

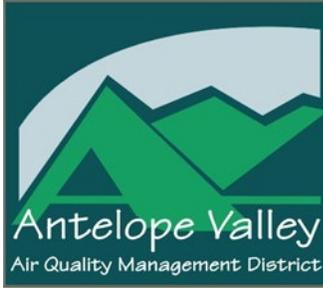
**Proposed  
BUDGET**

**FISCAL YEAR 2024-25**

**JULY 1, 2024**

Antelope Valley Air Quality Management District  
2551 West Avenue H, Lancaster, CA 93536  
Barabara Lods, Executive Director/ APCO





## **Antelope Valley Air Quality Management District**

2551 West Avenue H Lancaster, CA 93536

661-723-8070

[www.avaqmd.ca.gov](http://www.avaqmd.ca.gov)

Barbara Lods, Executive Director

May 21, 2024

It is my pleasure to present for your consideration, the Antelope Valley Air Quality Management District's proposed Fiscal Year (FY) 2024-2025 General Fund Budget and Grant Programs. This budget is designed to serve as the financial plan for the District's programs, projects, and policies. It reflects the District's commitment to long-term financial planning, cost-effective services, and fiscal policies that recognize the need to fund future obligations.

The proposed budget for Fiscal Year 2025 reflects a cautious financial strategy designed to ensure the District's ongoing success. This approach involves careful consideration of revenue projections, expenditure allocations, and financial reserves to safeguard the District's financial stability and operational efficiency. By prioritizing careful planning and responsible resource management, the budget aims to mitigate risks, capitalize on opportunities, and maintain the District's commitment to fulfilling its mission effectively and sustainably.

The Antelope Valley AQMD is staffed with 6 full time equivalents including one vacant FTE. Additional administrative and technical services are provided through our contract for services with the City of Lancaster.

A Public Hearing will be held May 21, 2024 to receive public comments concerning this proposed budget and will be continued to June 16, 2024 for adoption. The FY25 Budget represents a financial strategy designed to meet this year's obligations and challenges, efficiently and transparently, while maintaining sensitivity towards industry and the general public.

*Barbara Lods*

Barbara Lods  
Executive Director/Air Pollution Control Officer

# ABOUT THE AVAQMD

## **INTRODUCTION**

The Antelope Valley Air Quality Management District (AVAQMD) relies on community involvement to educate industry, businesses and individuals about current air quality regulations to ensure compliance with local, state and federal regulations through annual inspections. The District approaches air quality regulations in a manner that is responsive, accessible and relatable. Growth and new programs require the District to continue to streamline government, become more efficient, and conserve resources without limiting or decreasing the service provided to the regulated community.

