



# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178  
(909) 396-2000 • www.aqmd.gov

## ADMINISTRATIVE COMMITTEE MEETING

### Committee Members

Dr. William A. Burke, Chair  
Council Member Ben Benoit, Vice Chair  
Council Member Judith Mitchell  
Council Member Michael Cacciotti

**April 10, 2020 ♦ 10:00 a.m.**

**Pursuant to Governor Newsom's Executive Orders N-25-20 (March 12, 2020) and N-29-20, (March 17, 2020), the Administrative Committee meeting will only be conducted via video conferencing and by telephone. Please follow the instructions below to join the meeting remotely.**

## **INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT BOTTOM OF AGENDA**

**Join Zoom Meeting - from PC or Laptop**

<https://scaqmd.zoom.us/j/113718569>

**Meeting ID: 113 718 569 (applies to all)**

**Teleconference Dial In**

+1 669 900 6833

**One tap mobile**

+16699006833,113718569#

**Audience will be able to provide public comment through telephone or Zoom connection.**

**PUBLIC COMMENT WILL STILL BE TAKEN**

## **AGENDA**

*Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54854.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes each.*

## CALL TO ORDER

### DISCUSSION ITEMS – Items 1 through 6:

- |    |   |  |           |
|----|---|--|-----------|
| 1. | Board Members' Concerns ( <b><i>No Motion Required</i></b> )<br><i>Any member of the Governing Board, on his or her own initiative may raise a concern to the Administrative Committee regarding any South Coast AQMD items or activities.</i>  | Dr. William A. Burke<br>Committee Chair                                  |           |
| 2. | Chairman's Report of Approved Travel ( <b><i>No Motion Required</i></b> )   | Dr. Burke  | pg. 1     |
| 3. | Report of Approved Out-of-Country Travel<br>( <b><i>No Motion Required</i></b> )  | Wayne Nastri<br>Executive Officer  |           |
| 4. | Review May 1, 2020 Governing Board Agenda   | Wayne Nastri   | pgs. 2-8  |
| 5. | Approval of Compensation for Board Member Assistant(s)/<br>Consultant(s) (Any material, if submitted, will be distributed at the meeting.) ( <b><i>Motion Requested if Proposal Made</i></b> )  | Dr. Burke  |           |
| 6. | Status Report on Major Ongoing and Upcoming Projects for<br>Information Management ( <b><i>No Motion Required</i></b> )<br><i>Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.</i> | Ron Moskowitz<br>Chief Information<br>Officer, Information<br>Management | pgs. 9-17 |

### ACTION ITEMS – Items 7 through 9:

#### MAY ITEMS

- |    |   |  |            |
|----|---|--|------------|
| 7. | Authorize Purchase of OnBase Software Support<br>( <b><i>Motion Requested</i></b> )<br><i>South Coast AQMD uses OnBase software for its electronic document management system to manage critical documents and to support the Record Retention Policy. Software subscription and support for OnBase expires on July 31, 2020. This action is to obtain approval for sole source purchase of OnBase software subscription and support for one year from Information Management's FY 2020-21 Budget. Funds for this purchase (\$140,000) are conditional on approval of the Proposed FY 2020-21 Budget.</i>   | Ron Moskowitz                                      | pgs. 18-19 |
| 8. | Adopt Executive Officer's FY 2020-21 Proposed Goals and Priority<br>Objectives, and Proposed Budget ( <b><i>Motion Requested</i></b> )<br><i>The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2020-21 have been developed and are recommended for adoption. The Budget and Work Program for FY 2020-21 represents the input over the past several months from Board Members, staff, and the public. This year's process included two meetings of the Budget Advisory Committee and two budget workshops, one for the public held on April 7, 2020 and one for the Board held on April 10, 2020. The Proposed Budget incorporates, pursuant to Rule 320, an increase of most fees by 2.8 percent consistent with the Consumer Price Index; however</i> | Sujata Jain<br>Chief Financial<br>Officer, Finance | pgs. 20-96 |

*staff is proposing to credit back the proposed automatic CPI increase in light of the economic effects of the COVID-19 pandemic on the regulated community. This action is to adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2020-21.*

9. Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2020-21 (**Motion Requested**) Sujata Jain pgs. 97-99  
*The Board Member Assistant and Board Member Consultant compensation is proposed to be amended to adjust the compensation level the South Coast AQMD may make per Board Member, per fiscal year, based on the Board approved assignment-of-points methodology. The points are calculated based on the level of complexity, number of meetings and role.*

**OTHER MATTERS:**

10. Other Business Dr. Burke  
*Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt Code Section 54954.2)*
11. Public Comment  
*At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.*
12. **Next Meeting Date:** May 8, 2020 at 10:00 a.m.

**ADJOURNMENT**

Americans with Disabilities Act

*Disabilities and language-related accommodations can be requested to allow participation in the Administrative Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the District. Please contact Nancy Velasquez at (909) 396-2557 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to [nvelasquez@aqmd.gov](mailto:nvelasquez@aqmd.gov).*

Document Availability

*All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Nancy Velasquez at (909) 396-2557, or send the request to [nvelasquez@aqmd.gov](mailto:nvelasquez@aqmd.gov).*

**INSTRUCTIONS FOR ELECTRONIC PARTICIPATION**

**Instructions for Participating in a Virtual Meeting as an Attendee**

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

**Please note:** During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chairman will announce public comment.

A countdown timer will be displayed on the screen for each public comment. If

interpretation is needed, more time will be allotted.

**Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.**

**Directions for Video ZOOM on a DESKTOP/LAPTOP:**

- If you would like to make a public comment, please click on the “**Participants**” button on the bottom of the screen.
- A list of participants will appear on the right side of the screen. At the bottom of the list, please click on the grey “**Raise Hand**” button.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

**Directions for Video Zoom on a SMARTPHONE:**

- If you would like to make a public comment, please click on the “**Participants**” button on the bottom of your screen.
- A new screen will pop up with the list of participants. Look for the “**Raise Hand**” button on the screen and click the button.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

**Directions for TELEPHONE line only:**

- If you would like to make public comment, please **dial \*9** on your keypad to signal that you would like to comment.



# South Coast Air Quality Management District

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BOARD MEETING DATE: May 1, 2020

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee met April 10, 2020 and reviewed the proposed agenda for the May 1, 2020 Board meeting. The Committee also discussed various issues detailed in the Committee report. The next Administrative Committee meeting is May 8, 2020, at 10:00 a.m., in CC-8.

RECOMMENDED ACTION:  
Approve this report.

Dr. William A. Burke, Chair  
Administrative Committee

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**Attendance:**

[Will be inserted subsequent to the April 10, 2020 Administrative Committee meeting.]

**Administrative Committee Discussion Items:**

[Will be inserted subsequent to the April 10, 2020 Administrative Committee meeting.]

**Report on Board Member Travel Authorized by the Chairman at the April 10, 2020 Administrative Committee meeting:**

DATE	TRAVELER	DESTINATION	PURPOSE
April 22-24, 2020	Council Member Judith Mitchell	Sacramento, CA	Council Member Mitchell will attend the monthly CARB Board meeting as the South Coast AQMD Board representative.



# South Coast Air Quality Management District

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Item 4

4/3/20 4:30 P.M.

## DRAFT AGENDA

### MEETING, MAY 1, 2020

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 AM.

Pursuant to Governor Newsom’s Executive Orders N-25-20 (March 12, 2020) and N-29-20 (March 17, 2020), the Governing Board meeting will only be conducted via video conferencing and by telephone. Please follow the instructions below to join the meeting remotely.

#### INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Join Zoom Meeting - from PC, Laptop or Phone

<https://scaqmd.zoom.us/j/7927318325>

Meeting ID: 792.731.8325 (applies to all)

Teleconference Dial In

+1 669 900 6833

One tap mobile

+ 16699006833,,7927318325#

Audience will be allowed to provide public comment through telephone or Zoom connection.

#### Phone controls for participants:

The following commands can be used on your phone’s dial pad while in Zoom meeting:

- \*6 - Toggle mute/unmute
- \*9 - Raise hand

#### PUBLIC COMMENT WILL STILL BE TAKEN

<b>Questions About an Agenda Item</b>	<ul style="list-style-type: none"> <li>▪ The name and telephone number of the appropriate staff person to call for additional information or to resolve concerns is listed for each agenda item.</li> <li>▪ In preparation for the meeting, you are encouraged to obtain whatever clarifying information may be needed to allow the Board to move expeditiously in its deliberations.</li> </ul>
<b>Meeting Procedures</b>	<ul style="list-style-type: none"> <li>▪ The public meeting of the South Coast AQMD Governing Board begins at 9:00 a.m. The Governing Board generally will consider items in the order listed on the agenda. However, <u>any item</u> may be considered in <u>any order</u>.</li> <li>▪ After taking action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.</li> </ul>

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting at South Coast AQMD’s web page ([www.aqmd.gov](http://www.aqmd.gov)).

#### Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Governing Board meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov’t Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact the Clerk of the Board Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to [cob@aqmd.gov](mailto:cob@aqmd.gov)

A webcast of the meeting is available for viewing at:

<http://www.aqmd.gov/home/news-events/webcast>

*Cleaning the air that we breathe...*

**CALL TO ORDER**

- Pledge of Allegiance
- Opening Comments: William A. Burke, Ed.D., Chair  
Other Board Members  
Wayne Nastri, Executive Officer

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Staff/Phone (909) 396-

**CONSENT CALENDAR (Items 1 through XX)**

Note: Consent Calendar items held for discussion will be moved to Item No. XX

- |        |  |                      |
|--------|--|----------------------|
| 10960. | Approve Minutes of April 3, 2020 Board Meeting   | <b>Thomas/3268</b>   |
| <br>   |  |                      |
| 10905. | Set Public Hearings June 5, 2020 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations   | <b>Nastri/3131</b>   |
| <br>   |  |                      |
| 10939. | Set Public Hearing June 5, 2020 to Determine That Proposed Amendments to Rule 1117 – Emissions from Container Glass Melting and Sodium Silicate Furnaces, Are Exempt from CEQA and Amend Rule 1117   | <b>Nakamura/3105</b> |
|        | <p>The adoption resolution of the 2016 AQMP directed staff to achieve additional NOx reductions and to transition the RECLAIM program to a command-and-control regulatory structure as soon as practicable. Proposed Amended Rule (PAR) 1117 applies to container glass and sodium silicate production facilities. PAR 1117 will establish NOx and SOx emission standards for container glass melting and sodium silicate furnaces, update monitoring, reporting, and recordkeeping requirements, establish provisions for idling, startup, and shutdown of these furnaces, and remove obsolete provisions. PAR 1117 also includes NOx emission limits for auxiliary combustion equipment associated with container glass melting operations. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Rule 1117 – Emissions from Container Glass Melting and Sodium Silicate Furnaces, are exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 1117 – Emissions from Container Glass Melting and Sodium Silicate Furnaces. (Reviewed: Stationary Source Committee, April 17, 2020)</p> |                      |

**Budget/Fiscal Impact**

10956. Amend Contract for Tier 4 Passenger Locomotives **Miyasato/3249**
- In 2014, under the “Year 16” Carl Moyer Program solicitation, the Southern California Regional Rail Authority (SCRRA) submitted a proposal requesting \$58.85 million to cofund the deployment of 20 new Tier 4 locomotives. In September 2015, the Board awarded \$22.85 million to SCRRA from the Carl Moyer Program AB 923 Fund (80), with a commitment to consider the remaining \$36 million over four phases. The Board previously approved \$27 million of the \$36 million in three installments in December 2016, December 2017 and February 2019. This action is to amend SCRRA’s contract, adding the remaining \$9 million from the Carl Moyer Program AB 923 Fund (80) for a revised contract total of \$58.85 million. (Reviewed: Technology Committee, April 17, 2020; Recommended for Approval)
10921. Recognize Revenue and Transfer and Appropriate Funds for Air Monitoring Programs, and Issue Solicitations and Purchase Orders for Air Monitoring Equipment and One Vehicle **Low/2269**
- South Coast AQMD is expected to receive grant funds up to \$684,945 from the U.S. EPA for the PM2.5 Program and up to \$2,100,000 from the U.S. Government for the Enhanced Particulate Monitoring Program. These actions are to 1) recognize revenue and transfer and appropriate funds for the PM2.5 and Enhanced Particulate Monitoring Programs; and 2) issue solicitations and purchase orders for air monitoring equipment and one vehicle. (Reviewed: Administrative Committee, April 10, 2020; Recommended for Approval)
10966. Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2020-21 **Jain/2804**
- The Board Member Assistant and Board Member Consultant compensation is proposed to be amended to adjust the compensation level the South Coast AQMD may make per Board Member, per fiscal year, based on the Board approved assignment-of-points methodology. The points are calculated based on the level of complexity, number of meetings and role (Chair/Vice-Chair). (Reviewed: Administrative Committee, April 10, 2020; Recommended for Approval)
10937. Authorize Purchase of OnBase Software Support **Moskowitz/3329**
- South Coast AQMD uses OnBase software for its electronic document management system to manage critical documents and to support the Record Retention Policy. Software subscription and support for OnBase expires on July 31, 2020. This action is to obtain approval for sole source purchase of OnBase software subscription and support for one year from Information Management’s FY 2020-21 Budget. Funds for this purchase (\$140,000) are conditional on approval of the Proposed FY 2020-21 Budget. (Reviewed: Administrative Committee, April 10, 2020; Recommended for Approval)



10889. Approve Contract Modifications as Approved by MSRC

**McCallon**

**Items XX through XX - Information Only/Receive and File**

10848. Legislative, Public Affairs, and Media

**Alatorre/3122**

This report highlights the March 2020 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations and Outreach to Business and Federal, State and Local Government. (No Committee Review)

10943. Hearing Board Report

**Prussack/2500**

This reports the actions taken by the Hearing Board during the period of March 1 through March 31, 2020 (No Committee Review)

10839. Civil Filings and Civil Penalties Report

**Gilchrist/3459**

This reports the monthly penalties from March 1, 2020 through March 31, 2020, and legal actions filed by the General Counsel's Office from March 1 through March 31, 2020. An Index of South Coast AQMD Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, April 17, 2020)

10803. Lead Agency Projects and Environmental Documents Received

**Nakamura/3105**

This report provides a listing of CEQA documents received by the South Coast AQMD between March 1, 2020 and March 31, 2020, and those projects for which the South Coast AQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, April 17, 2020)

10774. Rule and Control Measure Forecast

**Fine/2239**

This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2020. (No Committee Review)

10940. Status Report on Major Ongoing and Upcoming Projects for Information Management **Moskowitz/3329**

Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, April 10, 2020)

XX. Items Deferred from Consent Calendar

**BOARD CALENDAR**

10823. Administrative Committee (Receive & File) **Chair: Burke Nastri/3131**
10768. Legislative Committee **Chair: Mitchell Alatorre/3122**
10756. Mobile Source Committee (Receive & File) **Chair: Burke Fine/2239**
10909. Stationary Source Committee (Receive & File) **Chair: Benoit Dejbakhsh/2618**
10829. Technology Committee (Receive & File) **Chair: Buscaino Miyasato/3249**
10790. Mobile Source Air Pollution Reduction Review Committee (Receive & File) **Board Liaison: Benoit Berry/2363**
10946. California Air Resources Board Monthly Report (Receive & File) **Board Rep: Mitchell Thomas/2500**

**PUBLIC HEARINGS**

10938. Adopt Executive Officer's FY 2020-21 Proposed Goals and Priority Objectives and Proposed Budget **Jain/2804**

The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2020-21 have been developed and are recommended for adoption. The Budget and Work Program for FY 2020-21 represents input over the past several months from Board members, staff, and the public. This year's process included meetings of the Budget Advisory Committee; and two budget workshops, one for the public held on April 7, 2020 and the Board on April 10, 2020. The Proposed Budget incorporates, pursuant to Rule 320, an increase of most fees by 2.8 percent consistent with the Consumer Price Index; however, staff is proposing to credit back this year's automatic CPI increase to counter the economic effects of the COVID-19 pandemic. This action is to adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2020-21. (Reviewed: Special Board Meeting/Budget Study Session, April 10, 2020)

10928. Determine That Proposed Amendments to Rule 445 – Wood-Burning Devices, Are Exempt from CEQA and Amend Rule 445

Rees/2856

Proposed Amendment Rule 445 will satisfy U.S. EPA contingency measure requirements and Control Measure BCM-09 from the 2016 AQMP. The threshold limit for no-burn days would be incrementally lowered automatically for each subsequent final determination by the U.S. EPA of a failure to meet an applicable Clean Air Act milestone. The proposed amendments would also reduce ambient PM2.5 by expanding the criteria for Basin-wide wood-burning curtailments. Other minor amendments include additional definitions for terms used in the rule, and revisions to improve rule implementation and clarify existing requirements. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Rule 445 – Wood Burning Devices, are exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 445 – Wood-Burning Devices. (Reviewed: Stationary Source Committee, March 20, 2020)

**PUBLIC COMMENT PERIOD** – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

**BOARD MEMBER TRAVEL** – (*No Written Material*)

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

**CLOSED SESSION** - (*No Written Material*)

Gilchrist/3459

**ADJOURNMENT**

**\*\*\*PUBLIC COMMENTS\*\*\***

Members of the public are afforded an opportunity to speak on any agenda item before consideration of that item. Please notify the Clerk of the Board, (909) 396-2500, if you wish to do so. All agendas are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the meeting. At the end of the agenda, an opportunity is also provided for the public to speak on any subject within the South Coast AQMD's authority. Speakers will be limited to a total of three (3) minutes for the Consent Calendar and Board Calendar and three (3) minutes or less for other agenda items.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under the Public Comment Period may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record, provided 25 copies are presented to the Clerk of the Board. Electronic submittals to [cob@aqmd.gov](mailto:cob@aqmd.gov) of 10 pages or less including attachment, in MS WORD, PDF, plain or HTML format will also be accepted by the Board and made part of the record if received no later than 5:00 p.m., on the Tuesday prior to the Board meeting.

## ACRONYMS

AQ-SPEC = Air Quality Sensor Performance Evaluation Center	NESHAPS = National Emission Standards for Hazardous Air Pollutants
AQIP = Air Quality Investment Program	NGV = Natural Gas Vehicle
AQMP = Air Quality Management Plan	NOx = Oxides of Nitrogen
AVR = Average Vehicle Ridership	NSPS = New Source Performance Standards
BACT = Best Available Control Technology	NSR = New Source Review
BARCT = Best Available Retrofit Control Technology	OEHHA = Office of Environmental Health Hazard Assessment
Cal/EPA = California Environmental Protection Agency	PAMS = Photochemical Assessment Monitoring Stations
CARB = California Air Resources Board	PEV = Plug-In Electric Vehicle
CEMS = Continuous Emissions Monitoring Systems	PHEV = Plug-In Hybrid Electric Vehicle
CEC = California Energy Commission	PM10 = Particulate Matter $\leq$ 10 microns
CEQA = California Environmental Quality Act	PM2.5 = Particulate Matter $\leq$ 2.5 microns
CE-CERT =College of Engineering-Center for Environmental Research and Technology	RECLAIM=Regional Clean Air Incentives Market
CNG = Compressed Natural Gas	RFP = Request for Proposals
CO = Carbon Monoxide	RFQ = Request for Quotations
DOE = Department of Energy	RFQQ=Request for Qualifications and Quotations
EV = Electric Vehicle	SCAG = Southern California Association of Governments
FY = Fiscal Year	SIP = State Implementation Plan
GHG = Greenhouse Gas	SOx = Oxides of Sulfur
HRA = Health Risk Assessment	SOON = Surplus Off-Road Opt-In for NOx
LEV = Low Emission Vehicle	SULEV = Super Ultra Low Emission Vehicle
LNG = Liquefied Natural Gas	TCM = Transportation Control Measure
MATES = Multiple Air Toxics Exposure Study	ULEV = Ultra Low Emission Vehicle
MOU = Memorandum of Understanding	U.S. EPA = United States Environmental Protection Agency
MSERCs = Mobile Source Emission Reduction Credits	VOC = Volatile Organic Compound
MSRC = Mobile Source (Air Pollution Reduction) Review Committee	ZEV = Zero Emission Vehicle
NATTS =National Air Toxics Trends Station	

DRAFT

Item 6

BOARD MEETING DATE: May 1, 2020

AGENDA NO.

