such policies.

5 **8. CONFLICT RESOLUTION**

6 Conflicts regarding the terms, provisions, nature, scope, delivery, provision of specific services
7 or materials, or arising as a result of the implementation of this agreement shall be resolved in the
8 following manner:

- 9 A. The chair of the Governing Board of the AVAQMD or MDAQMD shall contact
10 the other chair, inform him or her of the nature and scope of the conflict and
11 attempt to resolve the conflict
- 12 B. If the chairs of the AVAQMD and MDAQMD cannot resolve the conflict by
13 discussion, each chair shall place an item on the agendas of the next regularly
14 scheduled meetings for their respective Governing Boards regarding the conflict and
15 appointment of Governing Board members to a Conflict Resolution Committee.
- 16 C. The AVAQMD and MDAQMD board shall each appoint two (2) members to the
17 Conflict Resolution Committee.
- 18 D. The Conflict Resolution committee shall schedule a meeting to occur within fifteen
19 (15) days of the later of the AVAQMD or MDAQMD Governing Board meeting at
20 which members were appointed to the Conflict Resolution Committee. The Conflict
21 Resolution Committee shall have fifteen (15) days from the date of the first meeting of
22 the committee to attempt to resolve the conflict
- 23 E. If the Conflict Resolution Committee fails to resolve the conflict within the time stated
24 above, the matter shall be submitted to non-binding arbitration by either party. Each
25 party agrees to bear one-half (1/2) the cost of obtaining such non-binding arbitration.
26 An impartial arbitrator shall be selected by alternately striking from a list provided by
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1 the California State Mediation and Conciliation Service who shall hear the matter and
2 render a decision.

3 F. If either of the Governing Boards elects not to accept the decision of the arbitrator at
4 its next regularly scheduled meeting or the arbitrator fails to resolve the matter, either
5 the AVAQMD or the MDAQMD may terminate this agreement in accordance with the
6 terms set forth herein.

7 G. Each party reserves its rights and remedies to enforce the terms of this agreement at
8 law or equity.

9 **9. DUE DILIGENCE**

10 Upon commencement of the term of this agreement the MDAQMD agrees to perform with
11 due diligence the services specified herein.

12 **10. EQUIPMENT**

13 Equipment owned by the AVAQMD at the expiration or termination of this agreement
14 shall remain the property of the AVAQMD.

15 Equipment owned by the MDAQMD prior to the expiration or termination of this agreement
16 but used in the performance of services under this agreement shall remain the property of the
17 MDAQMD.

18 Equipment purchased and billed to the AVAQMD pursuant to the terms of this agreement shall
19 be the property of the AVAQMD.

20 MDAQMD agrees that upon expiration or termination of this agreement, any property of
21 the AVAQMD which is in the possession of the MDAQMD shall be returned to the AVAQMD at a
22 location designated by the AVAQMD within fifteen (15) days of the expiration or termination of this
23 agreement.

24 **11. PROGRAM STAFF**

25 MDAQMD will provide professional officers and employees of the MDAQMD to perform
26 the Services for AVAQMD pursuant to the terms of this agreement. It is intended that MDAQMD
27 will use both (a) existing MDAQMD staff; and (b) staff which has been hired by MDAQMD solely to
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1 perform the Services (“Dedicated Staff”). All officers and employees of the MDAQMD, including the
2 Dedicated Staff, shall remain the officers and employees of the MDAQMD. Notwithstanding the
3 provisions of paragraph 4 above, the MDAQMD shall remain solely responsible for the payment
4 of all salaries and benefits, including but not limited to salary, health and dental benefits, union
5 benefits if any, employment related taxes and pension contributions (collectively, “Personnel
6 Costs”), for its officers and employees when such officers and employees are performing the
7 Services.

8 The duties which the officers and employees of the MDAQMD may be required to perform for the
9 AVAQMD pursuant to this agreement shall conform to the job descriptions of such officers and
10 employees in their duties with the MDAQMD. For the purposes of this agreement “job description”
11 shall be the current and most recent job description or as subsequently amended by the MDAQMD
12 for the MDAQMD’s officers and employees.

13 Upon expiration or termination of this agreement with the MDAQMD, it is intended that
14 the Dedicated Staff and its office location will be transitioned to AVAQMD. In the event the
15 AVAQMD offers employment to such Dedicated Staff in the same or a similar capacity and
16 subject to the personnel policies and procedures of the AVAQMD and other requirements as
17 determined by the AVAQMD Governing Board, if any, AVAQMD will assume all Personnel Costs of
18 the Dedicated Staff transferred to the AVAQMD employment on the transition date. MDAQMD
19 and AVAQMD will cooperate to transition any existing pension benefits to the extent permitted by
20 applicable law. Following the expiration or termination, if services will be performed by a third
21 party contractor, then AVAQMD may request 1) that the third party contractor offer position(s) to the
22 Dedicated Employees; and 2) that the third party contractor give priority offers of employment of
23 same or similar positions to the Dedicated Employees.. Notwithstanding the use of a third party
24 contractor, AVAQMD will remain financially responsible for the assumption of all Personnel Costs
25 for transferred staff as of the transition date.

26 In the event that AVAQMD or any third party contractor employed by AVAQMD fails to
27 transition the Dedicated Staff, then MDAQMD will continue to treat the Dedicated Staff in
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1 accordance with MDAQMD's normal existing policies and procedures and Dedicated Staff will have
2 the same rights and seniority in the same manner and to the same extent as MDAQMD staff who have
3 not been dedicated to provide services to AVAQMD. Notwithstanding the foregoing, MDAQMD
4 reserves the right to terminate Dedicated Staff if no position(s) are available and AVAQMD will
5 be responsible for all reasonable costs and expenses incurred by MDAQMD in connection with such
6 termination.

7 **12. LEGISLATED POSITIONS**

8 The Governing Board of the AVAQMD shall appoint an Air Pollution Control Officer
9 (APCO) pursuant to H&S §41350(b); and legal counsel pursuant to H&S §41357.

10 **13. OPERATIONAL OVERSIGHT**

11 MDAQMD will provide the services of its Deputy Director to act in the capacity of the
12 Executive Director of AVAQMD. It is acknowledged and understood that the position of
13 Executive Director is unique and that the person serving in this position must have the full confidence
14 of the Governing Board of the AVAQMD. Accordingly, the Governing Board of the AVAQMD
15 with a 75% majority will have the right, at any time, to request the removal of the Deputy Director or
16 any replacement thereof from the position of Executive Director. The replacement for the position of
17 Executive Director will be subject to the review and approval of AVAQMD and AVAQMD will
18 be responsible for all costs incurred by MDAQMD to locate and hire any replacement. The initial
19 Executive Director of AVAQMD will be Bret Banks. Any removal of Bret Banks from this position
20 will not alter the terms of his employment as a Deputy Director of MDAQMD.

21 The Governing Board of the AVAQMD reserves the right to contract separately for
22 operational oversight of the AVAQMD office. The MDAQMD will provide reasonable access to
23 its records and personnel for such oversight. Such third party hired for oversight may direct day to
24 day operations under the contract as well as oversee actions of staff to provide services under the
25 contract as well as oversee actions of staff to provide services under the contract, however they shall
26 not have the right to change the scope or nature of Services under the agreement nor exercise any
27 personnel related authority under the existing MDAQMD policies and procedures including but not
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1 limited to performance reviews and discipline, of MDAQMD personnel. Nothing in this provision
2 shall prevent either the AVAQMD Governing Board or any person contracted to provide operational
3 oversight from providing input, advice and consultation regarding such issues.