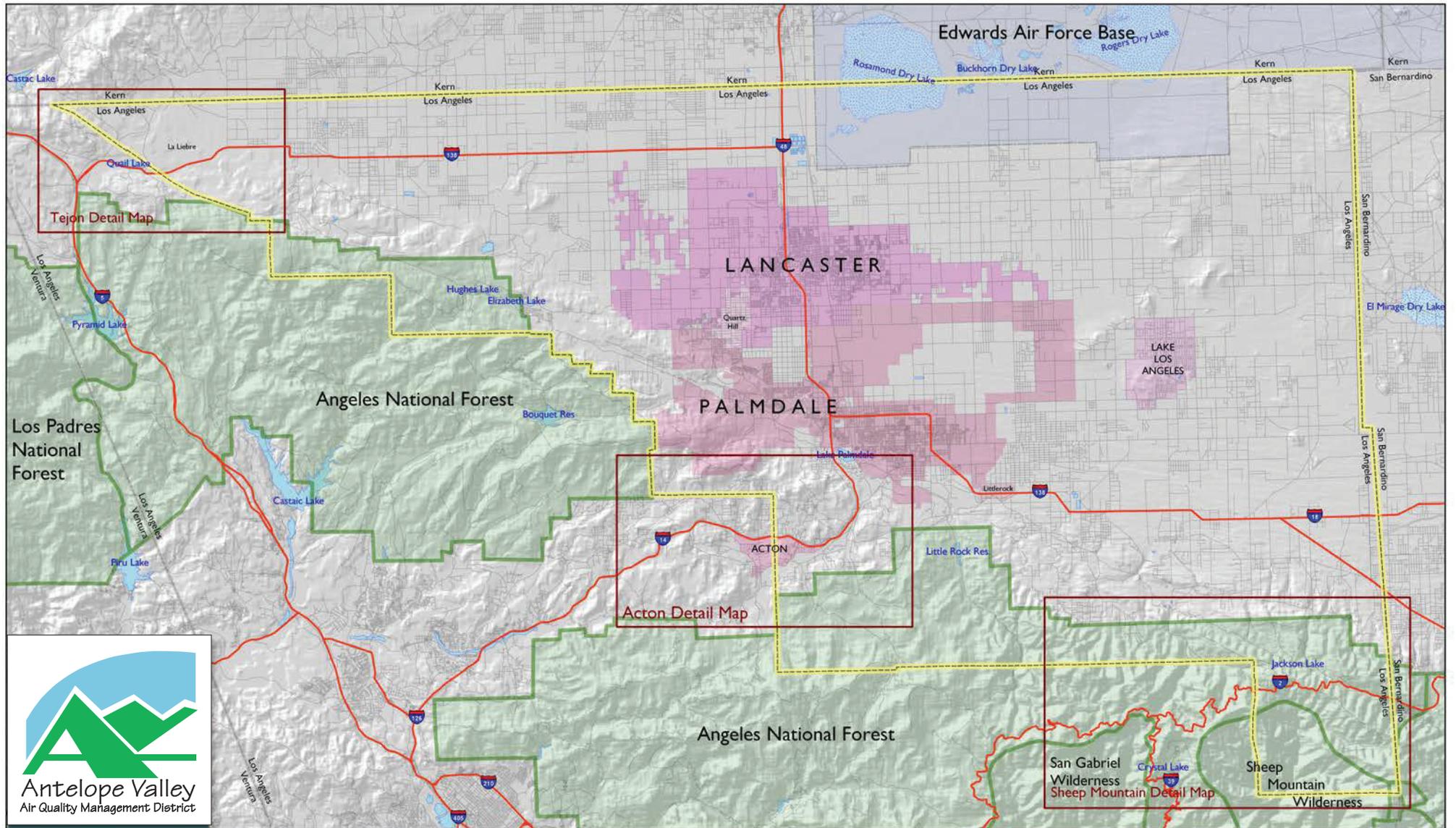
## **AVAQMD WEBSITE**

Educating the community is the most important investment the District can make to impact the future of air quality in the region. Using technology and social media, the District is able to reach the public with the latest version of the District rulebook, application for permits, various forms, and air quality information; forecasts, ozone maps and real time air quality data is provided in real time via the AVAQMD air monitoring station.

## **COMMUNITY OUTREACH**

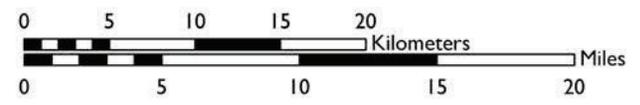
The District strives to be known as a partner in the development of a sustainable local economy that values health and environmental conservation. This is achieved by providing information through involvement in community events such as the Antelope Valley Economic Development and Growth Enterprise's Business Outlook Conference, school education programs, attendance at regular meetings held by City Councils, local business and organizations.

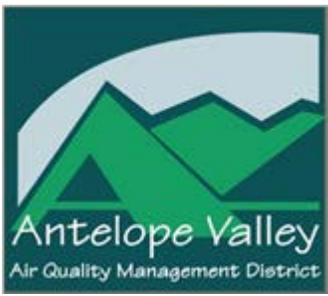
The District lies within the northern part of Los Angeles County, with boundaries starting to the south just outside of Acton, north to the Kern County line, east to the San Bernardino County line, and west to the Quail Lake area. The AVAQMD is located within the Mojave Desert Air Basin.



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

## Antelope Valley Air Quality Management District Boundary





# GOVERNING BOARD

**Chair**

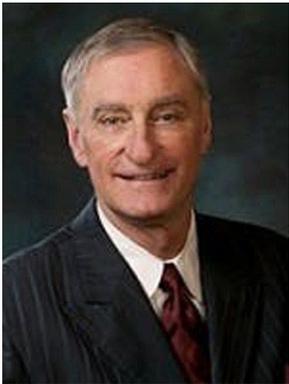


**Marvin Crist**  
*City of Lancaster*

**VICE CHAIR**



**Austin Bishop**  
*City of Palmdale*



**Newton Chelette**  
*Public Member*



**Howard Harris**  
*Los Angeles County,  
Fifth District*



**Ron Hawkins**  
*Los Angeles County,  
Fifth District*



**Richard Loa**  
*City of Palmdale*



**Ken Mann**  
*City of Lancaster*

# WHAT WE DO

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

**Antelope Valley AQMD**  
**ALL FUNDS, Consolidated**

	<u>Budget FY 2024</u>	<u>EOY Estimate FY 2024</u>	<u>Budget FY 2025</u>
<b><u>Revenues</u></b>			
Permit Fees	1,353,600	1,446,816	1,523,300
Application Fees	32,325	71,493	35,000
Federal Revenue	63,982	10,799	0
Fines & Penalties	10,000	58,753	10,000
Interest Income	10,000	65,470	45,000
Revenue from Programs	874,064	584,540	1,212,908
State Revenue	1,604,523	313,451	2,119,929
<b>Total Revenues</b>	<b>3,948,494</b>	<b>2,551,322</b>	<b>4,946,137</b>
<b><u>Expenses</u></b>			
<b>Personnel Expenses</b>			
Program Staff	1,828,647	842,378	1,255,000
<b>Total Personnel Expenses</b>	<b>1,828,647</b>	<b>842,378</b>	<b>1,255,000</b>
<b>Operating Expenses</b>			
Communications	22,000	21,310	27,150
Dues & Subscriptions	36,100	29,894	36,500
Non-Depreciable Inventory	18,500	2,359	5,500
Legal	53,000	50,454	55,000
Professional Services	253,400	52,932	145,200
Maintenance & Repairs	2,000	28	0
Training & Travel	12,000	248	2,000
Vehicles	21,000	12,828	18,000
Office Expenses	109,800	38,019	66,000
Program Expenses	1,404,809	641,494	3,291,787
Miscellaneous Expenses	1,000	220	500
<b>Total Operating Expenses</b>	<b>1,933,609</b>	<b>849,786</b>	<b>3,647,637</b>
<b>Capital Expenses</b>			
Equipment	50,000	14,819	0
Vehicles	30,000	0	0
Software	25,000	20,360	0
<b>Total Capital Expenses</b>	<b>105,000</b>	<b>35,179</b>	<b>0</b>
<b>Total Expenses</b>	<b>3,867,256</b>	<b>1,727,343</b>	<b>4,902,637</b>
<b>Cash To (From) Reserves</b>	<b>81,238</b>	<b>823,979</b>	<b>43,500</b>

# **COST RECOVERY FISCAL YEAR 2024-25**

## **BACKGROUND**

The District is responsible for protecting public health and the environment by maintaining health-based national and state ambient air quality standards which help with reducing public exposure to toxic air contaminants within our District. Fulfilling this task involves reducing emissions from sources of regulated air pollutants, and maintaining these emission reductions over time.

