

ANTELOPE VALLEY

AIR QUALITY MANAGEMENT DISTRICT

Adopted

BUDGET

FISCAL YEAR 2011-2012



"It's a breath of fresh air"

October 18, 2011

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Eldon Heaston, Executive Director

October 18, 2011

Governing Board of the
Antelope Valley Air Quality Management District

BUDGET FOR FISCAL YEAR 2011-12

Presented here is the budget of the Antelope Valley Air Quality Management District (AVAQMD) for Fiscal Year 2011-12. This document provides for the required, necessary and desired services as established by this Governing Board and various Federal, State, and local regulations. A budget is designed to provide the Board and staff with a tool from which sound fiscal management decisions may be made. This document provides a guide to accomplish this goal.

The AVAQMD contracts all of its services from the Mojave Desert Air Quality Management District (MDAQMD). Under this contract, the MDAQMD will provide the full time equivalent (FTE) of 8 employees. This budget calls for appropriations totaling \$2,396,181 with sufficient funds to pay for those services; an increase of 1.82% from the budget for FY 2010-11 and includes continuing projects to help streamline government and regulatory functions.

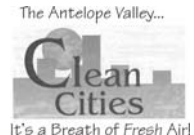
The AVAQMD is a service based agency in which program staff (salaries and benefits) will comprise 78% of the operations budget. Revenues are projected at \$2,210,480, a 2.62% projected increase from the prior fiscal year.

A Public Hearing was held May 17, 2011 to receive public comments concerning this proposed budget; no comments were received

This budget represents a financial plan to meet the year's obligations and challenges and is effective July 1, 2011.

Sincerely,

Eldon Heaston
Executive Director



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**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
FINANCIAL HISTORY**

	2004-05 ACTUAL	2005-06 ACTUAL	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ACTUAL	Budget Information FY 2010-11			FY 2011-12 ADOPTED BUDGET
							FY 2011 APPROVED BUDGET	ACTUAL THRU 2/28/2011	FY 2011 PRELIMINARY END OF YEAR	
REVENUE										
APPLICATION FEES	63,719	59,740	61,091	104,332	97,955	59,965	41,840	54,803	71,107	68,840
FINES AND FORFEITURES	19,869	23,420	34,352	17,707	6,102	38,668	10,000	7,451	8,951	7,680
INTEREST INCOME	21,472	41,000	61,261	47,958	(31,930) ¹	13,385	20,000	5,501	9,963	10,000
OTHER INCOME	170	4,825	178	235	99,415 ²	44,539	-	7,945	47,186	40,000
PERMIT FEES	266,171	287,568	311,725	315,662	385,658	388,096	379,450	274,842	388,955	388,960
PROGRAM FEES										
AB 923	-	371,630	538,487	539,499	582,643	523,532	531,900	257,100	513,191	530,000
AB 2766	1,020,556	1,049,731	1,076,974	1,078,997	1,018,329	1,047,065	1,063,800	514,201	1,026,382	1,060,000
OTHER	350	5,333	15,601	(1,290)	6,268	5,288	7,000	6,093	2,508	5,000
STATE CONTRACTS	-	1,158	5,934	15,338	3,880	30,836	5,000	26,976	26,976	5,000
STATE SUBVENTION	91,020	92,326	92,677	95,730	97,410	95,734	95,000	95,937	95,937	95,000
SUBTOTAL	1,483,327	1,936,731	2,198,278	2,214,167	2,265,729	2,247,107	2,153,990	1,250,849	2,191,156	2,210,480
PREVIOUS YEAR FUND BALANCE	756,988	744,395	790,819	800,237	744,497	652,972	500,017		591,789	519,374
TOTAL REVENUE	2,240,316	2,681,127	2,989,097	3,014,404	3,010,227	2,900,080	2,654,007	1,250,849	2,782,945	2,729,854

1 Interest earnings to ARB

2 Carl Moyer Admin portion

APPROPRIATIONS										
CONTRACT COSTS										
PROGRAM STAFF (Salaries & Benefits)	738,946	778,405	795,172	876,313	937,735	952,951	975,969	650,646	975,969	990,826
SUPPLIES AND SERVICES	173,570	163,739	127,483	162,862	139,900	140,431	96,441	58,813	83,750	88,525
DIRECT COSTS										
FIXED ASSETS	34,044	19,235	55,595	55,076	64,606	66,491	176,500	79,924	103,273	127,250
GRANT PROGRAM EXPENSES	516,360	890,929	1,076,974	1,078,997	1,067,315	1,047,065	941,463	514,201	923,744	1,007,000
OTHER CHARGES	33,000	38,000	48,000	25,388	45,200	47,800	46,500	23,000	55,900	16,500
SUBTOTAL	1,495,921	1,890,307	2,176,360	2,269,907	2,357,254	2,308,288	2,353,448	1,417,627	2,263,568	2,396,181
TOTAL APPROPRIATIONS	1,495,921	1,890,307	2,176,360	2,269,907	2,357,254	2,308,288	2,353,448	1,417,627	2,263,568	2,396,181
<i>Grants from the Fund Balance</i>			12,500							
FUND BALANCE	744,395	790,819	800,237	744,497	652,972	591,789	300,559		519,374	333,673

FUND BALANCE DESIGNATIONS										
Operating Cash Reserves	200,000	200,000	200,000	200,000	310,000	300,000	300,000		300,000	305,000
Special Project Reserves	250,000	250,000	250,000	265,000	-	-	-		-	-
	450,000	450,000	450,000	465,000	310,000	300,000	300,000		300,000	305,000

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**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
SCHEDULE OF DESIGNATED RESERVES**