4 **14. FEES, FINES, SUBVENTIONS, GRANTS AND OTHER REVENUE**

5 All fees, fines, subventions, grants and other revenue owed to the AVAQMD pursuant to
6 Federal, State or AVAQMD law, rule, regulation, permit or order of a State or Federal Court
7 of competent jurisdiction shall be received by the AVAQMD. In the event that any such fee, fine,
8 subventions, grants and other revenue owed to the AVAQMD is received by the MDAQMD shall
9 be transferred to the AVAQMD immediately upon receipt and shall not affect payments made under
10 this agreement

11 **15. CONTRACT PERFORMANCE**

12 An Annual report of contract performance will be delivered to the Governing Boards of the
13 AVAQMD and MDAQMD in or about June of each year (or upon request of either of the
14 respective Governing Boards) regarding the contracted services including, but not limited to, each of
15 the activities and services performed as specified in Exhibit 1.

16 The MDAQMD agrees to make and maintain all records that are required by Federal or State
17 law or AVAQMD rule, regulation, permit or order or by an order of a State or Federal Court of
18 competent jurisdiction and to transfer such records to the AVAQMD upon expiration or termination
19 of this agreement.

20 A Governing Board member of the respective Governing Boards of the AVAQMD and
21 MDAQMD may attend any Governing Board meetings of the other agency and any public meetings of
22 the other agency which directly relate to the materials and services provided pursuant to this agreement.

23 **16. COPYRIGHT MATERIALS**

24 The AVAQMD reserves the right to any copyrightable materials developed pursuant to
25 this agreement. Upon acceptance of the copyrightable materials the AVAQMD shall have the right,
26 title, and interest including trade secret and copyright interest in the copyrightable materials. During
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1 the term of this Agreement, the MDAQMD shall have a non-exclusive right to use, copy and otherwise
2 benefit from such materials.

3 **17. FISCAL AUDIT**

4 The AVAQMD shall designate an auditor and a fiscal audit shall be conducted annually
5 by a qualified accountancy firm. The results of the audit shall be presented to the Governing
6 Board on completion.

7 In the event the contract expires or terminates, an audit shall be provided to the Governing
8 Board of the AVAQMD within ninety (90) days of the expiration or termination of the agreement.

9 The MDAQMD agrees that the AVAQMD or its duly authorized representative shall have
10 access and the right to examine, audit, excerpt, transcribe and copy the MDAQMD's financial records,
11 documents, papers, and records which are related or pertinent to this agreement. Such materials shall
12 be retained for a period of at least two (2) years or such other longer period as required by State or
13 Federal law, rule or regulation or by MDAQMD policy or procedure.

14 The AVAQMD agrees that the MDAQMD or its duly authorized representative shall have
15 access and the right to examine, audit, excerpt, transcribe and copy the AVAQMD's financial records,
16 documents, papers, and records which are related or pertinent to this agreement. Such materials shall
17 be retained for a period of at least two (2) years or such other longer period as required by State or
18 Federal law, rule or regulation or by AVAQMD policy or procedure.

19 **18. PRIVILEGES AND IMMUNITIES**

20 Pursuant to the provisions of Government Code 6513 and any other applicable law, all of
21 the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension,
22 relief, disability, workmen's compensation and other benefits which apply to the activity of officers,
23 agents or employees of the MDAQMD shall apply to the same degree and extent while such
24 officers, agents or employees of MDAQMD are engaged in the performance of any of their
25 functions and duties within the jurisdiction of the AVAQMD or MDAQMD.

26 **19. SUCCESSORS**

1 Neither party will assign or transfer any rights or obligations under this agreement without
2 the written consent of the other.

3 Each party and their successors, legal representatives, and to the extent permitted herein,
4 their assigns, are hereby bound to the other party and to the successors, legal representatives, and the
5 assigns of the other party in respect to all covenants, agreements and obligations of this agreement

6 **20. AMENDMENT**

7 This agreement and its Exhibits, as amended from time to time in accordance with the terms of
8 this agreement, constitute the entire agreement between the parties and will supersede all prior written
9 or oral understandings. This agreement and its Exhibits, as amended, may only be amended,
10 supplemented, and modified by an executed written instrument as approved by the Governing Boards
11 of the AVAQMD and MDAQMD. Notwithstanding the foregoing, the Governing Boards may
12 specify a threshold for modifications to the Services and the Annual Budget which are within the
13 discretion of the General Managers of each entity.

14 For purposes of this agreement, the annual adoption of the Annual Budget for each
15 successive fiscal year until the expiration or termination of this agreement as provided for in
16 Paragraph 3 shall be deemed an amendment to Exhibit B of this agreement upon mutual approval of
17 the Annual Budget and its adoption by the Governing Board of the AVAQMD.

18 **21. TERMINATION**

19 The Governing Boards of the AVAQMD or MDAQMD may terminate this agreement at any
20 time by giving written notice to the other party 180 days in advance of the proposed termination, but
21 not less than ninety (90) days before the effective date of the proposed termination.

22 In the event this agreement is terminated, all finished and unfinished documents and other
23 materials produced by the MDAQMD pursuant to the terms of this agreement shall be provided to
24 the AVAQMD. If the agreement is terminated by either party, the MDAQMD shall be paid all
25 amounts due and unpaid, whether or not such amounts had been billed to the AVAQMD, as of
26 the date of the termination subject to the resolution of any disputed amounts pursuant to the conflict
27 resolution procedure set forth in Section 8 above.

1 In the event this agreement is terminated, MDAQMD Dedicated Staff will be transitioned
2 in accordance with the terms of Section 11.

3 **22. EFFECTIVE DATE**

4 This contract shall be effective January 1, 2016 for the term specified in Section 2 above 23.

5 **23. VENUE**

6 The venue for any claims or actions brought related to or regarding this agreement shall lie in
7 the County of Riverside, California.

8 This agreement is executed in the city of Victorville, San Bernardino County, and in the city
9 of Lancaster, Los Angeles County, California.

10 ANTELOPE VALLEY
11 AIR QUALITY MANAGEMENT DISTRICT

MOJAVE DESERT
AIR QUALITY MANAGEMENT DISTRICT

12 _____
Marvin Crist, Chair

Robert Lovingood, Chair

13 Dated: _____

Dated: _____

14
15 Approved as to Legal Form

16 _____
17 ALLISON BURNS, Special Counsel to
the Governing Board

18 PIERO C. DALLARDA, Special Counsel to
the Governing Board

19 Dated: _____

Dated: _____

20
21 END OF CONTRACT
22
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1 **EXHIBIT 1**

2 **SCOPE OF MATERIALS AND SERVICES**

3 The MDAQMD agrees to provide services to the AVAQMD as specified in the
4 Agreement, namely: provide administration and operations, adequate to meet the regulatory and
5 legislated responsibilities of an air quality management district within the AVAQMD jurisdiction
6 specified in Division 26 of the California Health & Safety Code (commencing with §39000). The
7 scope of services that the MDAQMD may provide as directed by the fiscal year budget are described
8 below.