The District regulates and inventories criteria and toxic emissions and conducts regional scale air quality monitoring within our District boundaries. The District's air quality programs are primarily funded by revenue from regulatory fees, government grants and subvention.

## **OBJECTIVES**

The cost of addressing air pollution should fall directly on the individuals and businesses who cause air pollution, which can be achieved through regulatory and service fees. The primary authority for recovering the cost of District programs and activities related to stationary sources is given in Section 41240 of the Health and Safety Code (HSC). Using this guideline, the District must:

- Recover the costs of programs related to permitted stationary sources
- Recover the costs of programs related to area-wide and indirect sources of emissions which are regulated, but for which permits are not issued
- Recover the costs of certain Hearing Board proceedings
- Recover the costs related to programs that regulate toxic air contaminants

## **STUDY METHODOLOGY**

The measure of the revenue that may be recovered through source fees is the full cost of all programs related to these sources, including all direct program costs, a commensurate share of indirect program costs, and overhead unless otherwise funded. It is the District's practice that such fees are valid so long as they do not exceed the reasonable cost of the service or regulatory program for which the fee is charged, and are apportioned such that the costs allocated to each source bears a fair or reasonable relationship to its burden on, and benefits from, the regulatory system.

Cost accounting involves determining, gathering, and assigning the costs of District programs. It starts with an accounting system that directly assigns costs to their respective centers. By categorizing each cost to its center, we can determine if program revenues are enough to cover their costs.

Costs are classified as direct, indirect or overhead.

Direct costs are linked directly to a specific program or activity, like permitting activities. Indirect costs, on the other hand, are not directly tied to a specific program, such as administrative tasks or professional services. Overhead costs are essential for the overall operation of the District but aren't directly linked to any particular program or activity, like operating expenses.

Each year, the District sets its direct, indirect, and overhead rates using the audited financial data from the previous fiscal year. These rates help determine, in accordance with generally accepted accounting principles, how costs are proportionally allocated to each program.

The cost recovery process ensures that the revenue generated by each program covers its expenses sufficiently. Using cost accounting, we examine Permit Revenue and other programs to ensure accuracy, appropriateness, and proper controls. Additionally, we assess the necessity for and calculate the rate of fee increases for our Permitting Program to achieve 100% cost recovery.

**Antelope Valley AQMD**  
**GENERAL FUND, Consolidated**

	<b>Budget FY 2024</b>	<b>EOY Estimates FY 2024</b>	<b>Budget FY 2025</b>
<b><u>Revenues</u></b>			
Permit Fees	1,353,600	1,446,816	1,523,300
Application Fees	32,325	71,493	35,000
Federal Revenue	63,982	10,799	0
Fines & Penalties	10,000	58,753	10,000
Interest Income	10,000	65,470	45,000
Revenue from Programs	874,064	584,540	1,212,908
State Revenue	1,604,523	313,451	2,119,929
<b>Total Revenues</b>	<b>3,948,494</b>	<b>2,551,322</b>	<b>4,946,137</b>
<b><u>Expenses</u></b>			
<b>Personnel Expenses</b>			
Program Staff	1,828,647	842,378	1,255,000
<b>Total Personnel Expenses</b>	<b>1,828,647</b>	<b>842,378</b>	<b>1,255,000</b>
<b>Operating Expenses</b>			
Communications	22,000	21,310	27,150
Dues & Subscriptions	36,100	29,894	36,500
Non-Depreciable Inventory	18,500	2,359	5,500
Legal	53,000	50,454	55,000
Professional Services	253,400	52,932	145,200
Maintenance & Repairs	2,000	28	0
Training & Travel	12,000	248	2,000
Vehicles	21,000	12,828	18,000
Office Expenses	109,800	38,019	66,000
Program Expenses	1,404,809	641,494	3,291,787
Miscellaneous Expenses	1,000	220	500
<b>Total Operating Expenses</b>	<b>1,933,609</b>	<b>849,786</b>	<b>3,647,637</b>
<b>Capital Expenses</b>			
Equipment	50,000	14,819	0
Vehicles	30,000	0	0
Software	25,000	20,360	0
<b>Total Capital Expenses</b>	<b>105,000</b>	<b>35,179</b>	<b>0</b>
<b>Total Expenses</b>	<b>3,867,256</b>	<b>1,727,343</b>	<b>4,902,637</b>
<b>Cash To (From) Reserves</b>	<b>81,238</b>	<b>823,979</b>	<b>43,500</b>

# GENERAL FUND

## REVENUE

With the economy improving post-COVID, our cost recovery process ensures that each program's revenue adequately covers its expenses. We closely examine Permit Revenue and other programs to ensure accuracy, appropriateness, and effective controls. Additionally, we assess the necessity for and calculate the rate of fee increases for our Permitting Program to achieve 100% cost recovery.