	6/30/2010	FY 10/11			FY 11/12	
	Audited Balance	Est. Additions to the Fund Balance	Estimated Distributions	Projected End of Year Balance	Budgeted Allocations	Projected End of Year Balance
FUND BALANCE DESIGNATIONS - GENERAL FUND						
Operating Cash Reserves	300,000	-	-	300,000	5,000	305,000
Total Fund Balance Designations	300,000	-	-	300,000	5,000	305,000

TRUST FUNDS		Est. Additions to the Fund Balance	Fund Balance Obligations	Est. Fund Balance End of Year	Est. Additions to Fund Balance	Est Fund Balance End of Year
<i>These funds are transferred from the General Fund and held in reserve:</i>						
Incentive Based Emission Reduction Funding (AB 923)	412,719	257,100	412,095	1,081,914	530,000	1,611,914
Mobile Emissions Reduction Grant Program (AB 2766)	1,537,755	257,100	265,720	2,060,576	477,000	2,537,576
<i>These funds are held in reserve and are not included in revenue received:</i>						
Carl Moyer Grant Program	59,331	323,169	(328,364)	54,136	457,432	511,568

The AVAQMD has designated reserve funds according to the following guidelines:

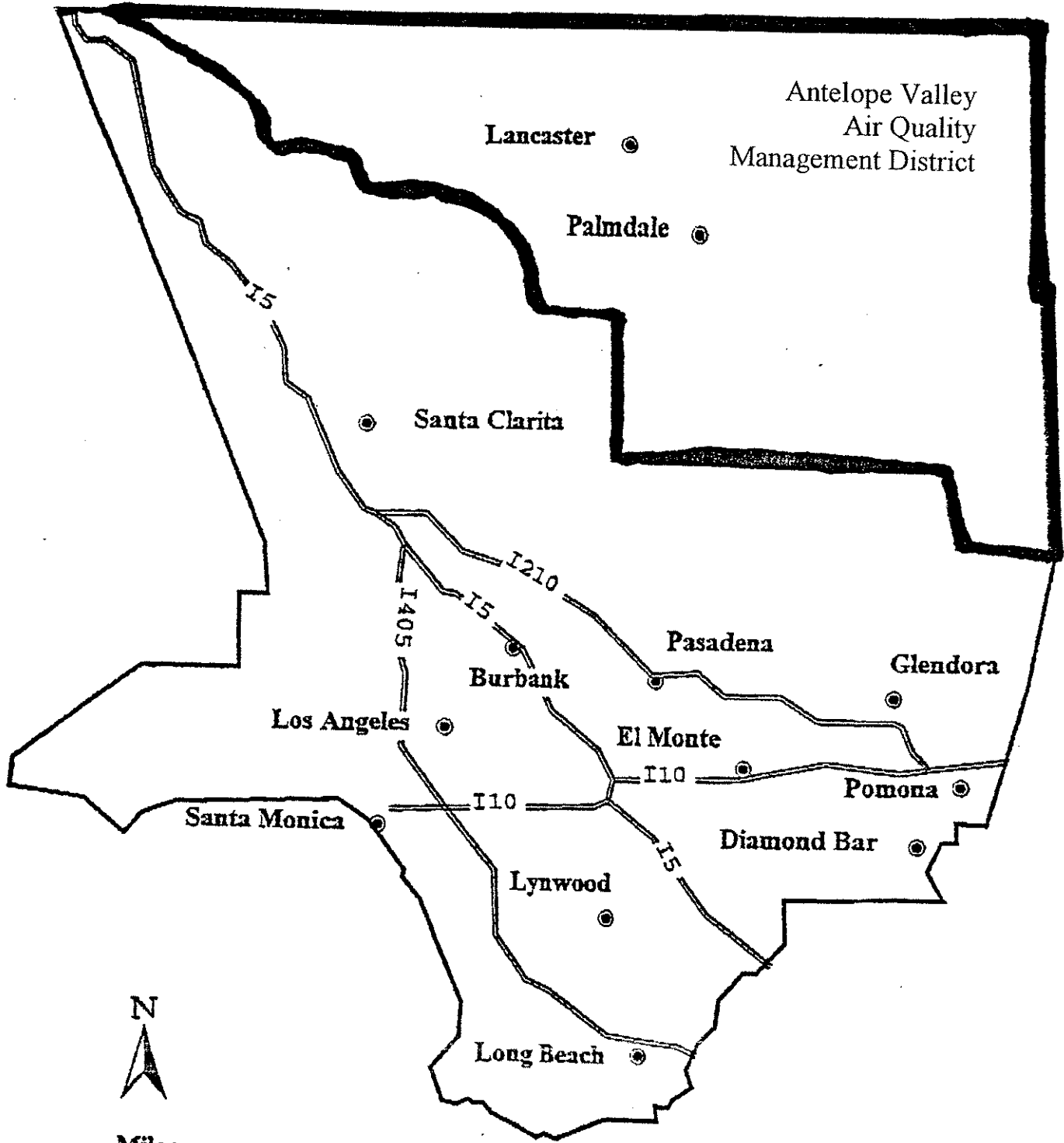
Operating Cash Reserves are established by Governing Board Policy 07-01. The amount is set equivalent to 25% of the operating expenses (the combined total of budget totals for Salaries & Benefits and Supplies and Services). The fund may be increased to provide protection against uncertain economic times.

Mobile Emissions Reduction Grant (AB 2766) Fund These funds are collected on motor vehicle registrations (\$4 each) in the Antelope Valley region. Funds "allocated on a competitive basis to local government entities and other organizations capable of effectively using funds to reduce mobile emissions." A Work Plan adopted by the Governing Board provides the grant program guidelines. The table describes the funds received and obligated through grants awarded by the Governing Board.