REPORT: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, April 10, 2020, Reviewed

RECOMMENDED ACTION:  
Receive and file.

Wayne Nastri  
Executive Officer

RMM:MAH:XC:agg

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### **Background**

Information Management (IM) provides a wide range of information systems and services in support of all South Coast AQMD operations. IM's primary goal is to provide automated tools and systems to implement Board-approved rules and regulations, and to improve internal efficiencies. The annual Budget and Board-approved amendments to the Budget specify projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

### **Summary of Report**

The attached report identifies each of the major projects/contracts or purchases that are ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

### **Attachment**

Information Management Status Report on Major Ongoing and Upcoming Projects During the Next Six Months

**ATTACHMENT**  
**May 1, 2020 Board Meeting**  
**Status Report on Major Ongoing and Upcoming Projects for Information Management**

<b>Project</b>	<b>Brief Description</b>	<b>Estimated Project Cost</b>	<b>Completed Actions</b>	<b>Upcoming Milestones</b>
Office 365 Implementation	Acquire and implement Office 365 for South Coast AQMD staff	\$350,000	<ul style="list-style-type: none"> <li>• Pre-assessment evaluation and planning completed</li> <li>• Board approved funding on October 5, 2018</li> <li>• Developed implementation and migration plan</li> <li>• Acquired Office 365 licenses</li> <li>• Implemented Office 365 email (Exchange) and migrated all users</li> <li>• Trained staff in Office 365 Pro Plus desktop software</li> <li>• Implemented Office 365 Pro Plus, Office Web, and OneDrive for Business</li> </ul>	<ul style="list-style-type: none"> <li>• Implement Office 365 internal website (SharePoint) and migrate existing content</li> </ul>
Permitting System Automation Phase 1	New Web application to automate the filing of permit applications with immediate processing and issuance of permits for specific application types: Dry Cleaners, Gas Stations, and Automotive Spray Booths	\$694,705	<ul style="list-style-type: none"> <li>• Automated 400A form filing, application processing, and online permit generation for Dry Cleaner, Automotive Spray Booth, and Gas Station Modules deployed to production</li> <li>• Enhanced processing of school locations with associated parcels</li> <li>• Deployed upgraded GIS Map integration and enhanced sensitive receptor identification and distance measurement work</li> </ul>	<ul style="list-style-type: none"> <li>• Continue Phase 1.1 project outreach support</li> <li>• New version of On Line Application Filing (OLAF) that includes Rule 212(c)(1) Implementation Guidance</li> </ul>

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 2	Enhanced Web application to automate filing of permit applications, Rule 222 equipment and registration for IC engines; implement electronic permit folder and workflow for internal South Coast AQMD users	\$525,000	<ul style="list-style-type: none"> <li>• Board approved initial Phase 2 funding December 2017</li> <li>• Phase 2 project startup and detail planning completed May 2018</li> <li>• Business process model approved</li> <li>• Board approved remaining Phase 2 funding October 5, 2018</li> <li>• Permitting Automation Workflow/Engineer shadowing/interviewing completed</li> <li>• Report outlining recommendations for automation of Permitting Workflow completed</li> <li>• Developed application submittals and form filing of the first nine of 32 400-E forms</li> <li>• Application submittals and form filing for 23 types of equipment under Rule 222 ready for User Testing completed</li> <li>• Deployed to production top three most frequently used R222 forms: Negative Air Machines, Small Boilers, and Charbroilers</li> </ul>	<ul style="list-style-type: none"> <li>• Complete User Testing for first nine 400-E forms</li> <li>• Complete User Acceptance Testing (UAT) and Deployment to production of Emergency IC Engines Form (EICE-RE)</li> <li>• Complete User Acceptance Testing (UAT) and Deployment of remaining twenty-two R222 forms to production</li> </ul>

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Document Conversion Services	Document Conversion Services to convert paper documents stored at South Coast AQMD facilities to electronic storage in OnBase	\$83,000	<ul style="list-style-type: none"> <li>• Released RFQ October 5, 2018</li> <li>• Approved qualified vendors January 4, 2019</li> <li>• Executed purchase orders for scanning services</li> <li>• Converted over 1,207,500 rule administrative record documents</li> </ul>	<ul style="list-style-type: none"> <li>• Convert over 2,000,000 contract documents</li> </ul>
Replace Your Ride (RZR)	New Web application to allow residents to apply for incentives to purchase newer, less polluting vehicles	\$301,820	<ul style="list-style-type: none"> <li>• Phase 2 Fund Allocation, Administration and Management Reporting modules deployed and in production</li> <li>• Final Phase 2 user requested enhancements: VIN Number, Case Manager, Auto e-mail and document library updates deployed to production</li> <li>• Phase 3 moved to production</li> <li>• Implemented Electric Vehicle Service Equipment and other requested modifications</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of RZR and PeopleSoft Financial integration module</li> </ul>
South Coast AQMD Mobile Application Enhancements	Enhancement of Mobile application with addition of advance notification, alternative fuel station search, media integration, infrastructure for hourly migration, and performance improvements	\$100,000	<ul style="list-style-type: none"> <li>• Project charter released</li> <li>• Task order issued, evaluated and awarded</li> <li>• Code development of Phase 1, alternative fuel, media integration, and performance improvements completed</li> <li>• User Acceptance Testing of Phase 1 completed</li> <li>• Completed deployment to both Apple and Google App stores</li> </ul>	<ul style="list-style-type: none"> <li>• Develop vision and scope for next phase of enhancements</li> </ul>



Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Legal Division New System Development	Develop new web-based case management system for Legal Division to replace existing system	\$500,000	<ul style="list-style-type: none"> <li>• Task order issued, evaluated and awarded</li> <li>• Project charter finalized</li> <li>• Business Process Model completed</li> <li>• Sprint 1, 2 and 3 functional and system design completed</li> <li>• Testing of Sprints 1–3: NOVs, MSPAP, settlements, civil and small claims completed</li> <li>• Sprint 4 functional and design requirements: criminal, bankruptcy, non-NOV cases and check registers completed</li> <li>• Sprint 5 functional and design requirements–investigative assignments completed</li> <li>• Deployed IM servers and User Testing for Sprints 1-5 modules</li> <li>• OnBase and finance integrated</li> <li>• User Acceptance Testing completed</li> </ul>	<ul style="list-style-type: none"> <li>• Sprint 6 development, reports, and data migration</li> <li>• Parallel testing before final production</li> </ul>

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Flare Event Notification – Rule 1118	Develop new web-based application to comply with Rule 1118 to improve current flare notifications to the public and staff	\$100,000	<ul style="list-style-type: none"> <li>• Project charter released</li> <li>• Task order issued, evaluated and awarded</li> <li>• Requirement gathering and design for Sprint 1, 2, and 3 completed</li> <li>• Sprint 4 and Public Portal implementation completed</li> <li>• Major incident notification deployed</li> <li>• Refinery user training completed</li> <li>• Application demo completed</li> <li>• Deployed to production on December 12, 2019 including major incident reporting on public portal</li> </ul>	<ul style="list-style-type: none"> <li>• Phase II (administrative and reporting pages) development</li> </ul>
AQ-SPEC Cloud Platform	Develop a cloud-based platform to manage and visualize data collected by low-cost sensors	\$385,500	<ul style="list-style-type: none"> <li>• Project charter released</li> <li>• Task order issued, evaluated, and awarded</li> <li>• Business requirements gathering completed</li> <li>• System architecture, data storage, and design data ingestion completed</li> <li>• Data transformations, calculations, and averaging completed</li> <li>• Dashboards, microsites, and data migration completed</li> <li>• Release 2 User Acceptance Testing completed</li> </ul>	<ul style="list-style-type: none"> <li>• Deployment to production</li> </ul>

<b>Project</b>	<b>Brief Description</b>	<b>Estimated Project Cost</b>	<b>Completed Actions</b>	<b>Upcoming Milestones</b>
PeopleSoft Electronic Requisition	South Coast AQMD is implementing an electronic requisition for PeopleSoft Financials. This will allow submittal of requisitions online, tracking multiple levels of approval, electronic archival, pre-encumbrance of budget, and streamlined workflow	\$75,800	<ul style="list-style-type: none"> <li>• Project charter released</li> <li>• Task order issued, evaluated, and awarded</li> <li>• Requirement gathering and system design completed</li> <li>• System setup and code development and user testing for Information Management completed</li> <li>• System setup and code development and User Acceptance Testing completed for AHR (Administrative and Human Resources)</li> </ul>	<ul style="list-style-type: none"> <li>• Deployment to IM and AHR divisions</li> <li>• Integrated User Testing for other divisions</li> </ul>
Rule 1403 Enhancements	The Rule 1403 web application automates the Rule 1403 notification process. Enhancements to the system are now required to streamline the process and meet the new rule requirements	\$68,575	<ul style="list-style-type: none"> <li>• Project charter released</li> <li>• Task order issued, evaluated and awarded</li> <li>• Business requirements gathering completed</li> <li>• Development of Phase 1 completed</li> <li>• Development of Phase 2 completed</li> </ul>	<ul style="list-style-type: none"> <li>• Complete System Integration Testing and User Acceptance Testing</li> <li>• System deployment to Stage</li> </ul>
Renewal of OnBase Software Support	Authorize the sole source purchase of OnBase software subscription and support for one year	\$140,000		<ul style="list-style-type: none"> <li>• Request Board approval May 1, 2020</li> <li>• Execute contract July 15, 2020</li> </ul>

<b>Project</b>	<b>Brief Description</b>	<b>Estimated Project Cost</b>	<b>Completed Actions</b>	<b>Upcoming Milestones</b>
Phone System Upgrade	Upgrade the SCAQMD Cisco Unified Communications Phone System	\$375,000		<ul style="list-style-type: none"> <li>• Release RFQ May 1, 2020</li> <li>• Request Board approval of vendor selection September 4, 2020</li> <li>• Execute purchase October 2, 2020</li> <li>• Complete phone system upgrades April 30, 2021</li> </ul>
Oracle PeopleSoft Software Support	Authorize sole source purchase of Oracle PeopleSoft software support and maintenance for the integrated Finance/HR system	\$375,000		<ul style="list-style-type: none"> <li>• Request Board approval June 5, 2020</li> <li>• Execute contract July 15,2020</li> </ul>
Cybersecurity Assessment	Perform a cybersecurity risk assessment, maturity assessment, and penetration testing	\$100,000		<ul style="list-style-type: none"> <li>• Release RFP July 3, 2020</li> <li>• Award Contract September 4, 2020</li> <li>• Complete Cybersecurity assessment January 29,2021</li> </ul>

Projects that have been completed within the last 12 months are shown below.