This budget comprises a financial overview of all revenues, expenditures, and staffing allocated to each of Antelope Valley AQMD's programs. These resources are utilized to deliver vital services aimed at improving air quality and safeguarding the health of all residents in the Antelope Valley

Recommendations include an increase to Regulation III, Fees, by proposing an 5.0% fee increase effective January 1, 2025.

## EXPENSES

The Antelope Valley Air Quality Management District is in a five-year contract for services with the City of Lancaster. Administrative and operational services were contracted in order to meet the regulatory responsibilities of an air quality management district for compensation consistent with all applicable laws and regulations.

**Antelope Valley AQMD**  
**GENERAL FUND, Revenue Detail**

	<u>Budget FY 2024</u>	<u>EOY Estimate FY 2024</u>	<u>Budget FY 2025</u>
<b>Revenues</b>			
<b>Permit Fees</b>			
Permit Fees Rev	1,208,600	1,327,290	1,274,300
Asbestos Demo/Reno Rev	90,000	77,907	75,000
Title V Rev	5,000	6,677	4,000
Permit Fee Adjustments	0	(31,494)	0
Rule 302	50,000	66,436	170,000
	<u>1,353,600</u>	<u>1,446,816</u>	<u>1,523,300</u>
<b>Application Fees</b>			
New Source Review Fees	0	8,667	0
Permit Application Fees	32,000	62,393	35,000
AG Application Fees	325	433	0
	<u>32,325</u>	<u>71,493</u>	<u>35,000</u>
<b>Fines &amp; Penalties</b>			
Notice of Violations Fee	10,000	58,753	10,000
	<u>10,000</u>	<u>58,753</u>	<u>10,000</u>
<b>Interest Income</b>			
Interest Revenue	10,000	65,470	45,000
	<u>10,000</u>	<u>65,470</u>	<u>45,000</u>
<b>Other Revenue</b>			
<b>Revenue from Programs</b>			
Administrative Funding	187,064	42,450	611,858
AB2766 Program	650,000	540,970	600,000
AB923 Program	36,000	0	0
Hot Spots	1,000	1,120	1,050
	<u>874,064</u>	<u>584,540</u>	<u>1,212,908</u>
<b>State and Federal Revenue</b>			
PERP Regulation	35,000	52,676	40,000
State Contracts	1,467,523	91,574	1,959,929
State Subvention	102,000	169,201	120,000
ARB PM 2.5 Section 103	63,982	10,799	0
	<u>1,668,505</u>	<u>324,250</u>	<u>2,119,929</u>
<b>Total General Fund Revenues</b>	<u><b>3,948,494</b></u>	<u><b>2,551,322</b></u>	<u><b>4,946,137</b></u>

# **AVAQMD PROGRAMS**

## **COMUNICATIONS**

The Antelope Valley Air Quality Management District conducts public information and education initiatives aimed at educating businesses and residents in the Antelope Valley region about air pollution. These programs cover its sources, human health effects, environmental damage, and the various District programs available to mitigate air emissions.

The programs target many audiences: academia, the general adult population, elementary to college level students, as well as business and industry. This information uses public workshops, conferences, presentations, social media and other multimedia promotions. In addition, air quality forecasts are provided as a means of keeping the public informed.

## **AIR QUALITY MONITORING PROGRAM**

The District operates an ambient air monitoring and meteorological network that tracks air quality trends within the Antelope Valley region. The station is an active part of the State and Local Air Monitoring System (SLAMS) network.

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

## **STATIONARY SOURCES**

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

District staff provides technical reviews of various documents, such as permit applications, manufacturer's data, test reports, risk assessments, and emission inventory.

The District implements and manages:

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

## COMPLIANCE

- ❖ The District's responsibility is to protect the health and welfare of the public by assisting the regulated community in complying with Federal, State and Local regulatory requirements. This responsibility is carried out through various programs and activities:
- ❖ Comprehensive annual inspections performed to verify compliance to air quality regulations and permit requirements. Investigation of citizen complaints pertaining to air related matters
- ❖ Legal case development when necessary to address non-complying situations
- ❖ Federal Asbestos Demolition and Renovation Program
- ❖ State-mandated Variance Program
- ❖ Continuous Emissions Monitoring Programs
- ❖ Reporting to the Environmental Protection Agency's AIRS and Significant Violator programs
- ❖ Source testing or stack sampling is the process that evaluates the emissions for industrial facilities to determine compliance with permit conditions.

## **PLANNING & RULE MAKING**

The District promulgates rules and plans in accordance with State and Federal planning requirements in order to achieve and maintain regional compliance with the ambient air quality standards. Planning staff serve as the District liaison with regional, State and Federal governments, ensuring District compliance with applicable requirements. Planning staff also performs California Environmental Quality Act (CEQA) review in the District's role as the expert agency for air quality. Staff in Planning and Rulemaking implement and maintain the following programs:

- ❖ California Ambient Air Quality Standards Attainment Planning, in the California Clean Air Act and subsequent state legislation. This program currently focuses on the California ozone standard
- ❖ National Ambient Air Quality Standards (NAAQS) in the Federal Clean Air Act, the Clean Air Act Amendments and subsequent Federal legislation. This program currently focuses on the National eight-hour ozone standard and the National 24-hour annual PM10 and PM 2.5 standards.
- ❖ Federal General and Transportation Conformity, entailing regional project review and comment
- ❖ California Environmental Quality Act (CEQA), requiring local and regional project review.