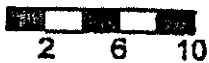
Incentive Based Emission Reduction Funding (AB 923) These funds are collected on motor vehicle registrations (\$2 each) in the Antelope Valley region beginning October 1, 2005. Funds are granted by the Governing Board for specific projects as set forth in the Health and Safety Code §44229 .

Carl Moyer Grant Program Funds may be distributed by the California Air Resources Board for projects obligated by the District under this state regulated program. Projects are awarded on a competitive basis. The table describes the funds received and obligated through grants awarded by the Governing Board.

The Antelope Valley Air Quality Management District Regional Boundaries



Miles





Governing Board Members
October 2011

Mike Dispenza, *Vice Chair*
City of Palmdale

Marvin Crist
City of Lancaster

James C. Ledford, Jr.
City of Palmdale

Ken Mann
City of Lancaster

Vern Lawson
County District Supervisor Appointment

Ronald A. Hawkins
County District Supervisor Appointment

Ken McCoy
Public Member

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Antelope Valley Air Quality Management District
"It's a breath of fresh air"

INTRODUCTION

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

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

The AVAQMD contracts all of its services from the Mojave Desert Air Quality Management District (MDAQMD). The contract provides employees for the Lancaster office who are residents of the Antelope Valley. The headquarters for the MDAQMD are located in Victorville, California. MDAQMD staff is used for specific expertise to support the Antelope Valley office and allow for a full service agency. Staff services are charged at a set hourly rate that includes the position's hourly rate, all associated benefits, and an administrative charge. Services and supplies purchased for the AVAQMD are charged at cost. Certain administrative functions and support of the AVAQMD are performed at the Victorville location.

DISTRICT PROGRAMS AND PROJECTS

Community Outreach

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

Mobile Emissions Reduction Program

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

Dustbuster Task Force

This local task force is engaged in developing cost effective dust control solutions for the Antelope Valley. The task force continues sophisticated testing on selected test plots and plant physiology testing on vegetation plots.

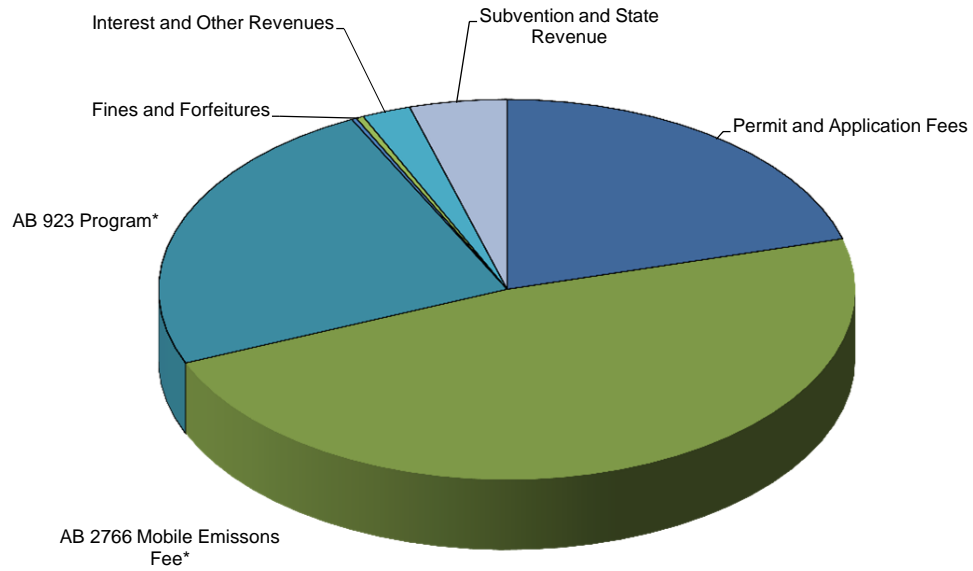
AVAQMD Website

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

Antelope Valley Clean Cities Coalition

Clean Cities is a locally based voluntary government/industry partnership coordinated by the U.S. Department of Energy to expand the use of alternatives to gasoline and diesel fuel. The AVAQMD serves as a support agency for this partnership.

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
FISCAL YEAR 2011-12
Sources of Estimated Revenue



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TOTAL REVENUE - ALL SOURCES

REVENUE TYPES	AMOUNT	% of Total
Permit and Application Fees	457,800	20.71%
AB 2766 Mobile Emissions Fee*	1,060,000	47.95%
AB 923 Program*	530,000	23.98%
Other Program Fees	5,000	0.23%
Fines and Forfeitures	7,680	0.35%
Interest and Other Revenues	50,000	2.26%
Subvention and State Revenue	100,000	4.52%
TOTAL	2,210,480	100%

TOTAL OPERATING REVENUE ONLY

REVENUE TYPES	AMOUNT	% of Total
Permit and Application Fees	457,800	38.04%
AB 2766 Mobile Emissions Fee	583,000	48.44%
AB 923 Program	-	0.00%
Other Program Fees	5,000	0.42%
Fines and Forfeitures	7,680	0.64%
Interest and Other Revenues	50,000	4.15%
Subvention and State Revenues	100,000	8.31%
TOTAL	1,203,480	100%

*a portion of AB 2766 receipts are reserved for the District's Grant Program; all of AB 923 receipts are reserved for the District's Grant Program

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
REVENUE DETAIL
 FISCAL YEAR 2011-2012