<b>Completed Projects</b>	
Project	Date Completed
Renewal of HP Server Maintenance & Support	April 30, 2020
Volkswagen Environmental Mitigation Administration and Communication module	March 3, 2020
Data Cable Infrastructure Installation	February 31, 2020
Prequalify Vendor List for PCs, Network Hardware, etc.	February 7, 2020
Mobile Application enhancements including Spanish language	January 23, 2020
Annual Emissions Reporting System	December 31, 2019
Rule 1180 Fence Line Monitoring web site	December 31, 2019
Online filing of Rule 222 – Negative Air Machines, Small Boilers, and Charbroilers modules	December 13, 2019
Flare Notification System	December 12, 2019
Volkswagen Environmental Mitigation Application Filing Portal	December 7, 2019
CLASS Database Software Licensing and Support	November 30, 2019
Office 365 Suite Implementation of File Storage (OneDrive for Business)	November 22, 2019
Ingres Database Migration to Version 11	August 23, 2019
Renewal of OnBase Software Support	July 15, 2019
Telecommunications Service	July 15, 2019
AB 617 – Community Monitoring Data Display Web Application	July 9, 2019
Online filing of Rule 1415 – Reduction of Refrigerant Emissions System	June 5, 2019
South Coast AQMD Mobile Application for Android devices	May 30, 2019
Renewal of HP Server Maintenance & Support	April 30, 2019
Implementation of Enterprise Geographic Information System (EGIS) Phase II	March 11, 2019

DRAFT

BOARD MEETING DATE: May 1, 2020

AGENDA NO.

PROPOSAL: Authorize Purchase of OnBase Software Support

SYNOPSIS South Coast AQMD uses OnBase software for its electronic document management system to manage critical documents and to support the Record Retention Policy. Software subscription and support for OnBase expires on July 31, 2020. This action is to obtain approval for sole source purchase of OnBase software subscription and support for one year from Information Management's FY 2020-21 Budget. Funds for this purchase (\$140,000) are conditional on approval of the Proposed FY 2020-21 Budget.

COMMITTEE: Administrative, April 10, 2020; Recommended for Approval

**RECOMMENDED ACTIONS:**

Authorize the Procurement Manager to purchase OnBase software subscription and support for one year from Hyland Software at a cost not to exceed \$140,000 contingent on approval of this funding in Information Management's Proposed FY 2020-21 Budget, Services and Supplies Major Object, Professional and Special Services Account.

Wayne Natri  
Executive Officer

RMM:MH;hlp

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**Background**

South Coast AQMD uses OnBase software as its electronic document management system, which has maintained the South Coast AQMD's documents and other critical records since 1990. Total storage to date is over three million multi-page documents. OnBase is used by many of South Coast AQMD's mission critical web applications including Online Application Filing, Asbestos Notifications, and Oil and Gas Well Electronic Notification and Reporting. OnBase is a Windows-based, menu-driven,

document management system designed to store and retrieve critical documents in electronic format. The system provides concurrent information to multiple workstations simultaneously. It has a flexible compound document structure where black-and-white or color images co-exist with text and data within a single document. It stores various types of documents such as Microsoft Word documents, Outlook emails, PDFs, videos and data files.

The system also includes document routing and ad-hoc, scheduled point-to-point, and broadcast distribution of documents. It contains a complete set of markup and annotation tools that allow users to add notes, comments and drawings to pages without compromising the original document's integrity. The system has full network support so information can be distributed rapidly within an organization regardless of architecture. Finally, the system has an extensive number of features to allow the secure display of documents on South Coast AQMD's internal and external websites and on iPhone, iPad, and Android mobile applications. OnBase software subscription and support expires on July 31, 2020.

On December 4, 2015, the Board approved the release of an RFP to select a vendor(s) capable of providing a high quality, cost-effective Enterprise Content Management (ECM) solution. Five responses were received for this RFP. Hyland Software, Inc. was identified as the most capable and qualified vendor to provide the ECM solution to the South Coast AQMD.

### **Proposal**

Hyland Software is the sole manufacturer and provider of OnBase software and is, therefore, the only source for its maintenance support licensing agreements. Staff recommends the purchase of OnBase software subscription and support for one year from Hyland Software at a cost of \$140,000.

### **Sole Source Justification**

Section VIII.B.2 of the Procurement Policy and Procedure identifies circumstances under which a sole source purchase award may be justified. This request for a sole source award is made under provision VIII.B.2.c.(2) and (3). The products and services are available from only the sole source; involves the use of proprietary technology; and use key contractor-owned assets for project performance. Also, the cost of these support services reflects General Services Administration pricing.

### **Resource Impacts**

Sufficient funds are included in Information Management's Proposed FY 2020-21 Budget within the Services and Supplies Major Object Professional and Special Services Account.

DRAFT

BOARD MEETING DATE: May 1, 2020

AGENDA NO.

**PROPOSAL:** Adopt Executive Officer’s FY 2020-21 Proposed Goals and Priority Objectives, and Proposed Budget

**SYNOPSIS:** The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2020-21 have been developed and are recommended for adoption. The Budget and Work Program for FY 2020-21 represents the input over the past several months from Board Members, staff, and the public. This year’s process included two meetings of the Budget Advisory Committee and two budget workshops, one for the public held on April 7, 2020 and one for the Board held on April 10, 2020. The Proposed Budget incorporates, pursuant to Rule 320, an increase of most fees by 2.8 percent consistent with the Consumer Price Index; however staff is proposing to credit back the proposed automatic CPI increase in light of the economic effects of the COVID-19 pandemic on the regulated community. This action is to adopt the Executive Officer’s Proposed Goals and Priority Objectives, and Proposed Budget for FY 2020-21.

**COMMITTEE:** Special Governing Board Meeting/Budget Study Session, April 10, 2020, Reviewed

**RECOMMENDED ACTIONS:**

1. Remove from Reserves and Designations all amounts associated with the FY 2019-20 Budget;
2. Approve appropriations in the Major Objects for FY 2020-21 of:

Salary and Employee Benefits	\$145,327,635
Services and Supplies	31,470,986
Capital Outlays	1,742,500
Transfers Out	<u>841,353</u>
Total	<u>\$179,382,474</u>

3. Approve revenues for FY 2020-21 of \$179,382,474;



4. Authorize staff to credit back the CPI-based fee increase of 2.8 percent to fee payers on their annual billings to mitigate the impact of any fee increase in light of the COVID-19 pandemic.
5. Approve the Executive Officer's FY 2020-21 Goals and Priority Objectives;
6. Approve a projected June 30, 2021 Fund Balance of the following:

<b>Classification<sup>1</sup></b>	<b>Reserves/Unreserved Designations</b>	<b>Amount</b>
Committed	Reserve for Encumbrances	\$17,402,000
Nonspendable	Reserve for Inventory of Supplies	80,000
Assigned	Designated for Enhanced Compliance Activities	883,018
Assigned	Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	Designated for Permit Streamlining	234,159
Assigned	Designated for Self-Insurance	2,000,000
Assigned	Designated for Unemployment Claims	80,000
Total Reserved & Unreserved Designations		\$23,631,673
Unassigned	Undesignated Fund Balance	\$49,454,307

7. Adopt the attached Resolution amending Article 7 of the South Coast AQMD Salary Resolution to revise one Deputy Executive Officer class title to include Chief Technologist.

Wayne Natri  
Executive Officer

SJ:DRP:ap

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## **Background**

### *Budget*

The period covered by the FY 2020-21 budget is from July 1, 2020 to June 30, 2021. The General Fund budget is the agency's operating budget and is structured by office and account code. The accounts are categorized into three Major Objects: Salaries and Employee Benefits, Services and Supplies, and Capital Outlays. The budget is supplemented with a Work Program which estimates staff resources and expenditures along program and activity lines. A Work Program Output Justification is completed for each Work Program which identifies performance goals, measurable outputs, legal mandates, activity changes and revenue categories.

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<sup>1</sup> The fund balance classifications of Committed, Nonspendable, Assigned, and Unassigned are established by the Government Accounting Standards Board 54.

The annual expenditure and revenue budget for the General Fund is adopted on a modified accrual basis. All annual expenditure appropriations lapse at fiscal year-end if they have not been expended or encumbered. Throughout the year, budget amendments may be necessary to accommodate additional revenues and expenditure needs.

The Executive Officer's Budget and Work Program for FY 2020-21 represents the input over the past several months from Board members, the public, executive management, and staff. This year's process included two meetings with the Budget Advisory Committee, one public consultation meeting held on April 7, 2020 and one budget study session held for the Board on April 10, 2020. An additional public consultation meeting was held on March 13, 2020 to discuss potential amendments to Regulation III and Rule 1480. These proposed fee amendments have subsequently been withdrawn.

Regulation III – Fees establishes the fee rates and schedules to recover South Coast AQMD's reasonable costs of regulating and providing services to the regulated community, primarily permitted sources. The Permitted Source Program is principally supported by three types of fees, namely permit processing fees for both facility permits and equipment-based permits, annual permit renewal fees, and emissions-based annual operating fees, all of which are contained in Rule 301. Also included in the Permitted Source Program are Rule 222 registration fees and plan fees, since these are similar to permits for the sources to which they apply. Regulation III also establishes fees and rates for other fee programs, unrelated to the Permitted Source Program, including, but not limited to, Transportation Programs fees and Area Source fees (architectural coatings). The above referenced fees comprise approximately 60.9 percent of South Coast AQMD's revenue.