**Antelope Valley AQMD**  
**DISTRICT WIDE, Expense Detail**

	<u>Budget FY 2024</u>	<u>EOY Estimate FY 2024</u>	<u>Budget FY 2025</u>
<b>Expenses</b>			
<b>Personnel Expenses</b>			
<b>Operating Expenses</b>			
<b>Communications</b>			
Telephones	0	4,811	5,000
Long Distance Charges	500	420	500
Video/Teleconference	500	200	150
Internet	0	2,866	3,000
Web Hosting	3,000	3,320	3,500
Tech Support	11,000	13,440	15,000
Computers	7,000	(3,747)	0
	<u>22,000</u>	<u>21,310</u>	<u>27,150</u>
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	35,000	29,520	35,000
Publications & Subscriptions	500	374	500
Professional Dues	600	0	1,000
	<u>36,100</u>	<u>29,894</u>	<u>36,500</u>
<b>Non-Depreciable Inventory</b>			
Furniture & Fixtures Exp	7,500	0	5,000
Machinery & Equipment Exp	10,000	2,147	0
Safety Equipment Exp	1,000	212	500
	<u>18,500</u>	<u>2,359</u>	<u>5,500</u>
<b>Legal</b>			
Legal Notices	3,000	7,543	5,000
Legal Services	50,000	42,911	50,000
	<u>53,000</u>	<u>50,454</u>	<u>55,000</u>
<b>Professional Services</b>			
Financial Services	0	5,726	15,000
Consulting Fees	25,000	0	0
Stipends	8,400	7,200	8,400
Miscellaneous	0	(448)	0
	<u>33,400</u>	<u>12,478</u>	<u>23,400</u>
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	0	28	0
Equipment Repair	2,000	0	0
	<u>2,000</u>	<u>28</u>	<u>0</u>
<b>Training &amp; Travel</b>			
Training	5,000	(69)	1,000
Travel	7,000	317	1,000
	<u>12,000</u>	<u>248</u>	<u>2,000</u>

**Antelope Valley AQMD**  
**DISTRICT WIDE, Expense Detail**

	<u>Budget FY 2024</u>	<u>EOY Estimate FY 2024</u>	<u>Budget FY 2025</u>
<b>Vehicles</b>			
Vehicle Gas & Oil	10,000	5,965	5,000
Vehicle Maintenance	2,000	1,494	2,000
Vehicle Repairs	3,000	5,369	5,000
Vehicle Insurance	6,000	0	6,000
	<u>21,000</u>	<u>12,828</u>	<u>18,000</u>
<b>Office Expenses</b>			
Software	25,000	17,031	25,000
Utilities	8,500	142	0
Supplies	3,000	4,166	5,000
Facility Leases	35,000	0	0
Equipment Lease	5,000	5,336	6,000
Postage	2,000	(13)	2,000
Courier	300	636	1,000
Printing/Shredding Services	0	845	0
Liability Insurance	14,000	0	15,000
Meeting Expenses	2,000	816	2,000
Community Relations	15,000	9,060	10,000
	<u>109,800</u>	<u>38,019</u>	<u>66,000</u>
<b>Program Expenses</b>			
Program Expenditures	1,404,809	641,494	2,079,929
Program Expenditures Administrative	0	0	1,211,858
	<u>1,404,809</u>	<u>641,494</u>	<u>3,291,787</u>
<b>Miscellaneous Expenses</b>			
Bank Fees	1,000	220	500
	<u>1,000</u>	<u>220</u>	<u>500</u>
<b>Total Operating Expenses</b>	<b><u>1,713,609</u></b>	<b><u>809,332</u></b>	<b><u>3,525,837</u></b>
<b>Capital Expenses</b>			
Equipment	50,000	14,819	0
Vehicles	30,000	0	0
Software	25,000	20,360	0
<b>Total Capital Expenses</b>	<b><u>105,000</u></b>	<b><u>35,179</u></b>	<b><u>0</u></b>
<b>Total Expenses</b>	<b><u>1,818,609</u></b>	<b><u>844,511</u></b>	<b><u>3,525,837</u></b>

# **SUPPORT STAFF**

## **EXECUTIVE SERVICES**

The Executive Office oversees all District operations and programs and is accountable to the Governing Board. This includes programs mandated by the Federal Environmental Protection Agency and the California Air Resources Board. This office monitors state and federal legislation affecting the District and advises the Governing Board on actions required to protect the interests of the District.

The Governing Board, with seven members, meets monthly and members receive \$100.00 stipend per meeting plus travel expenses. The Hearing Board, with six members, meets as needed and members may receive \$100.00 stipend per meeting plus travel expenses.

## **LEGAL COUNSEL**

Special Counsel to the Governing Board serves as general legal counsel to the Governing Board, the Air Pollution Control Officer and the District, providing general public agency legal services regarding the Brown Act, the Political Reform Act, California Environmental Quality Act, as well as the Administrative Code, contracts, personnel matters, civil actions, and related litigation.

District Counsel also provides legal advice and opinions on mandates specific to air districts such as the Federal Clean Air Act, California air pollution control laws and air quality rules and regulations. District Counsel exercises authority to bring civil actions in the name of the people of the State of California for violations of various air quality laws and regulations. The District Counsel also represents the District in actions brought before the Hearing Board.