9 In the event the AVAQMD Governing Board redirects or appoints a third party to perform
10 any of the services or functions listed herein to another party, contractor, consultant, or vendor, the
11 MDAQMD will be relieved from any and all liabilities arising out of or connected with the
12 performance of such services by any or all third parties from the effective date of such
13 assignment. The AVAQMD shall indemnify and hold harmless the MDAQMD, its agents, and
14 employees, against all liabilities arising out of or connected with the transfer of such assignment.

15 **Air Monitoring Program:** all activities including, but not limited to, (i) measuring and
16 monitoring air quality, and (ii) maintaining equipment and providing technical maintenance;

17 **Compliance Program:** all activities including, but not limited to, inspection services,
18 programs for variance support, asbestos, complaint response, emissions violations, source test, EPA
19 Report preparation, and delinquent billing.

20 **Planning and Rule Development:** all activities including, but not limited to, development of
21 new or amendment of existing rules to facilitate regulatory compliance.

22 **Grants Management:** all activities including, but not limited to, making application for
23 available funds, soliciting projects that meet the objectives of each grant program, developing and
24 administering contracts to ensure the grant program objectives are met; disbursing funds and
25 performing reviews on contract performance.

26 **Community Relations and Education:** all activities including, but not limited to, public
27 outreach and education.

1 **Administrative Services:** all activities including, but not limited to, operations for a staffed
2 office located in the AVAQMD jurisdiction with regular business operating hours, revenue
3 collection and expenditure tracking, budget preparation and administration, development,
4 implementation and maintenance of an automated system for tracking permits and permit activities,
5 procurement and maintenance of facilities, operations, and fixed assets as set forth in the annual
6 budget, and miscellaneous expenses as identified in the annual budget. Financial and accounting
7 services including, but not limited to, appropriate accounting procedures to maintain bank accounts,
8 receive and expend funds and report accordingly, computer information systems.

9 **Executive Services:** all activities including, but not limited to services of the Air
10 Pollution Control Officer, Legal Counsel (including, but not limited to, compliance with the Brown
11 Act and Public Records Act), direction and oversight of all operations of the AVAQMD, support for
12 boards, commissions, and committees, including the Governing Board and the Hearing Board.

Agreement Between the
Antelope Valley Air Quality Management District
and the Mojave Desert Air Quality Management District
April 2016

Paragraph Reference and Description/Impact	Recommendations in Redline	Revised Version
<p><u>Paragraph 4 - Compensation.</u> The revision restates the description of the payment for services and allows for the occasions when MDAQMD employees may provide time proportionately to one or the other District.</p>	<p>B. AVAQMD shall pay the pro rata portion of base salary and associated employment benefits for all time spent by Program Staff, (as defined in Section 11; to support the scope of services) on AVAQMD matters as described in the Annual Budget will be contracted at cost for each position including the base salary of the position, and associated employment benefits.</p>	<p>B. AVAQMD shall pay the pro rata portion of base salary and associated employment benefits for all time spent by Program Staff (as defined in Section 11) on AVAQMD matters as described in the Annual Budget.</p>
<p><u>Paragraph 11 – Program Staff.</u> This section was revised to further clarify the employment status of staff assigned, or “Dedicated,” to work the AVAQMD contract. If the AVAQMD chooses to engage a different contractor for the services now being provided by the MDAQMD, the AVAQMD agrees to request the new contractor offer comparable positions to the employees under the new third party contract.</p>	<p>Following the expiration or termination, if services will be performed by a third party contractor, then AVAQMD may request 1) that the third party contractor offer position(s) to the Dedicated Employees; and 2) that the third party contractor give priority offers of employment of same or similar positions to the Dedicated Employees. and the Dedicated Employees will have a right of first refusal to any offers of employment extended by that third party contractor for the same or similar positions.</p>	<p>Following the expiration or termination, if services will be performed by a third party contractor, then AVAQMD may request 1) that the third party contractor offer position(s) to the Dedicated Employees; and 2) that the third party contractor give priority offers of employment of same or similar positions to the Dedicated Employees.</p>
<p><u>Paragraph 12 – Legislated Positions.</u> The revision corrects the references to the statutes that require the AVAQMD to appoint an Air Pollution Control Officer (APCO) and legal counsel.</p>	<p>The Governing Board of the AVAQMD shall appoint an Air Pollution Control Officer (APCO) and District Counsel pursuant to H&S §41350(b); and legal counsel pursuant to H&S §41357.</p>	<p>The Governing Board of the AVAQMD shall appoint an Air Pollution Control Officer (APCO) pursuant to H&S §41350(b); and legal counsel pursuant to H&S §41357.</p>

Agreement Between the
 Antelope Valley Air Quality Management District
 and the Mojave Desert Air Quality Management District
April 2016

<p><u>Paragraph 15</u> – Contract Performance. The revision adds a new requirement. The MDAQMD will annually submit a contract performance report to the AVAQMD Governing Board in detail according to the specific services provided and described in Exhibit 1 of the Agreement.</p>	<p>A<u>An Annual</u> report of contract performance will be delivered to the Governing Boards of the AVAQMD and MDAQMD <u>in or about June of each year</u> (or upon request of either of the respective Governing Boards) regarding the contracted services including, but not limited to, <u>each of the</u> activities and services performed as specified in Exhibit 1.</p>	<p>An Annual report of contract performance will be delivered to the Governing Boards of the AVAQMD and MDAQMD in or about June of each year (or upon request of either of the respective Governing Boards) regarding the contracted services including, but not limited to, each of the activities and services performed as specified in Exhibit 1.</p>
<p><u>Exhibit I – Scope of Materials and Services.</u> The revisions clarify the specific air monitoring services.</p> <p>The revisions also add the requirements of compliance to the Brown Act and Public Records act when certain legal services are provided. The AVAQMD has contracted a third party to provide legal services, this not a service currently provided by the MDAQMD</p>	<p>Air Monitoring Program: all activities including, but not limited to, related to (i) measuring and monitoring air quality, and (ii) providing <u>maintaining</u> equipment and <u>providing</u> technical maintenance;</p> <p>Executive Services: all activities including, but not limited to services of the Air Pollution Control Officer, Legal Counsel <u>(including, but not limited to, compliance with the Brown Act and Public Records Act)</u>, direction and oversight of all operations of the AVAQMD, support for boards, commissions, and committees, including the Governing Board and the Hearing Board, including, but not limited to, Compliance with the Brown Act and Public Records Act.</p>	<p>Air Monitoring Program: all activities including, but not limited to, (i) measuring and monitoring air quality, and (ii) maintaining equipment and providing technical maintenance;</p> <p>Executive Services: all activities including, but not limited to services of the Air Pollution Control Officer, Legal Counsel (including, but not limited to, compliance with the Brown Act and Public Records Act), direction and oversight of all operations of the AVAQMD, support for boards, commissions, and committees, including the Governing Board and the Hearing Board.</p>

1 year (“Annual Budget”). The Annual Budget for the fiscal year commencing on July 1, 2016, is
2 attached hereto as Exhibit “B”. The Annual Budget will be subject to amendment in accordance with
3 changes in the actual costs of goods and services provided by MDAQMD as described in Section 5(c).
4 Exhibit 1 may be amended in whole or in part to reflect any changes or adjustments as directed by the
5 actions of the Governing Boards of the AVAQMD and/or the MDAQMD. For purposes of
6 interpretation of the scope and nature of the Services, the governing order of document precedence
7 shall be first Exhibit 1 and second the current fiscal year budget for the AVAQMD, as amended.