The South Coast AQMD continues to implement cost recovery initiatives and cost reduction efforts, including limited increases in Services and Supplies expenditures, an increased vacancy rate, the implementation of the California Public Employees' Pension Reform Act (PEPRA) for new employees, and the early payoff of the Diamond Bar Headquarters. In the upcoming years, the South Coast AQMD will continue to face a number of fiscal challenges and uncertainties, including global economic impacts and uncertainty sparked by the COVID-19 pandemic and resulting fluctuations in the financial market which will determine the performance of South Coast AQMD's retirement investments and thus impact pension liability, potential changes in federal and state grant funding levels, the need for major information technology and building infrastructure improvement projects, and annual variations in penalties and settlement revenue. South Coast AQMD staff will monitor funding sources, the retirement plan, and actual financial results on a continuous basis and are prepared to make timely resource allocation adjustments as warranted.

## **Proposal**

### *Budget*

The proposed budget for FY 2020-21 is a balanced budget with expenditures and *revenues* of \$179,382,474. The proposed FY 2020-21 budget represents an increase of \$8,485,749 (five percent) in total expenditures from the budget adopted by the Board in May 2019, primarily due to an increase in retirement costs, new positions and step-increases. The proposed budget includes the net addition of seven positions for FY 2020-21 from the FY 2019-20 Adopted Budget. In Services and Supplies, the proposal for FY 2020-21 reflects an increase of \$3,478,326 (12.4 percent) compared to the FY 2019-20 adopted budget primarily due Emergency Response, Pension Obligation Bonds increase and Rule 1180 expenditures. Capital Outlays are increasing by \$1,347,500 compared to the FY 2019-20 adopted budget primarily due to purchases of Rule 1180-funded Air Monitoring Equipment & Vehicles. In addition, the budget proposal includes a request to amend the South Coast AQMD Salary Resolution to revise one Deputy Executive Officer class title to include Chief Technologist.

The proposed FY 2019-20 budget represents an increase of \$8,485,749 (5 percent) in total revenue from the budget adopted by the Board in May 2019. As part of this budget package, specific fees in Regulation III – Fees will be automatically adjusted by the California Consumer Price Index (CPI) as provided for under South Coast AQMD Rule 320. However, staff is proposing to credit back this year’s automatic CPI increase due to the economic effects of the COVID-19 pandemic on facilities regulated by South Coast AQMD. Staff has also withdrawn the previously proposed amendments to Reg III – Fees and Rule 1480.

### **Public Process**

The proposed FY 2020-21 budget assumes a 2.8 percent fee increase, consistent with Rule 320 which was adopted by the Board on October 29, 2010 to allow for an increase of fees based on the change in the California CPI. In accordance with Rule 320, the Draft Socioeconomic Impact Assessment for the automatic CPI-based fee increase was made available to the public on March 13, 2020. However, given the recent circumstances stemming from the COVID-19 pandemic, staff is proposing to credit back the automatic 2.8 percent CPI increase so that facilities will not experience any fee increases for FY 2020-21. There are subsequently no socioeconomic impacts to analyze because fees will not change from their current level in the upcoming fiscal year.

Copies of the Proposed Budget and Work Program for FY 2020-21 have been transmitted to the Board and the document is also available via South Coast AQMD’s web site at <http://www.aqmd.gov/nav/about/finance#Budgets>.

**Attachments**

- A. FY 2020-21 Proposed Goals and Priority Objectives and Proposed Budget
- B. Article 7 of the Salary Resolution – Designated Deputy Annual Salaries
- C. Board Meeting Presentation

South Coast Air Quality Management District

# Budget

Fiscal Year  
2020-2021





**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**

# **BUDGET**

## **FISCAL YEAR 2020-2021**

Prepared by Finance  
Sujata Jain, Chief Financial Officer



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**



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**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

**GOVERNING BOARD**

WILLIAM A. BURKE, Ed.D.  
Chairman  
Speaker of the Assembly Appointee

BEN BENOIT  
Vice Chair  
Cities of Riverside County Representative

KATHRYN BARGER  
County of Los Angeles Representative

LISA BARTLETT  
County of Orange Representative

JOE BUSCAINO  
City of Los Angeles Representative

MICHAEL A. CACCIOTTI  
Cities of Los Angeles County Representative  
Eastern Region

VANESSA DELGADO  
Senate Rules Committee Appointee

GIDEON KRACOV  
Governor's Appointee

LARRY McCALLON  
Cities of San Bernardino County Representative

JUDITH MITCHELL  
Cities of Los Angeles County Representative  
Western Region

V. MANUEL PEREZ  
County of Riverside Representative

CARLOS RODRIGUEZ  
Cities of Orange County Representative

JANICE RUTHERFORD  
County of San Bernardino Representative

WAYNE NASTRI  
Executive Officer



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**



# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178  
(909) 396-2000 • [www.aqmd.gov](http://www.aqmd.gov)

May 1, 2020

South Coast Air Quality Management District Board and Stakeholders

## Transmittal of the Executive Officer's Fiscal Year 2020-21 Budget and Work Program

This document represents South Coast Air Quality Management District's (South Coast AQMD) proposed General Fund Budget and Work Program for FY 2020-21. The budget was developed in accordance with statutory requirements and in consultation with South Coast AQMD's executive and program staff.

The greatest uncertainties facing South Coast AQMD's budgetary outlook stem from the potential for major economic disruption due to the COVID-19 global pandemic. In these challenging times, we recognize the hardships that many are experiencing. We are making accommodations in many program areas and remain committed to protecting public health and helping business. South Coast AQMD staff will monitor the financial impacts and, in the event, that there are major changes in the economic landscape, we would make adjustments to the FY 2020-21 Budget being proposed.

This budget includes a multi-year financial summary of all revenues, expenditures and staffing used by each of South Coast AQMD's programs in the delivery of essential services to clean the air and to protect the health of all residents in the South Coast Air District through practical and innovative strategies. The proposed budget for FY 2020-21 is a balanced budget with expenditures and revenues of \$179.4 million and 946 positions.

The proposed FY 2020-21 level of expenditures, up five percent from the FY 2019-20 adopted budget, includes increased costs for retirement, salaries due to labor negotiation agreements approved in FY 2017-18 and salaries associated with new positions. There is a net increase of seven FTEs from the FY 2019-20 adopted budget. This includes the previously approved FY 2019-20 mid-year actions adding five positions in the Science and Technology Advancement Office for Rule 1180 implementation, one position in Legislative and Public Affairs/Media Office for Environmental Justice and one Financial Analyst position in Finance.

The FY 2020-21 proposed revenue budget of \$179.4 million, up five percent from the FY 2019-20 adopted budget, includes full realization of the Rule 1180 fees implemented in FY 2019-20 and steady progress on South Coast AQMD's implementation of the Volkswagen Mitigation Action and AB 617 programs. At \$106.0 million or 59.1 percent of the projected revenue budget, stationary source revenues account for the largest source of revenue, and in light of the recent COVID-19 developments, could be precarious. Over the past two decades, total permit fees (including permit processing, annual operating permit, and annual emissions-based fees) collected from stationary sources has increased by about 52.5 percent from \$66.8 million in FY 1991-92 to \$101.9 million (estimated) in FY 2019-20. When adjusted for inflation however, stationary source revenues have decreased by 11 percent over this same period.

While significant efforts are put forth to develop a detailed budget for the next fiscal year, including a five-year projection, uncertain political and economic issues create challenges. These challenges include global economic impacts and uncertainty sparked by the COVID-19 outbreak and resulting fluctuations in the financial market which will determine the performance of South Coast AQMD's retirement investments and thus impact pension liability; changes in federal and state grant revenue funding levels; increased infrastructure costs due to an aging headquarters building; and Penalties and Settlement revenue that varies annually. South Coast AQMD staff will monitor funding sources, our retirement plan, and actual financial results on a continuous basis and is prepared to make timely resource allocation adjustments as warranted. Additionally, the proposed budget includes an assigned/unassigned general fund balance of 31 percent of FY 2020-21 revenues to provide a reasonable financial safety net.

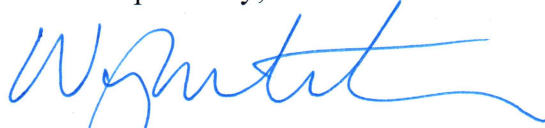
The public and the business community have multiple opportunities to participate in the budget development process. This includes meetings of the Budget Advisory Committee which is made up of representatives from the business and environmental communities, a public consultation meeting to discuss the proposed budget and work program, and two meetings of the Governing Board. The public consultation meeting and Governing Board meetings are noticed to the public through direct mail and emails to permitted facilities and other stakeholders, print media, and through the South Coast AQMD website.

In summary, I am proposing a balanced budget for FY 2020-21 that allows South Coast AQMD programs to operate efficiently, transparently, and in a manner sensitive to public agencies, businesses and the public, while providing continued emission reductions and health benefit improvements. The proposed FY 2020-21 Budget and Work Program serves to ensure the continued strength and stability of the South Coast



AQMD as we make progress toward attaining the federal and state clean air mandates and further protect public health.

Respectfully,

A handwritten signature in blue ink, appearing to read "Wayne Natri", with a long horizontal flourish extending to the right.