**Antelope Valley AQMD  
CONTRACT, Expense Detail**

	<b>Budget FY 2024</b>	<b>EOY Estimate FY 2024</b>	<b>Budget FY 2025</b>
<b>Expenses</b>			
<b>Personnel Expenses</b>			
Program Staff	1,828,647	842,378	1,255,000
<b>Total Personnel Expenses</b>	<b>1,828,647</b>	<b>842,378</b>	<b>1,255,000</b>
<b>Operating Expenses</b>			
<b>Communications</b>			
<b>Dues &amp; Subscriptions</b>			
<b>Non-Depreciable Inventory</b>			
<b>Legal</b>			
<b>Professional Services</b>			
Financial Services	220,000	40,454	121,800
	220,000	40,454	121,800
<b>Maintenance &amp; Repairs</b>			
<b>Training &amp; Travel</b>			

**Antelope Valley AQMD  
CONTRACT, Expense Detail**

	<u>Budget FY 2024</u>	<u>EOY Estimate FY 2024</u>	<u>Budget FY 2025</u>
<b>Vehicles</b>			
<b>Office Expenses</b>			
<b>Program Expenses</b>			
<b>Miscellaneous Expenses</b>			
<b>Total Operating Expenses</b>	<u>220,000</u>	<u>40,454</u>	<u>121,800</u>
<b>Capital Expenses</b>			
<b>Total Expenses</b>	<u><u>2,048,647</u></u>	<u><u>882,832</u></u>	<u><u>1,376,800</u></u>

# **THE CONTRACT – CITY OF LANCASTER**

## **CONTRACTED SERVICES**

The City of Lancaster provides Human Resources services, as well as Finance and Technology support

## **TERMS AND CONDITIONS**

The Antelope Valley Air Quality Management District contracts with the City of Lancaster for administrative services as necessary to enable AVAQMD to meet the regulatory and legislative responsibilities of an air quality management district for compensation consistent with all applicable laws and regulations.

This agreement is pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 of the California Government Code (commencing with §6500).

## **CONTRACT HOURS**

The Antelope Valley AQMD office located in Lancaster, CA is staffed by 6 full time equivalents (FTE) with one vacant FTE.

# AVAQMD GRANTS

## **AB2766**

The District's air quality programs are primarily funded by revenue from regulatory fees, government grants and subventions. The AB2766 program is funded through a \$4 (four dollar) assessment collected by the California Department of Motor Vehicles on motor vehicle registrations and disbursed to the District on a monthly basis. Calls for projects, eligibility determinations, and Governing Board award are all part of the process that make funds available for qualified emission reduction projects.

## **AB923**

The District regulates and inventories criteria and toxic emissions and conducts regional scale air quality monitoring within our jurisdictional boundaries. Funds collected under AB923 allows air districts that are non- attainment to adopt an additional \$2 (two dollar) surcharge on motor vehicle registration fees to be used for qualified emission reduction projects

The use of the fees is limited to projects eligible for grants under the Carl Moyer Program, the purchase of school buses under the Lower-Emission School Bus Program, light-duty scrap or repair programs, alternative fuel and electric infrastructure for and unregulated agricultural sources.

## **CARL MOYER**

The Carl Moyer grant program provides incentives for cost-effective and surplus emission reductions to be credited toward California's legally enforceable obligations in the State Implementation Plan (SIP) – California's road map for attaining health-based national ambient air quality standards.

Carl Moyer Grant Program Funds are distributed by the California Air Resources Board for projects awarded to qualifying applicants on a formula basis according to specific criteria and cost effectiveness.

## **AB134**

The AB134 grant program provides incentives to obtain early or extra emission reductions, especially from emission sources in minority and low- income communities and areas disproportionately impacted by air pollution. Incentives encourage customers to purchase cleaner technologies, and stimulate the marketplace to manufacture cleaner technologies.

AB134 grant program is distributed by the California Air Resources Board for projects that are awarded to qualifying applicants on a formula basis according to specific criteria and cost effectiveness

**Antelope Valley AQMD**  
**Program Funds Consolidated GRANT PROGRAMS**

	<u>Budget FY 2024</u>	<u>EOY Estimate FY 2024</u>	<u>Budget FY 2025</u>
<b><u>Revenues</u></b>			
Administrative Funding	169,019	0	0
AB2766 Program	620,000	540,808	600,000
Carl Moyer Program AB134	1,183,134	906,967	1,169,166
AB923 Program	<u>572,000</u>	<u>507,058</u>	<u>600,000</u>
<b>Total Consolidated Program Revenue</b>	<b>2,544,153</b>	<b>1,954,833</b>	<b>2,369,166</b>
<b><u>Expenses</u></b>			
Program Expenditures	2,375,134	1,568,296	2,369,166
Program Expenditures Administrative	<u>169,019</u>	<u>0</u>	<u>0</u>
<b>Total Consolidated Program Expense</b>	<b>2,544,153</b>	<b>1,568,296</b>	<b>2,369,166</b>