8 **4. 4.—COMPENSATION**

9 The MDAQMD shall perform its obligations under this agreement in accordance with the
10 approved Annual Budget, as amended, each fiscal year during the term of this agreement or until
11 the termination or expiration of this agreement. Compensation is based on the cost matrix as
12 described below:

- 13
- 14 A. MDAQMD may purchase materials and supplies which will be reimbursed by the
15 AVQMD at the actual cost of the material or supplies;
- 16 B. AVAQMD shall pay the pro rata portion of base salary and associated employment
17 benefits for all time spent by Program Staff, (as defined in Section 11, to support the scope
18 of services) on AVAQMD matters as described in the Annual Budget ~~will be contracted at~~
19 ~~cost for each position including the base salary of the position, and associated employment~~
20 ~~benefits.~~
- 21 C. The MDAQMD agrees to provide the following products and services in the scope of
22 this agreement to the level used by the MDAQMD in the scope of its regular business
23 practices: ~~—~~Questys (electronic file and content management system), AccuFund
24 (accounting system), CAPS (Compliance and Permit System), AirVision (air monitoring
25 data collection and reporting system). Where the AVAQMD has purchased and/or owns
26 user licenses or enhancements, or chooses to enhance any of these services beyond the
27 level used by MDAQMD, the AVAQMD agrees to cover the cost for the enhancements
28 and related maintenance.

1 D. Except as provided in Paragraph C above, the MDAQMD may make available certain
2 services or products for which they are the sole owner, or certain services or purchases from
3 which both Districts derive relevant benefits. The MDAQMD may assess a
4 proportionate share of the purchase cost and/or service costs to the AVAQMD not to
5 exceed a proportionate amount based on the ratio of operating permits between both
6 Districts at the end of current fiscal year.

7 E. If additional services are required or requested over and above the services described in
8 Exhibit 1 or which exceed the Annual Budget, as amended, then such services and
9 associated costs shall be provided when directed and approved by the AVAQMD
10 Governing Board.

11 F. AVAQMD will further pay a charge to cover administrative overhead and compensate
12 MDAQMD for the indirect costs of delivering the services described herein. Said charge
13 will be calculated as 14% of the total billed each month for services and will be added
14 to the invoice.
15

16 **5. ~~5.~~ PAYMENT OF COSTS**

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

20 A. Payment for the costs of services and materials provided by the MDAQMD to the
21 AVAQMD pursuant to this agreement shall be made at the direction of the AVAQMD
22 Governing Board.

23 B. Professional services of MDAQMD staff will be billed monthly at 1/12 of the
24 contracted amount approved in the annual AVAQMD Budget as set forth in the
25 line item, "Program Staff."

26 C. Not less than quarterly, the MDAQMD will reconcile the actual costs to deliver the
27 Services against the estimates approved in the Annual Budget. If the actual cost to
28 deliver the Services exceeds the estimate in the Annual Budget, then MDAQMD

1 will be entitled to invoice AVAQMD for such excess cost. If the actual cost to
2 deliver the Services is less than the estimate in the Annual Budget, then MDAQMD
3 will credit AVAQMD for such cost ~~savings~~saving. If an increase or decrease in actual
4 cost is expected to continue for the remainder of the fiscal year, then the Annual
5 Budget and the monthly billing will be modified accordingly, provided, however, that
6 with respect to increases in the Annual Budget, MDAQMD will cooperate with
7 AVAQMD to find ways to mitigate such increases.

8
9 D. The AVAQMD shall pay the amount indicated on the invoice within forty-five (45)
10 days of the date of the invoice. If the AVAQMD does not pay the amount indicated
11 on the invoice within forty-five (45) days, interest may accrue on the unpaid amount at
12 the legal rate of interest per annum or such rate as allowed by any subsequent
13 amendment to California law.

14 In the event the AVAQMD disputes an amount indicated on an invoice, such dispute shall
15 be resolved in accordance with the conflict resolution procedures as set forth in Section 8 below. In
16 the event of such a dispute, interest will accrue on only that part of the disputed amount which is
17 determined to be due and owing to the MDAQMD as provided in Section 4 above.

18 In the event of a breach or termination of this agreement, the MDAQMD is entitled to payment
19 for Services actually performed and materials actually provided as of the date of the breach or
20 termination. In such event the MDAQMD shall provide a final invoice as set forth above
21 detailing the materials and services provided and hours expended for the period between the last
22 date indicated on the previous invoice to the date of the breach or termination. The final invoice
23 will include the cost of MDAQMD to transition all Dedicated Staff, as defined in Section 11, and for
24 AVAQMD to assume all Personnel Costs as set forth in Section 11.

25 **6. ~~6.~~ INDEMNITY AND LIABILITY**

26 AVAQMD and MDAQMD shall, to the extent authorized by law, indemnify and hold
27 harmless each other, their agents and employees against all liabilities arising out of or connected
28 with the performance of this agreement.

1 In the event litigation is threatened or commenced by a third party regarding negligent acts
2 or omissions of the AVAQMD, its officers, ~~employees,~~ volunteers and authorized agents while
3 performing services for the AVAQMD to which the MDAQMD becomes a party, the AVAQMD shall
4 retain and bear all litigation costs of the AVAQMD and MDAQMD engendered by such litigation.

5 In the event litigation is threatened or commenced by a third party regarding negligent acts
6 or omissions of the MDAQMD, its officers, employees, volunteers and authorized agents while
7 performing services for the MDAQMD to which the AVAQMD becomes a party, the MDAQMD shall
8 retain and bear all litigation costs of the AVAQMD and MDAQMD engendered by such litigation.

9 For the purposes of this section, negligent acts and omissions include, but not limited to,
10 the following: the adoption and implementation of rules, regulations, plans and policies; the
11 issuance of permits; the issuance and management of grants and grant programs; the performance of
12 duties under the California Environmental Quality Act Pub. Res. Code 21000 et seq.); and the
13 enforcement of rules, regulations, and orders of either the AVAQMD or MDAQMD.
14 Notwithstanding the foregoing, MDAQMD staff will not be considered to be acting negligently if
15 they properly carry out the rules, regulations, plans and policies adopted by AVAQMD.
16 AVAQMD remains solely responsible for such rules, regulations, permit issuance, grant activities,
17 plans and policies, as well as defending any third party claim which challenges the enforceability
18 and/or legality of same.
19

20 7. ~~7.~~ **INSURANCE**

21 Within thirty (30) days from the execution of this agreement and for the term of this
22 agreement: ~~the~~ MDAQMD will include the AVAQMD as an additional named insured on the
23 MDAQMD policies for general liability insurance, worker's compensation insurance, and
24 employment practices insurance; and ~~the~~ AVAQMD will include the MDAQMD as an additional
25 named insured on such policies.