Wayne Natri,  
Executive Officer

SJ:DRP



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**South Coast Air Quality Management District  
California**

For the Fiscal Year Beginning

**July 1, 2019**

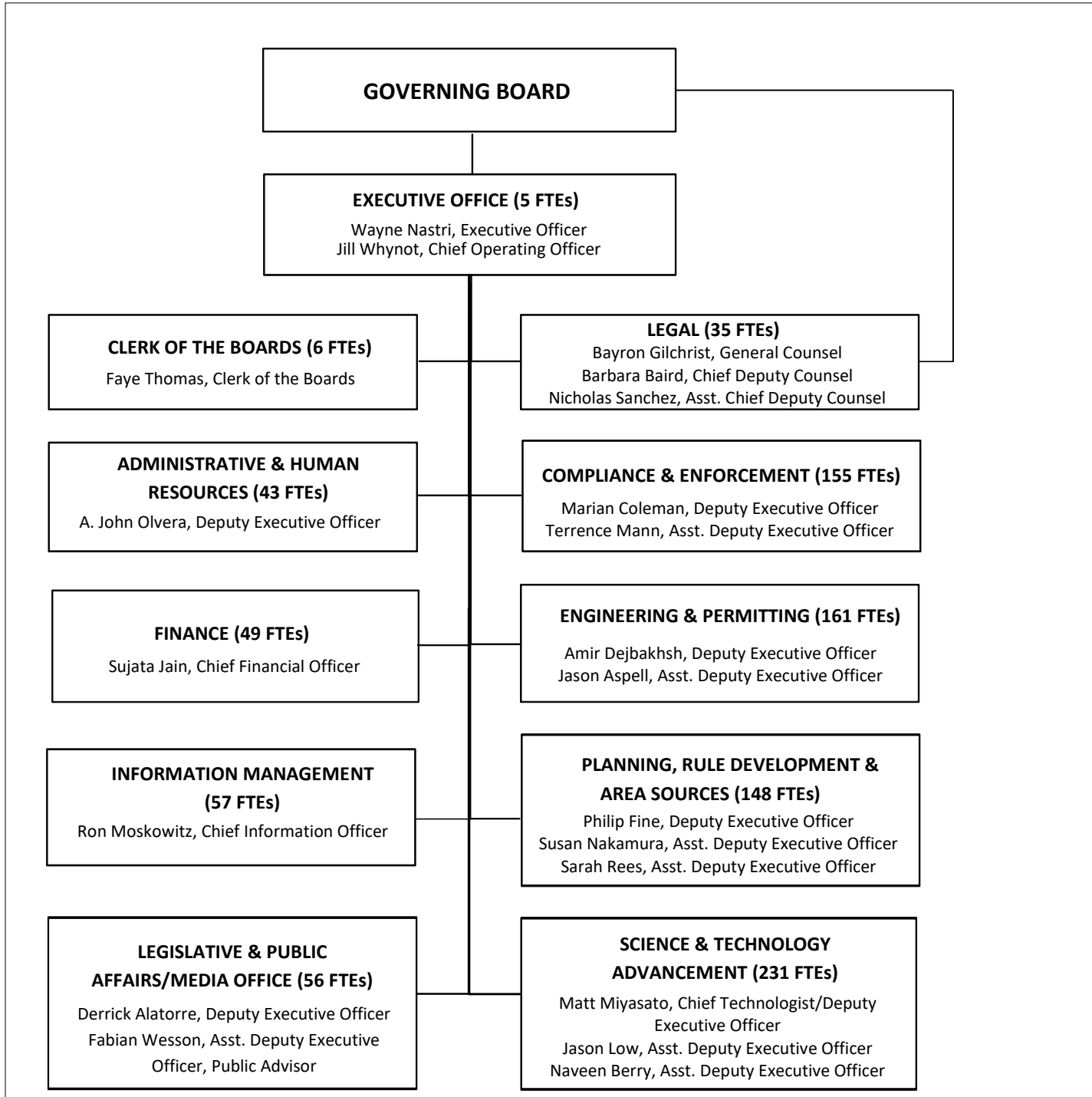
*Christopher P. Morill*

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation award to South Coast Air Quality Management District, California for its Annual Budget for the fiscal year beginning July 1, 2019. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
(946 FTEs)**



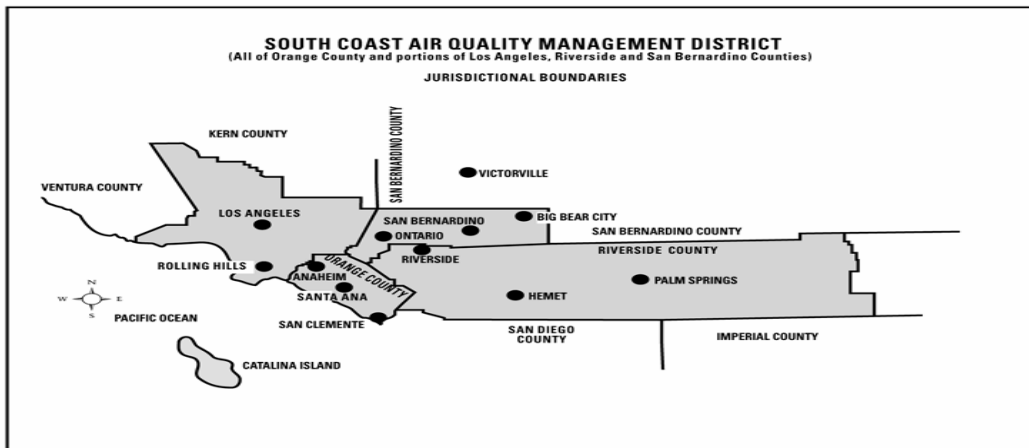
# SUMMARY

## Preface

This document represents the proposed FY 2020-21 Budget and Work Program of the South Coast Air Quality Management District (South Coast AQMD). The proposed budget is available for public review and comment during the month of April. A public consultation meeting is scheduled to discuss the proposed budget and proposed fees changes on April 7, 2021. In addition, a workshop for the Governing Board is scheduled on April 10, 2020. A final Proposed Budget and Work Program, which may include changes based on input from the public and Board, will be presented for adoption at a public hearing on May 1, 2020.

## Introduction

The South Coast Air Quality Management District (South Coast AQMD) began operation on February 1, 1977 as a regional governmental agency established by the California Legislature pursuant to the Lewis Air Quality Management Act. The South Coast AQMD encompasses all of Orange County and parts of Los Angeles, San Bernardino and Riverside Counties. It succeeded the Southern California Air Pollution Control District (APCD) and its predecessor four county APCDs, of which the Los Angeles County APCD was the oldest in the nation, having been formed in 1947. The South Coast AQMD Governing Board is composed of 13 members, including four members appointed by the Boards of Supervisors of the four counties in South Coast AQMD's jurisdiction, six members appointed by cities in the South Coast AQMD's jurisdiction and three members appointed by the Governor, the Speaker of the State Assembly and the Rules Committee of the State Senate, respectively. The members appointed by the Boards of Supervisors and cities consist of one member of the Board of Supervisors of Los Angeles, Orange, Riverside, and San Bernardino Counties, respectively, and a mayor or member of the city council of a city within Orange, Riverside, and San Bernardino Counties. Los Angeles County cities have three representatives, one each from the western and eastern portions and one member representing the City of Los Angeles.

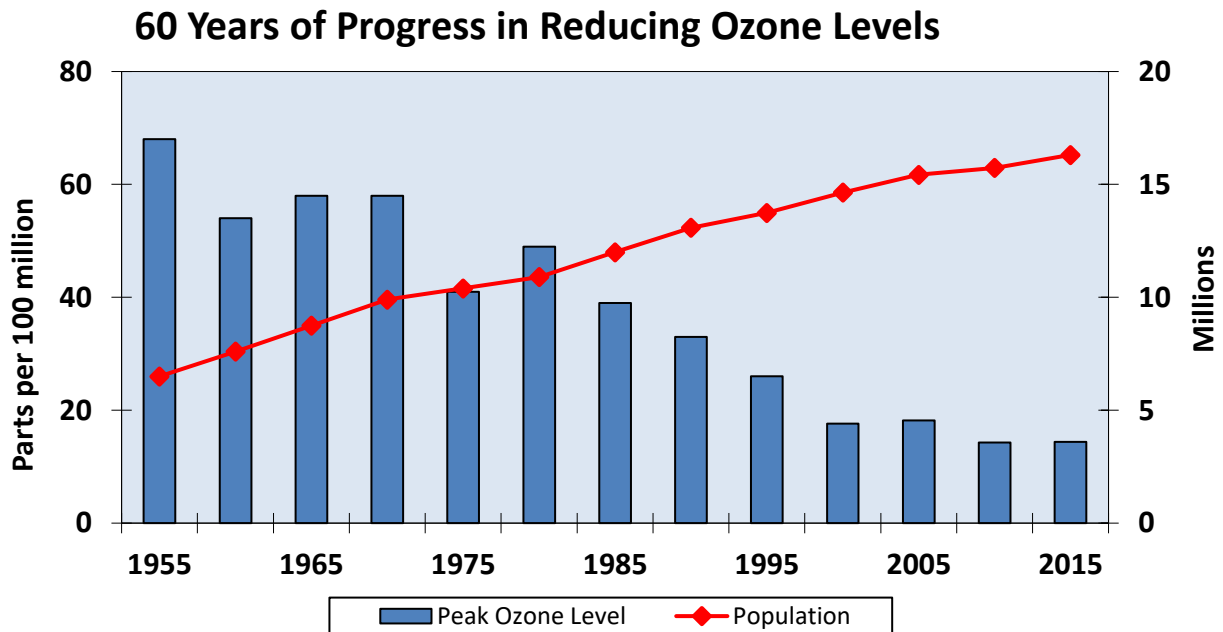


## Air Quality History

The South Coast Air Basin (Basin) has suffered unhealthy air since its rapid population growth and industrialization during World War II. While air quality has improved, the residents of the Basin still breathe some of the most polluted air in the nation.

The 69-year history of the region's air pollution control efforts is, in many ways, one of the world's key environmental success stories. Peak ozone levels have been cut by almost three-fourths since air monitoring began in the 1950s. Population exposure was cut in half during the 1980s alone.

Since the late 1940s when the war on smog began to 2017, the region's population has more than tripled from 4.8 million to 17.1 million; the number of motor vehicles has increased almost six-fold from 2.3 million to 13.8 million; and the area has grown into one of the most prosperous regions of the world. This phenomenal economic growth illustrates that pollution control and strong economic growth can coincide.



## Mission

South Coast AQMD's mission is to clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies. This mission is pursued through a comprehensive program of planning, regulation, education, enforcement, compliance incentives, technical innovation and promoting public understanding of air quality issues. The South Coast

AQMD has implemented a policy of working with regulated businesses to ensure their participation in making the rules which will impact them. This cooperative approach has resulted in greater business support of rulemaking efforts for air that is more healthful to breathe.