Account Title	Approved Budget FY 2010/2011	Received Through February 2011	Estimated Revenue FY 10/11	Adopted Budget FY 2011/2012
<u>Application Fees</u>				
Ag Engine Reg Rule 114	-	2,275	2,280	-
New Source Review	-	-	-	-
Asbestos Demo/Reno Fees	18,000	25,215	31,950	31,950
Operating Permit Applications	23,840	27,313	36,890	36,890
Petition for Variance	-	-	-	-
Total Application Fees	41,840	54,803	71,120	68,840
<u>Federal Grants/Agreements</u>				
	-	-	-	-
<u>Fines & Forfeitures</u>				
Excess Emissions Fees	-	-	-	-
Notice of Violation Fines	10,000	7,451	8,960	7,680
Total Fines	10,000	7,451	8,960	7,680
<u>Interest Income</u>				
	20,000	5,501	9,970	10,000
<u>Other Revenue</u>				
Contributions - Private Sources	-	-	-	-
Public Request Act	-	-	-	-
Rule Book Subscriptions	-	-	-	-
Carl Moyer Admin Cost Reimb	-	-	39,170	40,000
Other Revenue Other	-	7,945	8,030	-
Total Other Revenue	-	7,945	47,200	40,000
<u>Permit Fees</u>				
Operating Permit Fees	374,450	274,842	383,960	383,960
Title V Permit Fees	5,000	-	5,000	5,000
Total Permit Fees	379,450	274,842	388,960	388,960
<u>Program Fees</u>				
AB 923 Program	531,900	257,100	513,200	530,000
AB2766 Program	1,063,800	514,201	1,026,390	1,060,000
Toxic Hot Spot Program	7,000	6,093	2,510	5,000
Total Program Fees	1,602,700	777,394	1,542,100	1,595,000
<u>State Revenue</u>				
PERP Emergency Reg Fees	5,000	26,803	26,810	5,000
State Contracts	-	173	180	-
State Subvention	95,000	95,937	95,940	95,000
Total State Revenue	100,000	122,913	122,930	100,000
Total Revenue	2,153,990	1,250,849	2,191,240	2,210,480

***AIR QUALITY PROGRAM DESCRIPTIONS
and Projects***

Community Relations And Education Program

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

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

Air Quality Monitoring Program

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

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

Compliance Program

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

- Comprehensive annual (annual for most sources) inspections are performed to verify compliance to air quality regulations.
- Investigation of citizen complaints pertaining to air related matters
- Legal case development when necessary to address non-complying situations
- Federal Asbestos Demolition and Renovation Program
- State-mandated Variance Program
- Continuous Emissions Monitoring Programs
- Reporting to the Environmental Protection Agency's AIRS and Significant Violator programs
- Source testing

Stationary Sources Program

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

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

- Title III & V Programs. The Title III program is the federal toxic program for Title V facilities. Title V 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).
- Emissions Inventory. The purpose of this program is to maintain an active inventory of the sources of criteria air pollutants within the District which 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) The purpose of this program is to assess the amounts, types and health impacts of air toxics produced from stationary sources.
- Notification to Schools. Under AB 3205 the District is required by the State have in place a program notifying the community when a new or modified source will be located within one mile of elementary, middle or high school facilities.

Planning, RuleMaking & Grants

One of the District's primary responsibilities is to promulgate rules and plans in accordance with State and Federal attainment and maintenance planning requirements, to achieve and maintain regional compliance with the various ambient air quality standards. Related functions include rule adoptions and revisions, and State and Federal grant programs with direct and pass through funding.

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

- California ambient air quality standards attainment planning, as codified in the California Clean Air Act and subsequent state legislation. This program currently focuses on the California ozone standard.
- National ambient air quality standards attainment planning, as codified in the Federal Clean Air Act, the Clean Air Act Amendments and subsequent Federal legislation. This program currently focuses on the National one-hour and eight-hour ozone standards, the National 24-hour, annual PM10 standards, and National 24-hour, annual PM2.5 standards.
- Federal General and Transportation Conformity, entailing regional project review and comment
- California Environmental Quality Act, requiring local and regional project review

- National Environmental Protection Act, requiring local and regional project review
- Carl Moyer, AB 923 and AB 2766 Grant Programs

Mobile Source Emission Reduction Program

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

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

Rideshare Outreach

The District offers assistance to employers through outreach activities, raising community and commuter awareness to increase commuter ridership and educates employees about the health impacts of motor vehicle pollution.

Dustbuster Task Force

This local task force is engaged in developing cost effective dust control solutions for the Antelope Valley. The District is a part of a collaborative effort that includes Southern California Edison, USDA Natural Resources Conservation Service, Palmdale Regional Airport, California Air Resources Board, San Diego State University, University of California at Riverside, South Coast Air Quality Management District and the Mojave Desert Air Quality Management District.

Antelope Valley Clean Cities Coalition

Clean Cities is a locally based voluntary government/industry partnership coordinated by the U.S. Department of Energy to expand the use of alternatives to gasoline and diesel fuel. As a participating agency the AVAQMD is a stakeholder with industry representatives to achieve the goals of the Five Year Plan. By combining the efforts of the AVAQMD and the AVCCC the benefits of the developing alternate fuel vehicles and infrastructure have been seen throughout the Antelope Valley in cleaner air, lower vehicle maintenance and operation costs and technology advancement.