26 ~~It~~ is mutually understood that while the AVAQMD and the MDAQMD continue to
27 purchase insurance protection from the same risk pool additional insurance is not required.
28

1 —The AVAQMD shall obtain and maintain general liability insurance, property
2 insurance, vehicle comprehensive and collision insurance, errors and omissions insurance, and other
3 insurance as approved by the AVAQMD Governing Board at the expense of the AVAQMD.

4 —In the event the AVAQMD directly obtains the services of officers and employees outside
5 the scope of this agreement the AVAQMD shall obtain and maintain worker's compensation and
6 employment practices insurance at the expense of the AVAQMD. Such additional insurance shall be
7 obtained within thirty (30) days from the employment of officers or employees outside the scope of
8 this agreement The AVAQMD will, as necessary, include the MDAQMD as an additional named
9 insured on such policies.

10 **8. 8.—CONFLICT RESOLUTION**

11 Conflicts regarding the terms, provisions, nature, scope, delivery, provision of specific services
12 or materials, or arising as a result of the implementation of this agreement shall be resolved in the
13 following manner:

- 14 A. The chair of the Governing Board of the AVAQMD or MDAQMD shall contact
15 the other chair, inform him or her of the nature and scope of the conflict and
16 attempt to resolve the conflict
- 17 B. If the chairs of the AVAQMD and MDAQMD cannot resolve the conflict by
18 discussion, each chair shall place an item on the agendas of the next regularly
19 scheduled meetings for their respective Governing Boards regarding the conflict and
20 appointment of Governing Board members to a Conflict Resolution Committee.
- 21 C. The AVAQMD and MDAQMD board shall each appoint two (2) members to the
22 Conflict Resolution Committee.
- 23 D. The Conflict Resolution committee shall schedule a meeting to occur within fifteen
24 (15) days of the later of the AVAQMD or MDAQMD Governing Board meeting at
25 which members were appointed to the Conflict Resolution Committee. The Conflict
26 Resolution Committee shall have fifteen (15) days from the date of the first meeting of
27 the committee to attempt to resolve the conflict
28

1 E. If the Conflict Resolution Committee fails to resolve the conflict within the time stated
2 above, the matter shall be submitted to non-binding arbitration by either party. Each
3 party agrees to bear one-half (1/2) the cost of obtaining such non-binding arbitration.
4 An impartial arbitrator shall be selected by alternately striking from a list provided by
5 the California State Mediation and Conciliation Service who shall hear the matter and
6 render a decision.

7 F. If either of the Governing Boards elects not to accept the decision of the arbitrator at
8 its next regularly scheduled meeting or the arbitrator fails to resolve the matter, either
9 the AVAQMD or the MDAQMD may terminate this agreement in accordance with the
10 terms set forth herein.

11 G. Each party reserves its rights and remedies to enforce the terms of this agreement at
12 law or equity.

13
14 ~~9.~~ **9. DUE DILIGENCE**

15 Upon commencement of the term of this agreement the MDAQMD agrees to perform with
16 due diligence the services specified herein.

17 ~~10.~~ **10. EQUIPMENT**

18 Equipment owned by the AVAQMD at the expiration or termination of this agreement
19 shall remain the property of the AVAQMD.

20 Equipment owned by the MDAQMD prior to the expiration or termination of this agreement
21 but used in the performance of services under this agreement shall remain the property of the
22 MDAQMD.

23 Equipment purchased and billed to the AVAQMD pursuant to the terms of this agreement shall
24 be the property of the AVAQMD.

25 MDAQMD agrees that upon expiration or termination of this agreement, any property of
26 the AVAQMD which is in the possession of the MDAQMD shall be returned to the AVAQMD at a
27 location designated by the AVAQMD within fifteen (15) days of the expiration or termination of this
28 agreement.

1 **11. ~~11.~~ PROGRAM STAFF**

2 MDAQMD will provide professional officers and employees of the MDAQMD to perform
3 the Services for AVAQMD pursuant to the terms of this agreement. It is intended that MDAQMD
4 will use both (a) existing MDAQMD staff; and (b) staff which has been hired by MDAQMD solely to
5 perform the Services (“Dedicated Staff”). All officers and employees of the MDAQMD, including the
6 Dedicated Staff, shall remain the officers and employees of the MDAQMD. Notwithstanding the
7 provisions of paragraph 4 above, the MDAQMD shall remain solely responsible for the payment
8 of all salaries and benefits, including but not limited to salary, health and dental benefits, union
9 benefits if any, employment related taxes and pension contributions (collectively, “Personnel
10 Costs”), for its officers and employees when such officers and employees are performing the
11 Services.

12 ~~_____~~ The duties which the officers and employees of the MDAQMD may be required to perform for
13 the AVAQMD pursuant to this agreement shall conform to the job descriptions of such officers and
14 employees in their duties with the MDAQMD. For the purposes of this agreement “job description”
15 shall be the current and most recent job description or as subsequently amended by the MDAQMD
16 for the MDAQMD’s officers and employees.

17 Upon expiration or termination of this agreement with the MDAQMD, it is intended that
18 the Dedicated Staff and its office location will be transitioned to AVAQMD ~~and that AVAQMD.~~ In
19 the event the AVAQMD ~~may offers~~ employment to such Dedicated Staff in the same or a similar
20 capacity and subject to the personnel policies and procedures of the AVAQMD and other
21 requirements as determined by the AVAQMD Governing Board, if any, ~~AVAQMD will assume all~~
22 Personnel Costs of the Dedicated Staff transferred to the AVAQMD employment on the transition
23 date. MDAQMD and AVAQMD will cooperate to transition any existing pension benefits to the
24 extent permitted by applicable law. Following the expiration or termination, if services will be
25 performed by a third party contractor, then AVAQMD may request 1) that the third party contractor
26 offer position(s) to the Dedicated Employees; and 2) that the third party contractor give priority offers
27 of employment of same or similar positions to the Dedicated Employees. ~~and the Dedicated Employees~~
28

1 ~~will have a right of first refusal to any offers of employment extended by that third party contractor for the~~
2 ~~same or similar positions.~~ Notwithstanding the use of a third party contractor, AVAQMD will
3 remain financially responsible for the assumption of all Personnel Costs for transferred staff as of the
4 transition date.

5 In the event that AVAQMD or any third party contractor employed by AVAQMD fails to
6 transition the Dedicated Staff, then MDAQMD will continue to treat the Dedicated Staff in
7 accordance with MDAQMD's normal existing policies and procedures and Dedicated Staff will have
8 the same rights and seniority in the same manner and to the same extent as MDAQMD staff who have
9 not been dedicated to provide services to AVAQMD. Notwithstanding the foregoing, MDAQMD
10 reserves the right to terminate Dedicated Staff if no position(s) are available and AVAQMD will
11 be responsible for all reasonable costs and expenses incurred by MDAQMD in connection with such
12 termination.