**Antelope Valley AQMD**  
**Program Funds AB2766 GRANT PROGRAMS**

	<u>Budget FY 2024</u>	<u>EOY Estimate FY 2024</u>	<u>Budget FY 2025</u>
<b><u>Revenues</u></b>			
AB2766 Program	<u>620,000</u>	<u>540,808</u>	<u>600,000</u>
<b>Total AB2766 Program Revenue</b>	<b>620,000</b>	<b>540,808</b>	<b>600,000</b>
<b><u>Expenses</u></b>			
Program Expenditures	<u>620,000</u>	<u>351,792</u>	<u>600,000</u>
<b>Total AB2766 Program Expense</b>	<b>620,000</b>	<b>351,792</b>	<b>600,000</b>

**Antelope Valley AQMD**  
**Program Funds AB923 GRANT PROGRAMS**

	<u>Budget FY 2024</u>	<u>EOY Estimate FY 2024</u>	<u>Budget FY 2025</u>
<b><u>Revenues</u></b>			
AB923 Program	<u>572,000</u>	<u>507,058</u>	<u>600,000</u>
<b>Total AB923 Program Revenue</b>	<b>572,000</b>	<b>507,058</b>	<b>600,000</b>
<b><u>Expenses</u></b>			
Program Expenditures	<u>572,000</u>	<u>252,737</u>	<u>600,000</u>
<b>Total AB923 Program Expense</b>	<b>572,000</b>	<b>252,737</b>	<b>600,000</b>

**Antelope Valley AQMD**  
**Program Funds Carl Moyer GRANT PROGRAMS**

	<b>Budget FY 2024</b>	<b>EOY Estimate FY 2024</b>	<b>Budget FY 2025</b>
<b><u>Revenues</u></b>			
Administrative Funding	169,019	0	0
Carl Moyer Program	1,183,134	906,967	1,169,166
<b>Total Carl Moyer Program Revenue</b>	<b>1,352,153</b>	<b>906,967</b>	<b>1,169,166</b>
<b><u>Expenses</u></b>			
Program Expenditures	1,183,134	963,767	1,169,166
Program Expenditures	169,019	0	0
<b>Total Carl Moyer Program Expense</b>	<b>1,352,153</b>	<b>963,767</b>	<b>1,169,166</b>

# Antelope Valley AQMD

## ALL FUNDS, Consolidated Historical

	<b>Budget FY 2021</b>	<b>Budget FY 2022</b>	<b>Budget FY 2023</b>	<b>Budget FY 2024</b>	<b>Budget FY 2025</b>
<b>Revenues</b>					
Permit Fees	971,500	1,047,500	1,199,200	1,303,600	1,353,300
Application Fees	41,500	30,500	32,500	32,325	35,000
Federal Revenue	0	0	63,982	63,982	0
Fines & Penalties	63,000	10,000	10,000	60,000	185,000
Interest Income	30,000	15,000	10,000	10,000	45,000
Revenue from Programs	659,300	731,400	934,045	874,064	1,212,908
State Revenue	169,500	1,096,000	1,446,315	1,604,523	2,119,929
<b>Total Revenues</b>	<b>1,934,800</b>	<b>2,930,400</b>	<b>3,696,042</b>	<b>3,948,494</b>	<b>4,951,137</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries & Wages	1,425,175	1,389,000	1,800,000	1,828,647	1,255,000
<b>Total Personnel Expenses</b>	<b>1,425,175</b>	<b>1,389,000</b>	<b>1,800,000</b>	<b>1,828,647</b>	<b>1,255,000</b>
<b>Operating Expenses</b>					
Communications	18,500	21,050	35,870	22,000	27,150
Dues & Subscriptions	46,100	46,650	21,100	36,100	36,500
Non-Depreciable Inventory	1,000	2,300	10,500	18,500	5,500
Legal	19,000	44,000	79,000	53,000	55,000
Professional Services	217,400	230,150	305,150	253,400	145,200
Maintenance & Repairs	6,500	6,500	7,000	2,000	0
Training & Travel	12,150	15,150	16,650	12,000	2,000
Vehicles	5,500	7,900	15,930	21,000	18,000
Office Expenses	97,475	110,125	132,761	109,800	66,000
Program Expenses	0	1,000,000	1,264,315	1,404,809	3,291,787
Miscellaneous Expenses	1,000	2,900	2,900	1,000	500
<b>Total Operating Expenses</b>	<b>424,625</b>	<b>1,486,725</b>	<b>1,891,176</b>	<b>1,933,609</b>	<b>3,647,637</b>
<b>Capital Expenses</b>					
Equipment	40,000	25,000	25,000	50,000	0
Vehicles	20,000	0	0	30,000	0
Software	25,000	25,000	25,000	25,000	0
<b>Total Capital Expenses</b>	<b>85,000</b>	<b>50,000</b>	<b>50,000</b>	<b>105,000</b>	<b>0</b>
<b>Total Expenses</b>	<b>1,934,800</b>	<b>2,925,725</b>	<b>3,741,176</b>	<b>3,867,256</b>	<b>4,902,637</b>