SUPPORT PROGRAM DESCRIPTIONS

Executive Office

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

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

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

Legal Counsel

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

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

Operations Management

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

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

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

Administrative Services

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

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
SERVICE AND SUPPLIES
EXPENSE DETAIL
FISCAL YEAR 2011-2012

Object Code Title	Total Budget FY 10-11	Total Expenses 2/28/2011	Estimated Expenditures FY 10-11	FY 2011-12 Budget		
				Contract Expenses	Direct Expenses	Total ADOPTED Budget
<u>Communications</u>						
Video/Teleconf Com	2,500	1,949.42	3,245	500	2,000	2,500
Cellular Phone Expense	1,000	269.07	519	1,000	-	1,000
T1 Framed Relay/Telco Srvc	4,800	4,800.00	7,200	7,200		7,200
Long Distance Charges	550	287.35	509	50	500	550
Telephone Services	7,000	7,199.68	10,881	100	7,500	7,600
	15,850	14,505.52	22,353	8,850	10,000	18,850
<u>Mbrshp/Pub/Sub/Trg</u>						
Membership	5,690	4,796.00	5,696	100	5,650	5,750
Publications	250	339.87	115	150	100	250
Subscriptions	250	382.64	383	200	200	400
Training	5,000	815.38	1,623	1,000	3,500	4,500
	11,190	6,333.89	7,817	1,450	9,450	10,900
<u>Equipment</u>						
Inventoriable Equipment >\$500	3,000	-	749	-	3,000	3,000
Network System Components	2,000	-	-	1,500	-	1,500
Non-Inventoriable Equipment <\$500	2,000	380.96	568	2,000	-	2,000
Safety Equipment	300	719.04	719	200	100	300
Small Tools & Instruments	100	42.51	43	200	-	200
	7,400	1,142.51	2,079	3,900	3,100	7,000
<u>Legal</u>						
Legal Notices	2,500	3,914.20	4,890	1,000	2,000	3,000
	2,500	3,914.20	4,890	1,000	2,000	3,000
<u>Maintenance</u>						
Auto - Minor Repairs/Fuel/Oil	4,000	2,007.34	4,388	4,500	500	5,000
Auto - Major Repairs	2,000	576.00	516	1,000	1,000	2,000
Custodial Services, Contract	2,400	1,400.00	2,400	-	2,400	2,400
General Equipment Maintenance	3,000	-	135	-	2,000	2,000
General Structure Maintenance	3,000	19,893.42	19,893	100	2,000	2,100
Security Monitoring Charges	750	534.70	654	-	500	500
	15,150	24,411.46	27,987	5,600	8,400	14,000
<u>Office Expenses</u>						
Computer Software Expenses	8,084	7,203.69	7,204	7,800	12,480	20,280
General Office Expenses	1,500	1,849.36	2,959	1,500	500	2,000
Postage/Courier Services	2,000	1,343.83	2,213	1,500	500	2,000
Printing Services	2,500	275.70	1,272	500	2,000	2,500
Special Department Expense	10,000	7,990.65	8,100	2,500	7,500	10,000
Educational Materials/Events	1,000	460.72	461	1,000	-	1,000
	25,084	19,123.95	22,209	14,800	22,980	37,780
<u>Rents & Leases</u>						
Rents & Leases, Equipment	8,295	5,804.48	9,414	550	8,000	8,550
Rents & Leases, Structures	45,822	29,630.81	44,603	1,200	45,000	46,200
	54,117	35,435.29	54,017	1,750	53,000	54,750

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
SERVICE AND SUPPLIES
EXPENSE DETAIL
FISCAL YEAR 2011-2012

Object Code Title	Total Budget FY 10-11	Total Expenses 2/28/2011	Estimated Expenditures FY 10-11	FY 2011-12 Budget		
				Contract Expenses	Direct Expenses	Total ADOPTED Budget
<u>Services</u>						
Internet Service Provider	8,000	3,361.55	5,015	8,000	-	8,000
Web Site Services	1,200	600.00	900	1,200	-	1,200
Dustbusters	10,000	10,000.00	10,000	-	10,000	10,000
Financial Audit	7,650	7,650.00	7,650	-	7,650	7,650
ICTC Project	-	-	-	-	-	-
LA County Banking Fees	175	78.42	184	175	-	175
Network Technical Support	2,500	750.75	751	3,000	-	3,000
Research Studies	5,000	-	9,940	-	5,000	5,000
Other Prof Svcs - Other (incl contract fee)	5,000	484.00	484	30,000	5,000	35,000
Professional & Special Svcs (stipends)	7,000	1,500.00	3,400	-	7,000	7,000
	46,525	24,424.72	38,324	42,375	34,650	77,025
<u>Special District Liability</u>						
	14,000	9,844.23	10,099	-	10,500	10,500
	14,000	9,844.23	10,099	-	10,500	10,500
<u>Travel</u>						
Private Mileage - Non Employee	1,200	709.04	895	1,200	-	1,200
Travel & Meeting Expenses	13,000	4,945.04	6,820	7,500	5,000	12,500
	14,200	5,654.08	7,715	8,700	5,000	13,700
<u>Utilities</u>						
	7,000	5,066.81	7,192	100	7,000	7,100
	7,000	5,066.81	7,192	100	7,000	7,100
Total Services & Supplies	213,016	149,856.66	204,682	88,525	166,080	254,605
<u>Fixed Assets</u>						
Document & Record Storage Project	-	-	-	-	5,250	5,250
CAPS (Permit Database)	60,000	38,951.40	38,951	-	60,000	60,000
Equipment	99,500	40,972.89	46,103	-	32,000	32,000
Vehicles	17,000	-	18,219	-	30,000	30,000
	176,500	79,924.29	103,273	-	127,250	127,250
<u>Grant Program Expenses</u>						
AB 923 - Grants	531,900	257,100.24	513,191	-	530,000	530,000
AB 2766 - Grants	409,563	257,100.26	410,553	-	477,000	477,000
AB 2766 - Local Agencies	-	-	-	-	-	-
	941,463	514,200.50	923,744	-	1,007,000	1,007,000
<u>Other Charges</u>						
Contributions to Other Agencies	6,500	3,000.00	6,500	-	6,500	6,500
Other Charges (Lawnmower grants)	10,000	-	19,400	-	10,000	10,000
MD Overhead Expenses (Contract Fee) (moved to Other Prof Svcs)	30,000	20,000.00	30,000	-	-	-
	46,500	23,000.00	55,900	-	16,500	16,500
TOTAL EXPENSES	1,377,479	766,981.45	1,287,599	88,525	1,316,830	1,405,355