13
14 **12. ~~12.~~ LEGISLATED POSITIONS**

15 The Governing Board of the AVAQMD shall appoint an Air Pollution Control Officer
16 (APCO) ~~and District Counsel~~ pursuant to H&S §41350(b); [and legal counsel pursuant to H&S §41357.](#)

17 **13. OPERATIONAL OVERSIGHT**

18 MDAQMD will provide the services of its Deputy Director to act in the capacity of the
19 Executive Director of AVAQMD. It is acknowledged and understood that the position of
20 Executive Director is unique and that the person serving in this position must have the full confidence
21 of the Governing Board of the AVAQMD. Accordingly, the Governing Board of the AVAQMD
22 with a 75% majority will have the right, at any time, to request the removal of the Deputy Director or
23 any replacement thereof from the position of Executive Director. The replacement for the position of
24 Executive Director will be subject to the review and approval of AVAQMD and AVAQMD will
25 be responsible for all costs incurred by MDAQMD to locate and hire any replacement. The initial
26 Executive Director of AVAQMD will be Bret Banks. Any removal of Bret Banks from this position
27 will not alter the terms of his employment as a Deputy Director of MDAQMD.
28

1 The Governing Board of the AVAQMD reserves the right to contract separately for
2 operational oversight of the AVAQMD office. The MDAQMD will provide reasonable access to
3 its records and personnel for such oversight. Such third party hired for oversight may direct day to
4 day operations under the contract as well as oversee actions of staff to provide services under the
5 contract as well as oversee actions of staff to provide services under the contract, however they shall
6 not have the right to change the scope or nature of Services under the agreement nor exercise any
7 personnel related authority under the existing MDAQMD policies and procedures including but not
8 limited to performance reviews and discipline, of MDAQMD personnel. Nothing in this provision
9 shall prevent either the AVAQMD Governing Board or any person contracted to provide operational
10 oversight from providing input, advice and consultation regarding such issues.

11 **14. 14.—FEES, FINES, SUBVENTIONS, GRANTS AND OTHER REVENUE**

12 ———All fees, fines, subventions, grants and other revenue owed to the AVAQMD pursuant
13 to Federal, State or AVAQMD law, rule, regulation, permit or order of a State or Federal Court
14 of competent jurisdiction shall be received by the AVAQMD. In the event that any such fee, fine,
15 subventions, grants and other revenue owed to the AVAQMD is received by the MDAQMD shall
16 be transferred to the AVAQMD immediately upon receipt and shall not affect payments made under
17 this agreement

18 **15. 15.—CONTRACT PERFORMANCE**

19 ———AAn Annual report of contract performance will be delivered to the Governing Boards
20 of the AVAQMD and MDAQMD in or about June of each year (or upon request of either of the
21 respective Governing Boards) regarding the contracted services including, but not limited to, each of
22 the activities and services performed as specified in Exhibit 1.

23 ———The MDAQMD agrees to make and maintain all records that are required by Federal,
24 or State law or AVAQMD rule, regulation, permit or order or by an order of a State or Federal
25 Court of competent jurisdiction and to transfer such records to the AVAQMD upon expiration or
26 termination of this agreement.
27
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1 A Governing Board member of the respective Governing Boards of the AVAQMD and
2 MDAQMD may attend any Governing Board meetings of the other agency and any public meetings of
3 the other agency which directly relate to the materials and services provided pursuant to this agreement.

4 **16. ~~16.~~—COPYRIGHT MATERIALS**

5 The AVAQMD reserves the right to any copyrightable materials developed pursuant to
6 this agreement. Upon acceptance of the copyrightable materials the AVAQMD shall have the right,
7 title, and interest including trade secret and copyright interest in the copyrightable materials. ~~The~~
8 During the term of this Agreement, the MDAQMD shall ~~retain~~have a non-exclusive right to use, copy
9 and otherwise benefit from such materials.

10 **17. ~~17.~~—FISCAL AUDIT**

11 ———The AVAQMD shall designate an auditor and a fiscal audit shall be conducted
12 annually by a qualified accountancy firm. The results of the audit shall be presented to the
13 Governing Board on completion.

14 In the event the contract expires or terminates, an audit shall be provided to the Governing
15 Board of the AVAQMD within ninety (90) days of the expiration or termination of the agreement.

16 ———The MDAQMD agrees that the AVAQMD or its duly authorized representative shall
17 have access and the right to examine, audit, excerpt, transcribe and copy the MDAQMD’s financial
18 records, documents, papers, and records which are related or pertinent to this agreement. Such
19 materials shall be retained for a period of at least two (2) years or such other longer period as
20 required by State or Federal law, rule or regulation or by MDAQMD policy or procedure.

21 The AVAQMD agrees that the MDAQMD or its duly authorized representative shall have
22 access and the right to examine, audit, excerpt, transcribe and copy the AVAQMD’s financial records,
23 documents, papers, and records which are related or pertinent to this agreement. Such materials shall
24 be retained for a period of at least two (2) years or such other longer period as required by State or
25 Federal law, rule or regulation or by AVAQMD policy or procedure.

26 **18. ~~18.~~—PRIVILEGES AND IMMUNITIES**

1 —Pursuant to the provisions of Government Code 6513 and any other applicable law,
2 all of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all
3 pension, relief, disability, workmen’s compensation and other benefits which apply to the activity of
4 officers, agents or employees of the MDAQMD shall apply to the same degree and extent while
5 such officers, agents or employees of MDAQMD are engaged in the performance of any of their
6 functions and duties within the jurisdiction of the AVAQMD or MDAQMD.

7 **19. ~~19.~~—SUCCESSORS**

8 —Neither party will assign or transfer any rights or obligations under this agreement
9 without the written consent of the other.

10 —Each party and their successors, legal representatives, and to the extent permitted
11 herein, their assigns, are hereby bound to the other party and to the successors, legal representatives,
12 and the assigns of the other party in respect to all covenants, agreements and obligations of this
13 agreement
14

15 **20. ~~20.~~—AMENDMENT**

16 —This agreement and its Exhibits, as amended from time to time in accordance with the
17 terms of this agreement, constitute the entire agreement between the parties and will supersede all
18 prior written or oral understandings. _This agreement and its Exhibits, as amended, may only be
19 amended, supplemented, and modified by an executed written instrument as approved by the
20 Governing Boards of the AVAQMD and MDAQMD. Notwithstanding the foregoing, the Governing
21 Boards may specify a threshold for modifications to the Services and the Annual Budget which are
22 within the discretion of the General Managers of each entity.

23 —For purposes of this agreement, the annual adoption of the Annual Budget for each
24 successive fiscal year until the expiration or termination of this agreement as provided for in
25 Paragraph 3 shall be deemed an amendment to Exhibit B of this agreement upon mutual approval of
26 the Annual Budget and its adoption by the Governing Board of the AVAQMD.

27 **21. ~~21.~~—TERMINATION**

1 _____The Governing Boards of the AVAQMD or MDAQMD may terminate this agreement
2 at any time by giving written notice to the other party 180 days in advance of the proposed
3 termination, but not less than ninety (90) days before the effective date of the proposed termination.

4 _____In the event this agreement is terminated, all finished and unfinished documents and
5 other materials produced by the MDAQMD pursuant to the terms of this agreement shall be
6 provided to the AVAQMD. If the agreement is terminated by either party, the MDAQMD shall be
7 paid all amounts due and unpaid, whether or not such amounts had been billed to the AVAQMD,
8 as of the date of the termination subject to the resolution of any disputed amounts pursuant to the
9 conflict resolution procedure set forth in Section 8 above.

10 _____In the event this agreement is terminated, MDAQMD Dedicated Staff will be
11 transitioned in accordance with the terms of Section 11.