To carry out its mission, South Coast AQMD develops a set of Goals and Priority Objectives which are evaluated and revised annually and presented as part of the budget proposal. The following proposed goals have been identified as being critical to meeting South Coast AQMD's Mission for FY 2020-21:

- I. Achieve Clean Air Standards.
- II. Enhance Public Education and Equitable Treatment for All Communities.
- III. Operate Efficiently and Transparently.

These goals are the foundation for South Coast AQMD's Work Program categories. Each goal is supported by multiple activities, which target specific areas of program performance.

## **Air Quality**

### Overview

The four-county Southern California region, designated for air quality purposes as the South Coast Air Basin (Basin), has some of the highest air pollution levels in the United States. The federal government has designated seven pollutants that are pervasive enough to warrant federal health standards, called National Ambient Air Quality Standards (NAAQS). Known as "criteria pollutants," these are: ozone (O<sub>3</sub>); nitrogen dioxide (NO<sub>2</sub>); particulates (PM<sub>10</sub>); fine particulates (PM<sub>2.5</sub>); carbon monoxide (CO); lead (Pb); and sulfur dioxide (SO<sub>2</sub>).

In addition, the State of California through the California Air Resources Board (CARB) sets ambient air quality standards for these same pollutants. California's standards are in some cases tighter than the U.S. Environmental Protection Agency's (U.S. EPA) standards, reflecting the conclusion on CARB's part that some of the federal standards are not adequate to protect public health in this region. Toxic compounds also are a potential problem. More toxic pollution is emitted into the air in the Basin than in any other region in California. The Basin's large number of motor vehicles and minor sources, including small businesses and households using ozone-forming consumer products and paints, compound the problem.

### Air Quality Trends

While our air quality continues to improve, the Basin remains one of the most unhealthful areas in the nation in terms of air quality. Ozone levels have fallen by more than three-quarters since peaks in the mid-1950s. U.S. EPA revised and strengthened the 8-hour ozone NAAQS, effective December 28, 2015, from concentrations exceeding 75 parts-per-billion (ppb) to concentrations exceeding 70 ppb. In 2019, the new 2015 8-hour ozone NAAQS was exceeded in the Basin on 128 days and the former 1997 ozone NAAQS was exceeded on 73 days. The 2015 ozone NAAQS

was exceeded in the Basin on 141 days in 2018 and 145 days in 2017. Note that all the air quality values for 2019 in this report are preliminary values that are subject to change during the validation process. Though the trend in ozone exceedance days has been decreasing over the past few decades, year-to-year variability can mask the underlying trends when focusing on short time periods. Year-to-year variability can be caused by enhanced photochemical ozone formation due to persistent weather patterns that limit vertical mixing and warm the lower atmosphere. Changes in the relative emissions of volatile organic compounds (VOCs) or oxides of nitrogen (NO<sub>x</sub>) can also affect the chemistry of ozone formation and lead to marginal short-term increases in ozone concentrations as NO<sub>x</sub> is reduced. While the ozone control strategy continued to reduce precursor emissions from man-made sources in the Basin, emissions of natural ozone precursors are not controllable. Ozone-forming emissions transported from frequent summer wildfires throughout California and year-to-year changes in the VOC emissions from vegetation resulting from dry and wet rainy-seasons affect ozone concentrations. The maximum observed ozone levels also show some year-to-year variability but have generally decreased over the years. The highest 8-hour ozone level in the 2019 data was 118 ppb, compared to 125 ppb in 2018 and 136 ppb in 2017.

PM<sub>2.5</sub> levels have decreased dramatically in the Basin since 1999; however, design value concentrations are still above the current annual 24-hour NAAQS. Effective March 18, 2013, U.S. EPA strengthened the annual average PM<sub>2.5</sub> standard from 15.0 µg/m<sup>3</sup> to 12.0 µg/m<sup>3</sup>, while retaining the 24-hour PM<sub>2.5</sub> NAAQS of 35 µg/m<sup>3</sup>. In 2018, the 24-hour PM<sub>2.5</sub> NAAQS was exceeded on 19 days in the South Coast Air Basin. In 2019, there were 12 exceedance days, based on preliminary filter data. Because the highest PM<sub>2.5</sub> concentrations typically occur during the rainy-season, design values are heavily dependent on the frequency of wintertime storm systems, which increase ventilation and remove PM when rainfall is present. PM<sub>2.5</sub> concentrations are also significantly influenced by wildfire smoke, which can be transported across wide distances. Smoke from historically large wildfires throughout California in December 2017 and November 2018 contributed to several exceedances of the 24-hour standard all throughout the South Coast Air Basin. Although the 2017-2019 24-hr design value still exceeds the federal standard, the average of the 2018 and 2019 98<sup>th</sup> percentile concentrations (two-thirds of the data used to calculate the 2018-2020 design value) are below the federal standard at all locations. The Basin's peak annual average PM<sub>2.5</sub> level in 2019 of 12.8 µg/m<sup>3</sup> (preliminary data) at the Ontario-60 near road site was lower than the 2018 value, 14.5 µg/m<sup>3</sup>, which occurred at the same site.

In 2006, the U.S. EPA rescinded the annual federal standard for PM<sub>10</sub> but retained the 24-hour standard. The U.S. EPA re-designated the Basin as attainment of the health-based standard for PM<sub>10</sub>, effective July 26, 2013. Apart from three high wind events in 2015 and 2016 and two high wind events in 2019, ambient levels of PM<sub>10</sub> in the Basin have continued to meet the federal 24-hour PM<sub>10</sub> NAAQS through 2019.

In November 2008, the U.S. EPA revised the lead NAAQS from a 1.5 µg/m<sup>3</sup> quarterly average to a rolling 3-month average of 0.15 µg/m<sup>3</sup> and added new near-source monitoring requirements. The Los Angeles County portion of the Basin has been designated non-attainment for lead due to



monitored concentrations near one facility. However, starting with the 3-year 2012-2014 design value, the Basin has met the lead standard through 2018. 2019 concentrations are yet not available at the time of publication. A re-designation request to the U.S. EPA is pending.

Nitrogen dioxide, sulfur dioxide, and carbon monoxide levels have improved in the Basin and are in full attainment of the NAAQS. In 2007, the U.S. EPA formally re-designated the Basin to attainment of the carbon monoxide NAAQS. Maximum levels of carbon monoxide in the Basin have been consistently less than one-third of the federal standards since 2004. In 2010, the U.S. EPA revised the NO<sub>2</sub> 1-hour standard to a level of 100 ppb and the SO<sub>2</sub> 1-hour standard to a level of 75 ppb. In 2019, all sites in the Basin remained in attainment of these NAAQS based on preliminary data.

### Mandates

South Coast AQMD is governed and directed by a comprehensive federal law (Federal Clean Air Act) and several state laws that provide the regulatory framework for air quality management in the Basin. These laws require South Coast AQMD to take prescribed steps to improve air quality.

South Coast AQMD is responsible for stationary sources such as factories. CARB and U.S. EPA are primarily responsible for motor vehicles. South Coast AQMD and CARB share responsibilities with respect to area sources. South Coast AQMD and the Southern California Association of Governments (SCAG) share some responsibilities with CARB regarding certain aspects of mobile source emissions related to transportation and land use. Control of emissions from sources such as airports, harbors, and trains are shared by U.S. EPA, CARB and South Coast AQMD. Without adequate efforts by CARB and U.S. EPA to control emission sources under their sole authority, it is impossible for the region to reach federal clean air standards.

The following is a more specific summary of the laws governing South Coast AQMD.

#### Federal Law:

Federal Clean Air Act (CAA): The CAA requires attainment of National Ambient Air Quality Standards (NAAQS) for criteria air pollutants, i.e. pollutants causing human health impacts due to their release from numerous sources. The following criteria pollutants have been identified: ozone, particulate matter (PM<sub>10</sub>), carbon monoxide, lead, nitrogen dioxide, and sulfur dioxide. Current deadlines vary by pollutant and severity of pollution in the region.

State Implementation Plans: The CAA requires each state to develop a State Implementation Plan (SIP) to attain the NAAQS by the applicable attainment deadlines. SIPs must be approved by U.S. EPA as containing sufficient measures to timely attain NAAQS and meet other requirements described below. SIPs must contain air pollution measures in adopted, "regulatory" form within one year after approval by U.S. EPA. Upon approval by U.S. EPA, SIP requirements can be enforced against regulated sources by U.S. EPA and by any citizen. South Coast AQMD must develop and submit to CARB for review, followed by submittal to U.S. EPA, an element of the SIP referred to as the South Coast AQMD Air Quality Management Plan (AQMP) demonstrating how the Basin will achieve the NAAQS.

Among the numerous other CAA requirements are: a mandate that the region achieve a three percent annual reduction in emissions of ozone precursors (VOC and NOx); a requirement that new sources over 10 tons per year of VOC or NOx, and modifications to such sources, achieve lowest achievable emission rate and offset their emission increases by equal reductions elsewhere in the region and transportation control measures to reduce vehicle trips.

To date, the South Coast AQMD's Governing Board has adopted AQMPs in 1989, 1991, 1994, 1997, 1999 (amendments to the plan adopted in 1997), 2003, 2007, 2012 and 2017. The 2016 AQMP was approved in March 2017.

Sanctions, Federal Implementation Plans, and Conformity Findings: The CAA mandates that sanctions be imposed on an area if a suitable SIP is not adopted and approved by U.S. EPA. These sanctions can include loss of key federal funds and more stringent requirements on new or expanding industries. Specific requirements for South Coast AQMD's AQMP include stringent requirements plus Lowest Achievable Emission Rate (LAER) and offsets for major new sources. Federal law also requires an operating permit program for major stationary sources, known as Title V, which must be supported by permit fees. In addition, air toxics regulations adopted by U.S. EPA pursuant to Title III must be implemented by South Coast AQMD.

Motor Vehicle Emission Controls: The CAA initially required U.S. EPA to adopt emission limitations for motor vehicles. The 1990 Amendments require U.S. EPA to adopt regulations to achieve further reductions in emissions from motor vehicles, as well as from other mobile sources such as locomotives. States are preempted from adopting emission limitations for motor vehicles and certain other mobile sources. Exception: California can adopt motor vehicle standards, and standards for some --but not all-- other mobile sources, and other states can adopt the California standards.