<u>Object Code Title</u>	<u>Project Expenditures and Description</u>
Membership	Memberships with California Air Pollution Control Officers Association (CAPCOA), California Special Districts Association (CSDA), Antelope Valley Board of Trade (AVBOT), Greater Antelope Valley Economic Alliance (GAVEA), Clean Cities, Antelope Valley College President's Circle, Los Angeles County Farm Bureau; retail merchants
Training	Training consultant on air quality issues for permit holders, Environmental Cross Media, VEE Recertification, Asbestos, CARB Source Specific Training, Clerk of the Board, Board member development and training
Inventoriable Equipment (costs greater than \$500, less than \$1,000)	Small office equipment, tablet devices for inspectors
Non-Inventoriable Equipment (costs less than \$500)	
General Equipment Maintenance General Structure Maintenance	Equipment repairs, including air monitoring equipment Safety related and other improvements as needed
Computer Software Expense	Software purchases, upgrades, maintenance for server, network, and desktop database solutions, document imaging project, and air monitoring database
Printing Services	Includes costs for newsletters, public information pamphlets
Special Department Expense: Educational Materials/Events	Includes public service recognition AIRE awards, promotional items for community outreach events; special event fees for Looking Good Lancaster, Antelope Valley Board of Trade Business Outlook Conference, and Salute to Youth.
Rents & Leases – Equipment	Copier/Scanner lease agreement
<u>Services:</u> Internet Service Provider Web Site Services	Outsource internet services, web hosting and maintenance
Dustbusters	Participation with a local task force engaged in developing cost effective dust control solutions for the Antelope Valley.
Network Technical Support	Outsource support as needed.

<u>Object Code Title</u>	<u>Project Expenditures and Description</u>
Research Studies	Funds designated for potential consultant fees to support strategies for specific alternate fuel projects in the Antelope Valley
Other Professional Services	Funds designated for outsource support: strategy consultant for long range planning, paralegal support for small claims collections, temporary support, or other, as needed
Professional & Special Services	Board member stipend based on maximum number of meeting (Governing Board and Hearing Board).
<u>Fixed Assets – Capital Projects</u>	
CAPS (Compliance and Permit database)	Implementation and ongoing development for permit tracking. Development costs shared with MDAQMD.
Equipment (greater than \$1,000)	Air monitoring equipment (NOx Analyzer), replace network server and equipment, desktop computer replacements.
Vehicles	Replace two fleet vehicles
<u>Other Charges</u>	
AB 2766 – Grants	A portion (45%) of the receipts are transferred to the Mobile Emission Trust Fund for grant projects awarded by the Governing Board, and subvention to the local cities.
AB 923 – Grants	Funds collected to provide grants to incentive-based mobile emission reduction projects
Contributions to Other Agencies	Keystone Science School, sponsor one local teacher; Mojave Environmental Education Consortium (MEEC)
Contributions, Other	Funds designated from the General Fund for specific local areas grants: supporting wet cleaning equipment purchases and proposed lawn mower exchange program.
MD Overhead Expenses	Management fee to the Mojave Desert Air Quality Management District for contract services.

ANTELOPE VALLEY AIR QUALITY MANAGMENT DISTRICT
SPECIAL FUND
BUDGET DETAIL

MOBILE SOURCE EMISSION REDUCTION PROGRAM

Object Code Title	Approved Budget FY 2010-11	Additions Through February 2011	Estimated Additions FY 2010/11	Adopted Budget FY 2011/12
<u>Income</u>				
Operating Transfers In AB 923	531,900	257,100	-	530,000
Operating Transfers In AB 2766	409,563	257,100	-	477,000
Note: Transfers from general fund				
	-	-	-	-
Total Income	941,463	514,201	-	1,007,000

Object Code Title	Approved Budget FY 2010-11	Decreases Through February 2010	Estimated Decreases FY 2010/11	Adopted Budget FY 2011/12
<u>Expenses</u>				
AB 923 Estimated Projects to be Completed	500,000	(412,095)	(412,095)	500,000
AB 2766 Estimated Projects to be Completed	425,000	(277,730)	(265,720)	425,000
	-	-	-	-
Total Expenses	925,000	(689,825)	(677,815)	925,000

The MOBILE SOURCE EMISSION REDUCTION Trust Fund was established by Governing Board action and is used to hold funds that have been designated for the District's competitive grant program. The source of these funds is the mobile emissions fee authorized under AB 2766 and a portion of revenue received by the District is segregated to this trust fund.

Incentive Based Emission Reduction Funding (AB 923). These funds are collected on motor vehicle registrations (\$2 each) in the Antelope Valley region beginning October 1, 2005. Funds are granted by the Governing Board for specific projects as set forth in the Health and Safety Code §44229 .