12 ~~22.~~ **22. EFFECTIVE DATE**

13 _____This contract shall be effective January 1, 2016 for the term specified in Section 2 above.

14 ~~23.~~ _____

15 ~~23.~~ **23. VENUE**

16 _____The venue for any claims or actions brought related to or regarding this agreement shall
17 lie in the County of Riverside, California.

18 This agreement is executed in the city of Victorville, San Bernardino County, and in the city
19 of Lancaster, Los Angeles County, California.

20 ~~21~~ ~~22~~ ~~23~~ ~~24~~ ~~25~~ ~~26~~ ~~27~~ ~~28~~

21 ANTELOPE VALLEY _____ MOJAVE DESERT
22 AIR QUALITY MANAGEMENT DISTRICT _____ AIR QUALITY MANAGEMENT DISTRICT

23 _____
24 Marvin Crist, Chair _____ Robert Lovingood, Chair

25 _____
26 Dated: _____ Dated: _____

27 _____
28 Approved as to Legal Form

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ALLISON BURNS, Special Counsel to the
to the Governing Board

PIERO C. DALLARDA, Special Counsel
to the Governing Board

Dated:

ANTELOPE VALLEY
AIR QUALITY MANAGEMENT DISTRICT

MOJAVE DESERT
AIR QUALITY MANAGEMENT DISTRICT

Marvin Crist, Chair

Robert Lovingood, Chair

Dated:

Dated:

Approved as to Legal Form

ALLISON BURNS, Special Counsel to
the Governing Board

PIERO C. DALLARDA, Special Counsel to
the Governing Board

Dated:

Dated:

END OF CONTRACT

1 **EXHIBIT 1**

2 **SCOPE OF MATERIALS AND SERVICES**

3 The MDAQMD agrees to provide services to the AVAQMD as specified in the
4 Agreement, namely: ~~provide~~ administration and operations, adequate to meet the regulatory and
5 legislated responsibilities of an air quality management district within the AVAQMD jurisdiction
6 specified in Division 26 of the California Health & Safety Code (commencing with §39000). The
7 scope of services that the MDAQMD may provide as directed by the fiscal year budget ~~year~~ are
8 described below.

9 In the event the AVAQMD Governing Board redirects or appoints a third party to perform
10 any of the services or functions listed herein to another party, contractor, consultant, or vendor, the
11 MDAQMD will be relieved from any and all liabilities arising out of or connected with the
12 performance of such services by any or all third parties from the effective date of such
13 assignment. The AVAQMD shall indemnify and hold harmless the MDAQMD, its agents, and
14 employees, against all liabilities arising out of or connected with the transfer of such assignment.

15 ~~—————~~ **Air Monitoring Program:** all activities including, but not limited to, ~~related~~
16 ~~to~~ (i) measuring and monitoring air quality; ~~and (ii) providing maintaining~~ equipment and ~~providing~~
17 technical maintenance;

18 ~~—————~~ **Compliance Program:** all activities including, but not limited to, inspection
19 services, programs for variance support, asbestos, complaint response, emissions violations, source
20 test, EPA Report preparation, and delinquent billing.

21 ~~—————~~ **Planning and Rule Development:** ~~—~~ all activities including, but not limited to,
22 development of new or amendment of existing rules to facilitate regulatory compliance.

23 ~~—————~~ **Grants Management:** all activities including, but not limited to, making application
24 for available funds, soliciting projects that meet the objectives of each grant program, developing
25 and administering contracts to ensure the grant program objectives are met; disbursing funds and
26 performing reviews on contract performance.
27
28

1 ~~_____~~ **Community Relations and Education:** ~~–~~all activities including, but not
2 limited to, public outreach and education.

3 ~~_____~~ **Administrative Services:** all activities including, but not limited to, operations
4 for a staffed office located in the AVAQMD jurisdiction with regular business operating hours,
5 revenue collection and expenditure tracking, budget preparation and administration, development,
6 implementation and maintenance of an automated system for tracking permits and permit activities,
7 procurement and maintenance of facilities, operations, and fixed assets as set forth in the annual
8 budget, and miscellaneous expenses as identified in the annual budget. Financial and accounting
9 services including, but not limited to, appropriate accounting procedures to maintain bank accounts,
10 receive and expend funds and report accordingly, computer information systems.

11 ~~_____~~ **Executive Services:** all activities including, but not limited to services of
12 the Air Pollution Control Officer, Legal Counsel (including, but not limited to, compliance with the
13 Brown Act and Public Records Act), direction and oversight of all operations of the AVAQMD,
14 support for boards, commissions, and committees, including the Governing Board and the Hearing
15 Board. ~~including, but not limited to, Compliance with the Brown Act and Public Records Act.~~

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

AGENDA ITEM 8

DATE: April 19, 2016

RECOMMENDATION: 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.

SUMMARY: This item awards an amount not to exceed \$111,875 of Carl Moyer Program funding to Lane Ranch & Co. for the retirement of two (2) uncontrolled diesel tractors toward the purchase of one (1) new lower-emission diesel engine certified to the current emission standards.

BACKGROUND: AVAQMD has received an application from Lane Ranch & Co. requesting grant funding under the Carl Moyer Program towards retirement and replacement of two (2) older diesel tractors. Lane Ranch & Co. proposes voluntary participation in the Carl Moyer Program to reduce emissions by early retirement of higher polluting diesel-powered equipment replacing them with a new, cleaner engine certified to the current emission standards. The proposed 2-for-1 project will permanently retire two older tractors to receive 80 percent in Carl Moyer Grant funding to off-set the purchase of one (1) new clean diesel tractor calculated to produce 97percent reduction of NOx and 98 percent reduction of PM. The new equipment proposed in this 2-for-1 project will replace the operation of two older tractors with one new tractor creating significant emission reductions. Staff has evaluated the application and found the proposed replacement project to satisfy the Carl Moyer eligibility requirements for off-road equipment projects and is eligible to receive the maximum grant funding of 80 percent toward the replacement costs. The removal and destruction of the older diesel tractors will provide early emission reductions that help the Valley towards attainment of the national ambient air quality standards.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

AGENDA ITEM 8

PAGE 2

REASON FOR RECOMMENDATION: Governing Board approval is needed to fund Carl Moyer projects. Additionally, Governing Board authorization is needed for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or about April 4, 2016.

FINANCIAL DATA: Disbursements are contingent upon available funding.

PRESENTER: Julie McKeehan, Air Quality Specialist

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

AGENDA ITEM 9

DATE: April 19, 2016

RECOMMENDATION: 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.

SUMMARY: This item awards an amount not to exceed \$82,871 of Carl Moyer Program funding to Bill's Landscaping, Inc. for the retirement of one (1) Uncontrolled diesel backhoe toward the purchase of one (1) new lower-emission diesel backhoe certified to the Tier 4 standard.