# Antelope Valley AQMD

## GENERAL FUND, Consolidated Historical

	Budget FY 2021	Budget FY 2022	Budget FY 2023	Budget FY 2024	Budget FY 2025
<b>Revenues</b>					
Permit Fees	971,500	1,047,500	1,199,200	1,303,600	1,353,300
Application Fees	41,500	30,500	32,500	32,325	35,000
Federal Revenue	0	0	63,982	63,982	0
Fines & Penalties	63,000	10,000	10,000	60,000	185,000
Interest Income	30,000	15,000	10,000	10,000	45,000
Revenue from Programs	659,300	731,400	934,045	874,064	1,212,908
State Revenue	169,500	1,096,000	1,446,315	1,604,523	2,119,929
<b>Total Revenues</b>	<b>1,934,800</b>	<b>2,930,400</b>	<b>3,696,042</b>	<b>3,948,494</b>	<b>4,951,137</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries & Wages	1,425,175	1,389,000	1,800,000	1,828,647	1,255,000
<b>Total Personnel Expenses</b>	<b>1,425,175</b>	<b>1,389,000</b>	<b>1,800,000</b>	<b>1,828,647</b>	<b>1,255,000</b>
<b>Operating Expenses</b>					
Communications	18,500	21,050	35,870	22,000	27,150
Dues & Subscriptions	46,100	46,650	21,100	36,100	36,500
Non-Depreciable Inventory	1,000	2,300	10,500	18,500	5,500
Legal	19,000	44,000	79,000	53,000	55,000
Professional Services	217,400	230,150	305,150	253,400	145,200
Maintenance & Repairs	6,500	6,500	7,000	2,000	0
Training & Travel	12,150	15,150	16,650	12,000	2,000
Vehicles	5,500	7,900	15,930	21,000	18,000
Office Expenses	97,475	110,125	132,761	109,800	66,000
Program Expenses	0	1,000,000	1,264,315	1,404,809	3,291,787
Miscellaneous Expenses	1,000	2,900	2,900	1,000	500
<b>Total Operating Expenses</b>	<b>424,625</b>	<b>1,486,725</b>	<b>1,891,176</b>	<b>1,933,609</b>	<b>3,647,637</b>
<b>Capital Expenses</b>					
Equipment	40,000	25,000	25,000	50,000	0
Vehicles	20,000	0	0	30,000	0
Software	25,000	25,000	25,000	25,000	0
<b>Total Capital Expenses</b>	<b>85,000</b>	<b>50,000</b>	<b>50,000</b>	<b>105,000</b>	<b>0</b>
<b>Total Expenses</b>	<b>1,934,800</b>	<b>2,925,725</b>	<b>3,741,176</b>	<b>3,867,256</b>	<b>4,902,637</b>

## **FINANCIAL RESERVES**

It is the policy of the Governing Board of the Antelope Valley Air Quality Management District (District) to direct the Air Pollution Control Officer (APCO) to establish and maintain certain fund balances to ensure the sound fiscal management of District resources.

The purposes of the District's fund balance policy include maintaining prudent level of financial resources to protect against reducing service levels or raising fees because of temporary revenue shortfalls or unpredicted one-time expenditures. Another purpose is to reserve funds for unanticipated large expenditures, such as capital expenses; or extraordinary costs associated with defending the District's regulatory activities.

## **CLASSIFICATION OF FUNDS**

**Restricted Fund Balance** is designated for the specific purposes stipulated by the external source, government code, enabling legislation, or other legal restriction. Following are an example of this classification: Mobile Emission Reduction Revenue (AB 2766), Incentive Based Emission Reduction Funding (AB 923), and Carl Moyer Grant Program Funds. These funds are held in separate trust accounts and are reported separate from the District's General Fund.

**Committed Fund Balance** is designated by policy and includes amounts that can be used only for the specific purposes determined by a formal action of the Governing Board. Commitments may be changed only by action of the Governing Board.

**Assigned Fund Balance** is used to describe the portion of the fund balance that reflects the intended use of resources; the intent being established by the Governing Board, or the Board's designee. Such fund balance will be allocated and defined in the District's annual adopted budget. The District's Budget Stabilization Reserves is an example of this classification.

# BUDGET CATEGORIES

## REVENUES

### Permit Fees

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

### Application Fees

- ERC Application Fees - Emission Reduction Credit
- New Source Review - Project Evaluation for Complex Source - Rule 301
- Permit Application Fees - Filing of new permits and permit changes
- Variance Filing Fees - Filing fee for each petition to District Hearing Board - Rule 303
- AG Application Fee - charged on a 3-year renewal cycle for AG Engines

### Fine & Penalties

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

### Revenue from Programs

- Administrative Funding - Program - pass thru funds for administration costs of the program
- AB2766 Program - Revenue received through DMV vehicle registration
- California Clean Air Act - State mandated fee collected on behalf of CARB
- Hot Spots - State mandated fee: "Air Toxic "Hot Spot"

### State Revenue

- PERP - State Funds - Portable Engine Registration Program
- State Subvention - Funds - received from state budget to supplement Permitting and Air Monitoring

## EXPENSES

- Program Staff - Contracted costs to provide staff for District operations
- Operating Expenses – Communications, Telephones, teleconferencing, internet, cable, hosting, tech support
- Dues & Subscriptions - District memberships, sponsorships, publications, subscriptions
- Non-Depreciable Inventory - Furniture, equipment, machinery, and safety equipment < \$5,000
- Legal - Legal services for Governing Board, Hearing Board; publications Professional Services - Financial services, audit, research studies, consulting fees, stipends
- Maintenance & Repairs - General building maintenance, custodial services, and repairs
- Training and Travel - Employee training; professional development and related travel
- Vehicles - Fuel and oil, maintenance and repair, insurance for District's fleet
- Office Expenses - Software, utilities, supplies, leases, postage, courier, printing and shredding services, security, insurance, meeting expenses and community relations

### PROGRAM EXPENSES

- Expenses attributable to the use of special funds

### CAPITAL EXPENSES

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

# ACRYNOMS

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