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
SPECIAL FUND
BUDGET DETAIL

CARL MOYER PROGRAM

Object Code Title	Approved Budget FY 2010/11	Fund Balance Changes		Adopted Budget FY 2011/12
		Additions Through February 2011	Estimated Additions FY 2010/11	
<u>Income</u>				
Carl Moyer Program	527,394	323,169	323,169	457,432
	-	-	-	-
Total Income	527,394	323,169	323,169	457,432

Object Code Title	Approved Budget FY 2010/11	Decreases Through February 2011	Estimated Decreases FY 2010/11	Adopted Budget FY 2011/12
Estimated Projects to be Completed	511,828	(323,169)	(328,364)	457,432
	-	-	-	-
Total Expenses	511,828	(323,169)	(328,364)	457,432

Carl Moyer Grant Program Funds may be distributed by the California Air Resources Board for projects obligated by the District under this state regulated program. Projects are awarded on a competitive basis. The table describes the funds received and obligated through grants awarded by the Governing Board.

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ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT

Program Staff
FY 2011-12

Program	FY 10/11 Contracted Hours	FY 11/12 Contracted Hours	Average Contract Cost/hr	Annual Contract Cost	FTE
Lancaster Office	12,480	12,480	55.88	\$ 697,401	6.00
Planning, Grants, and Rulemaking	507	507	46.72	24,524	0.24
Air Monitoring and Surveillance	247	247	51.33	11,622	0.12
Compliance	104	104	41.09	7,154	0.05
Stationary Sources	1,672	1,672	66.44	122,092	0.80
Executive and Management	260	260	255.75	40,192	0.13
Community Relations & Education	104	104	65.54	6,816	0.05
Administration	1,274	1,274	56.75	81,025	0.61
TOTAL	16,648	16,648		\$ 990,826	8.00
Full Time Equivalents (FTE)	8.00	8.00			

Fiscal Year Comparison: FTE

Contract Cost

Fiscal Year 2010-11 8.00

975,969

Fiscal Year 2011-12 8.00

\$ 990,826

Percent Change: 0.00%

1.50%

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RESOLUTION NO. 11-16

A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT APPROVING AND ADOPTING THE PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2011-12.

On October 18, 2011, on motion by Member **MCCOY**, seconded by Member **HAWKINS**, and carried, the following resolution is adopted:

WHEREAS, the Executive Director has submitted to the Governing Board an annual budget for the Antelope Valley Air Quality Management District (AVAQMD) for the fiscal year 2011-12; and

WHEREAS, a proposed budget summary and supporting documentation were prepared and made available in accordance with the 30 day Public Notice requirement (Health and Safety Code §40131(a)(1)); and

WHEREAS, all persons within the District area who were subject to fees during the prior fiscal year were properly notified of the availability of the information (Health and Safety Code §40131(a)(2)); and

WHEREAS, a separate Public Hearing for the exclusive purpose of reviewing the budget and taking public comment, as required by Health and Safety Code §40131(a)(3), was held on May 17, 2011; and

WHEREAS, the annual budget contains estimates of the services, activities and programs comprising the budget, and contains expenditure requirements and their resources available to the AVAQMD; and

WHEREAS, the estimated appropriations for the AVAQMD for fiscal year 2011-12 are \$2,396,181 (Two Million Three Hundred Ninety Six Thousand, One Hundred Eighty One Dollars); and

WHEREAS, the annual budget will enable the AVAQMD Governing Board to make adequate financial plans and will ensure that the AVAQMD officers can administer their respective functions in accordance with such plans,

NOW, THEREFORE, BE IT RESOLVED, by the Governing Board of the Antelope Valley Air Quality Management District, the following:

RESOLUTION NO. 11-16

1 The annual budget for the AVAQMD for the fiscal year 2011-12 is hereby approved
2 and adopted, and the amounts of proposed expenditure, as specified, are appropriate for the
3 account classifications as herein specified.

4 A. The 2011-12 expenditure budget is hereby adopted, establishing the following
5 appropriations levels:

<u>ACCOUNT CLASSIFICATION</u>	<u>2011-12 ADOPTED BUDGET</u>
Program Staff (Salaries & Benefits)	\$990,826
Services & Supplies (Contract)	88,525
Direct Costs	166,080
Fixed Assets	127,250
Grant Program Expenses	1,007,000
Other Charges	<u>16,500</u>
TOTAL APPROPRIATIONS BUDGET	\$2,393,181

14 B. The 2011-12 Revenue Budget is hereby adopted, establishing a revenue base for
15 AVAQMD expenditures:

<u>ACCOUNT CLASSIFICATION</u>	<u>2011-12 ADOPTED BUDGET</u>
Application Fees	\$68,840
Fine & Forfeitures	7,680
Interest Income	10,000
Other Revenue (Carl Moyer Admin)	40,000
Permit Fees	388,960
Program Fees	1,590,000
State Contracts and State Subvention	105,000
Previous Year Undesignated Fund Balance (est.)	<u>519,374</u>
TOTAL REVENUE BUDGET	\$2,729,854
Designated Operating Cash Reserves	305,000

27 Pursuant to Section 53901 of The California Government Code, within 60 days after the
28 beginning of the Fiscal Year, the Clerk of the Board shall file a copy of this resolution with the
Auditor of the County of Los Angeles.

RESOLUTION NO. 11-16

1 BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately
2 upon adoption.

3 PASSED, APPROVED AND ADOPTED by the Governing Board of the Antelope
4 Valley Air Quality Management District by the following vote:

5 AYES: 6 MEMBER: LAWSON, DISPENZA, CRIST, MCCOY,
6 LEDFORD, HAWKINS

7 NOES: MEMBER:

8 ABSENT: 1 MEMBER:

9 ABSTAIN: MEMBER:

10 STATE OF CALIFORNIA)
11)
12) ss:
13 COUNTY OF LOS ANGELES)

14 I, Crystal Goree, Deputy Clerk of the Governing Board of the Antelope Valley Air
15 Quality Management District, hereby certify the foregoing to be a full, true and correct copy of
16 the record of the action as the same appears in the Official Minutes of said Governing Board at
17 its meeting of October 18, 2011.