BACKGROUND: AVAQMD has received an application from Bill's Landscaping, Inc. requesting grant funding under the Carl Moyer Program towards retirement and replacement of older diesel tractors and equipment. Bill's Landscaping, Inc. proposes voluntary participation in the Carl Moyer Program to reduce emissions by early retirement of higher polluting diesel-powered equipment and replacing it with new, cleaner technology that meets the current emission standards. The proposed project will permanently retire one (1) uncontrolled backhoe to receive 80 percent in Carl Moyer Grant funding to off-set the purchase of one (1) 2016 John Deere backhoe calculated to produce 96 percent reduction of NOx and 98 percent reduction of PM. Staff has evaluated the application and found the proposed replacement project to satisfy the Carl Moyer eligibility requirements for off-road equipment projects and is eligible to receive the maximum grant funding of 80 percent toward the replacement costs. The removal and destruction of the older diesel tractors will provide early emission reductions that help the Valley towards attainment of the national ambient air quality standards.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

AGENDA ITEM 2

PAGE 2

REASON FOR RECOMMENDATION: Governing Board approval is needed to fund Carl Moyer projects. Additionally, Governing Board authorization is needed for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or about April 4, 2016.

FINANCIAL DATA: Disbursements are contingent upon available funding.

PRESENTER: Julie McKeehan, Air Quality Specialist

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

AGENDA ITEM 10

DATE: April 19, 2016

RECOMMENDATION: 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.

SUMMARY: This item approved the continued implementation of the District's VAVR program pursuant to the requirements of the 2011 Carl Moyer Program Guidelines. This item also authorizes \$60,000 of AB 923 funds to be used toward eligible vehicle retirement projects, and \$20,000 of Carl Moyer Program administrative funding to be used toward VAVR program administration.

BACKGROUND: In 2004, the AVAQMD Governing Board approved funding towards the implementation of a vehicle retirement program. The program was implemented with AB 2766 funds. In 2008, CARB expanded the Carl Moyer Program to include light duty vehicle retirement programs. Pursuant to this expansion, the AVAQMD modified its existing vehicle retirement program utilizing Carl Moyer Program and AB 2766 fund. In September 2013 the Board approved the use of AB 923 funds to be used toward VAVR projects pursuant to the Carl Moyer guidelines.

REASON FOR RECOMMENDATION: Governing Board approval is needed to fund Carl Moyer eligible projects including any related funding that will used to meet the match requirement. Additionally, Governing Board authorization is needed for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

AGENDA ITEM 10

PAGE 2

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or about April 4, 2016.

FINANCIAL DATA: Sufficient funding is available from the District's Mobile Source Emissions Reduction Program (AB 923) funds and Year 17 Carl Moyer funds allocated to administration.

PRESENTER: Julie McKeehan, Air Quality Specialist

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

AGENDA ITEM 11

DATE: April 19, 2016

RECOMMENDATION: 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.

SUMMARY: This item authorizes AB 2766 funding to the Los Angeles County Sheriff's Department, Lancaster Station in an amount not to exceed \$50,000 toward the purchase of a clean diesel Dodge Ram 2500 pickup truck capable of operating on B20 biofuel.

BACKGROUND: The Los Angeles County Sheriff's Department, Lancaster Station has submitted a request for grant funding toward the purchase of a clean diesel Dodge Ram 2500 pickup truck capable of operating on B20 biofuel. B20 biofuel is a fuel blend of 20 percent biodiesel and 80 percent conventional ultra-low sulfur diesel (ULSD). The Los Angeles County Sheriff's Department, Lancaster Station has identified the Dodge Ram 2500 pickup truck, as both a clean air and environmentally friendly alternative to a diesel vehicle operating on conventional diesel. The ability to use B20 fuel lessens dependence on foreign oil while achieving emission reductions. In addition, the B20 fuel option, is the most viable clean air option for this vehicle that will provide the performance needed to move and relocate their Sheriff's Department Mobile Command Post. Staff has reviewed the project and finds it to meet eligibility requirements for the use of AB 2766 funding. AB 2766 funds may be used to support programs that reduce air pollution from motor vehicles and related planning.

REASON FOR RECOMMENDATION: Governing Board approval is required to approve the grant and allocation from the District's Mobile Source Emissions Reduction (AB 2766) funds. Additionally, Governing Board authorization is required for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

REVIEW BY OTHERS: This item was reviewed as to legal form by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or about April 4, 2016.

FINANCIAL DATA: Sufficient funds are available from the District's Mobile Source Emissions Reduction (AB 2766) funds.

~~**PRESENTER:** Bret Banks, Executive Director/APCO~~

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

AGENDA ITEM 12

DATE: April 19, 2016

RECOMMENDATION: 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.

SUMMARY: This item assists Antelope Valley Produce in purchasing an emission controlled TRU that meets the current emission standards as mandated by regulation. Grant assistance will cover 80% of the cost of the replacement TRU that is certified to the current emission stand of the Final Tier 4.

BACKGROUND: AVAQMD has received an application from Antelope Valley Produce for grant assistance toward replacing a non-compliant Transfer Refrigeration Unit (TRU). The District has identified AB 2766 funds as the most flexible source of funding. AB 2766 projects do not require surplus emission reductions and the funds can be used toward purchasing lower emission technologies. The District has evaluated the replacement project and estimates a 44% NO_x reduction and 98% PM reduction. The District proposes to grant a maximum of 80% of the replacement cost. The total cost of the project is estimated at \$20,253 less \$4,051 to be paid by Antelope Valley Produce. The District's decision and support of this project considers Antelope Valley Produce involvement with public schools with school aged children where this project will reduce their exposure to particulate emissions which is both cancer-causing and smog-forming pollution. The removal and destruction of the older TRU will be beneficial to the Valley's attainment of the national ambient air quality standards.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

AGENDA ITEM 12

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REASON FOR RECOMMENDATION: Governing Board approval is needed to approve the grant from the District's Mobile Source Emissions Reduction Program (AB 2766) funds. Additionally, Governing Board authorization is needed for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or about April 4, 2016.

FINANCIAL DATA: Sufficient funding is available from the District's Mobile Source Emissions Reductions (AB 2766).

PRESENTER: Bret Banks, Executive Director/APCO.

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

AGENDA ITEM 13

DATE: April 19, 2016

RECOMMENDATION: 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.

SUMMARY: This item continues the implementation of the District's Lawn Mower Exchange Program and allocates a maximum of \$10,000 of general funds and a maximum of \$20,000 from AB 923 for the 2016 Program.

BACKGROUND: The District's Lawn Mower Exchange Program was implemented in 2009 using the District's general funds. The initial Program offered local residents an opportunity to retire their gasoline-powered lawn mowers for a \$200 District incentive plus a generous vendor discount to off-set the purchase of a new zero emissions rechargeable electric lawn mower saving up to 80% off retail price. . Over the past 3 years the District has seen a decline in participation which could be attributed to the lower incentive and/or water conversation incentives to replace lawns with drought resistant landscaping. For the 2016 Lawn Mower Exchange Program, the District wishes to expand the Program and increase local resident participation by raising the incentive back to \$200 and including other lawn and garden equipment such as electric leaf blowers and string trimmers.

According to Senate Bill 513, authorized motor vehicle fees collected under Assembly Bill 923 can be used to fund any internal combustion engine, electric motor or off-road non-recreational equipment (i.e. lawn and garden equipment) and vehicles. In addition, the changes allow for leveraging eligible funding sources without penalty to the project grant amount.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

AGENDA ITEM 13

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REASON FOR RECOMMENDATION: Governing Board approval is needed to allocate District funds.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before April 4, 2016

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

PRESENTER: Julie McKeehan, Air Quality Specialist