18 Crystal Goree, Deputy Clerk, of the Governing Board,
19 Antelope Valley Quality Management District.
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**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM 5

DATE: September 20, 2011

RECOMMENDATION: Adopt a Resolution approving and adopting the Budget for Fiscal Year 2011-12.

SUMMARY: The budget for Fiscal Year 2011-12 is presented to the Governing Board for adoption and implementation beginning July 1, 2011.

BACKGROUND: The AVAQMD contracts with the Mojave Desert Air Quality Management District for all services. The budget documents reflect the contracted services to be provided during the fiscal year.

The proposed budget presented with this item is a revised version which includes end of last fiscal year data rather than estimates. This allows the proposed budget for FY 12 to utilize the most current data available to the District. On June 30, 2011 (subject to the final audit), the District's financial condition was improved over the projected budget as follows:

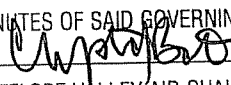
Fiscal Year 11 Summary

- Revenue exceeded budget expectation \$37,000
- Expenses were less than budget expectation 90,000
- Budget savings from FY 2010 92,000
- Net Budget improvement available for FY 12 \$219,000

These amounts were accounted for in the end of year estimates and the available resources were included in the proposed budget for FY 12.

During the presentations of the proposed budget for FY 12, the AVAQMD Governing Board expressed their desire that the budget be revised to reflect the results of the MDAQMD labor negotiations. The budget presented here reflects those results as well as additional conditions as described below.

Cc: Jean Bracy
Sue Krieg

CRYSTAL BATES, DEPUTY CLERK OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT
DISTRICT, HEREBY CERTIFY THE FOREGOING TO BE A
FULL, TRUE AND CORRECT COPY OF THE RECORD OF
THE ACTION AS THE SAME APPEARS IN THE OFFICIAL
MINUTES OF SAID GOVERNING BOARD MEETING

DEPUTY CLERK OF THE BOARD
ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT

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

AGENDA ITEM 5

PAGE 2

Revenue

- The revised version removed a proposed fee increase on applications and annual permit renewals (\$9,200). Revenue for FY 12 annual permit renewals is projected to be the same amount as received in FY 11.
- In FY 11, 60% of AB 2766 revenue was held for operations totaling \$103,000. In FY 12, 55% will be held for operations, estimated to be \$53,000.
- The revenue projections were increased in areas where historical data supported an improved amount (Application Fees and Fines and Forfeitures).
- Revenue estimates were added to reflect the District's allocation from the State of California for administration of the Carl Moyer Grant Program.
- The budget for FY 12 reflects only a portion of the potential revenue received for the Portable Equipment Registration Program. The actual amount received in FY 11 (\$26,000) exceeded budget expectations (\$5,000).

Appropriations

- Overall, the expenditures for FY 11 were about \$90,000 less than budgeted.
- The largest area of savings was in Fixed Assets: we were unable to complete the equipment purchases as planned; and the application development was stalled during the year allowing for some savings.
- Allocations to the grant program were less than budgeted. Allocations are directly related to revenue received from AB2766 and AB 923. Both funding sources are collected through vehicle registrations and as noted, this revenue source is reduced from expectations.
- The MDAQMD has concluded negotiations with their labor organization and this revised version reflects those results, reducing the June 21, 2011 proposed budget costs \$6,180.

The revised version of the proposed budget for FY 12 does not add new expenditures or adjust any program levels.

The Fiscal Year 2011-12 budget states the appropriations to perform the District's services, activities, and projects, and the revenues estimated to be available to the District. A proposed budget summary and supporting documentation was prepared and made available in accordance with the 30 day Public Notice Requirement of Health and Safety Code §40131(a)(1). All persons within the Antelope Valley Air Quality Management District jurisdiction who were subject to fees during the prior fiscal year were properly notified of the availability of the information (pursuant to H&S §40131(a)(2)). A Public Hearing for the purpose of reviewing the budget and taking public comment, as required by H&S § 40131(a)(3), was held May 17, 2011.

REASON FOR RECOMMENDATION: Health and Safety Code §40131 requires that Districts adopt an annual budget. Adoption of the budget will enable the AVAQMD Governing Board to make adequate financial plans and will ensure that the AVAQMD officers can administer their respective functions in accordance with such plans.

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

AGENDA ITEM 5

PAGE 3

REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel as to legal form and by Eldon Heaston, Executive Director on or before October 3, 2011.

FINANCIAL DATA: This budget sets forth appropriations totaling \$2,396,181, with anticipated revenues of \$2,210,480, in addition to \$591,374 carried over from the prior year. Allocations are designated for the Mobile Emissions Reduction Program in the amount of \$1,007,000 (contained within the Appropriations). Operating Cash Reserves are designated in the amount of \$305,000.

PRESENTER: Jean Bracy, Director of Administrative Services.

**ACTION OF THE GOVERNING BOARD
APPROVED**

Upon Motion by MCCOY, Seconded by HAWKINS, as approved by the following vote:

Ayes: 6 CRIST, HAWKINS, MCCOY, LEDFORD, DISPENZA, LAWSON

Noes:

Absent: 1 MANN

Abstain:

Vacant:

CRYSTAL GOREE, DEPUTY CLERK OF THE GOVERNING BOARD

BY *Crystal Goree*

Dated: October 18, 2011

Ref: Resolution #11-16, titled "A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT APPROVING AND ADOPTING THE PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2011-12."