Hazardous Air Pollutants: In addition to criteria pollutants, the CAA regulates "hazardous air pollutants," i.e., those which can cause cancer or other severe localized health effects due to emissions from a single facility. U.S. EPA is required to adopt regulations mandating that new and existing sources emitting 10 tons per year or more of such pollutants employ Maximum Achievable Control Technology (MACT) according to specified schedules. U.S. EPA is to consider further reductions in the future to eliminate any remaining unacceptable residual risk.

#### California Law:

The California Clean Air Act (CCAA): The CCAA establishes numerous requirements for Air District air quality plans to attain state ambient air quality standards for criteria air contaminants. For example, a plan must contain measures adequate to achieve five percent per year emission reductions or must contain all feasible measures and an expeditious adoption schedule. For Air Districts with serious air pollution, its attainment plan should include the following: no net increase in emissions from new and modified stationary sources; and best available retrofit technology for existing sources.

Toxic Air Contaminants: The Air Toxic Hot Spots Act (Health & Safety Code §§ 44300, et seq.) requires facilities emitting specified quantities of pollutants to conduct risk assessments describing the health impacts to neighboring communities created by their emissions of numerous specified hazardous compounds. If an Air District determines the health impact to be significant, neighbors must be notified. In addition, state law requires the facility to develop and implement a plan to reduce the health impacts to below significance, generally within five years. Additional control requirements for hazardous emissions from specific industries are established by the state and enforced by Air Districts.

AB 617: A requirement for Air Districts to conduct air monitoring and adopt a Community Emissions Reduction Plan for communities designated by CARB under the AB 617 statewide program.

State law also includes the following measures:

- Tanner Air Toxics Process (AB 1807) which requires CARB to adopt air toxic control measures to limit emissions of toxic air contaminants from classes of industrial facilities. Local Air Districts are required to enforce these regulations or adopt equally or more stringent regulations of their own;
- Health & Safety Code §42705.5 which requires Air Districts to deploy a community air monitoring system in selected locations and Section 42706.5 which requires Air Districts to design, develop, install, operate and maintain refinery-related community air monitoring systems;
- Authority for South Coast AQMD to adopt a command-and-control regulatory structure requiring Best Available Retrofit Control Technology (BARCT);
- A requirement for South Coast AQMD to establish an expedited schedule for implementing BARCT at pre-determined greenhouse cap and trade facilities;
- A requirement for South Coast AQMD to establish a program to encourage voluntary participation in projects to increase the use of clean-burning fuels; and
- A requirement for South Coast AQMD to adopt and enforce rules to ensure no net emission increases from stationary sources.

### Air Quality Control

Developing solutions to the air quality problem involve highly technical processes and a variety of resources and efforts to meet the legal requirements of California and federal laws.

Monitoring: The first step in air quality control is to determine the smog problem by measuring air pollution levels. South Coast AQMD currently operates 45 monitoring stations in the South Coast Air Basin and a portion of the Salton Sea Air Basin in Coachella Valley. These range from fully equipped stations that measure levels of all criteria pollutants, as well as some air toxic pollutant levels, to those which measure a specific pollutant in critical areas. These measurements provide the basis of our knowledge about the nature of the air pollution problem and the data for planning and compliance efforts to address the problem.

**Pollution Sources:** South Coast AQMD, in cooperation with CARB and SCAG, estimates the sources of emissions causing the air pollution problem. Nature itself causes a portion of the emissions and must be considered. In general, South Coast AQMD estimates stationary and natural sources of emissions, SCAG develops the information necessary to estimate population and traffic, and CARB develops the information necessary to estimate mobile and area source emissions using the SCAG traffic data. This data is then consolidated in South Coast AQMD's AQMP for use in developing the necessary control strategies.

**Air Quality Modeling:** Using air quality, meteorological and emissions models, South Coast AQMD planners simulate air pollution to demonstrate attainment of the air quality standards and the impacts of sources to local and regional air quality. Due to the nature of air pollution, air quality models can be very complex. Some pollutants are not emitted directly into the air but are products of photochemical reactions in the atmosphere. For example, VOCs mix with nitrogen dioxide (NO<sub>2</sub>) and react in sunlight to form ozone; similarly, nitrogen oxide gases from tailpipes and smokestacks can be transformed into nitrates or particulates (PM<sub>2.5</sub> and PM<sub>10</sub>). The planners thus must consider transport, land use characteristics and chemical reactions of emissions in the atmosphere to evaluate air quality impacts. Using model output, planners can look at different control scenarios to determine the best strategies to reduce air pollution for the lowest cost.

The considerable data required for these analyses is collected on an ongoing basis by South Coast AQMD staff. Modeling data is prepared and delivered using a geographic information system (GIS). GIS capability is used to prepare and produce data and spatial analysis maps for various needs by South Coast AQMD including rulemaking and California Environmental Quality Act (CEQA) document development.

**Planning:** With emissions data and an air quality model in place, planners can develop possible control strategies and scenarios. South Coast AQMD focuses most of its effort on stationary source controls. As mentioned earlier, strategies to reduce vehicle miles traveled (VMT) are developed primarily by SCAG, while mobile source control standards are developed primarily by CARB.

Once a plan of emission controls to achieve the NAAQS is outlined, South Coast AQMD is required to hold multiple public meetings to present the proposed control strategies and receive public input. South Coast AQMD also conducts a socioeconomic analysis of the strategies. South Coast AQMD maintains an ongoing and independent advisory group of outside experts for both its air quality modeling and socioeconomic assessment methodologies.

To meet federal air quality standards, the AQMPs and SIP submittals, including the 2016 AQMP, called for significant emissions reductions from projected baseline emissions in order to meet the NAAQS by the federal attainment deadlines (2019 for the 2006 24-hour PM<sub>2.5</sub> NAAQS, 2025 for the 2012 annual PM<sub>2.5</sub> NAAQS, 2023 for the 1979 1-hour ozone NAAQS, 2024 for the 1997 8-hour ozone NAAQS, and 2032 for the 2008 8-hour ozone NAAQS). These combined reductions, while meeting most NAAQS, will still not result in attainment of all California State ambient air

quality standards or the revised 2015 8-hour ozone NAAQS. The 2012 AQMP addressed the 24-hour PM2.5 NAAQS. The 2016 AQMP addresses the 2008 8-hour ozone NAAQS and the 2012 annual PM2.5 NAAQS and demonstrates compliance with the requirements for being a “serious” non-attainment area for the 24-hour PM2.5 NAAQS requirements. South Coast AQMD will continue to improve the emissions inventories and modeling techniques in order to address the 2015 8-hour NAAQS for the next AQMP revision which has an anticipated adoption in the 2022 timeframe.

**Rulemaking:** The regulatory process, known as rulemaking, takes the concepts of control measures outlined in the AQMP and turns them into proposed rule language. This process involves the following: extensive research on technology; site inspections of affected industries to determine feasibility; typically, a year or more of public task force and workshop meetings; in-depth analyses of environmental, social and economic impacts; and thorough review with appropriate Governing Board Committees.

This extensive process of public and policymaker participation encourages consensus in development of rule requirements so that affected sources have an opportunity for input into the rules that will regulate their operations. Once the requirements are developed, the proposed rule, along with an Environmental Assessment and a socioeconomic report, is presented to South Coast AQMD’s Governing Board at a public hearing. Public testimony is presented and considered by the Board before any rule is adopted. The adopted or amended rules are then submitted to CARB and U.S. EPA for their approval. It is not uncommon for rulemaking to include follow-up implementation studies. These studies may extend one or more years past rule adoption/amendment and prior to rule implementation. Such studies are typically submitted to the Governing Board or appropriate Governing Board Committee.

**Enforcement and Education:** South Coast AQMD issues permits to construct and operate equipment to companies to ensure equipment is operated in compliance with adopted rules. Follow-up inspections are made to ensure that equipment is being operated under permit conditions.

**Technical Innovation:** In the late 1980s, South Coast AQMD recognized that technological innovation, as well as rule enforcement, would be necessary to achieve clean air standards. Thus, the Technology Advancement Office was created to look for and encourage technical innovation to reduce emissions. The California State Legislature supported this effort by providing a \$1 surcharge on every DMV registration fee paid within the Basin. These funds have been matched at a ratio of approximately three-to-one with funds from the private sector to develop new technologies such as low-emission vehicles, low-NO<sub>x</sub> burners for boilers and water heaters, zero-pollution paints and solvents, fuel cells and other innovations.

An additional \$4 vehicle registration fee was authorized by the state legislature in 1990. These fees are administered through South Coast AQMD with \$1.20 going to South Coast AQMD for mobile source emissions reductions, \$1.60 subvented directly to cities and counties to support their air quality programs, and \$1.20 to the Mobile Source Air Pollution Reduction Review

Committee (MSRC). The MSRC is an outside panel established by state law whose function is to make the decisions on the actual projects to be funded from that portion of the revenue.

Public Education: South Coast AQMD's efforts to clean up the air will be successful only to the extent that the public understands air quality issues and supports and participates in cleanup effort. Thus, South Coast AQMD strives to involve and inform the public through the Legislative and Public Affairs/Media Office, public meetings, publications, the press, public service announcements, and social media.

## **Budget Synopsis**

South Coast AQMD's annual budget is adopted for the General Fund for a fiscal year that runs from July 1 through June 30. The period covered by the FY 2020-2021 budget is from July 1, 2020 to June 30, 2021. The General Fund budget is the agency's operating budget and is structured by Office and account. The accounts are categorized into three Major Objects: Salaries and Employee Benefits, Services and Supplies, and Capital Outlays. The budget is supplemented with a Work Program containing nine program categories which estimate staff resources and expenditures along program and activity lines. Each category consists of a number of Work Programs, or activities. A Work Program Output Justification form is completed for each Work Program which identifies performance goals, quantifiable outputs, legal mandates, activity changes and revenue categories.

The annual expenditure and revenue budget for the General Fund is adopted on a modified accrual basis. All annual expenditure appropriations lapse at fiscal year-end if they have not been expended or encumbered. Throughout the year, budget amendments may be necessary to accommodate additional revenues and expenditure needs. Any amendments due to budget increases or transfers between expenditure accounts in different Major Objects must be approved by South Coast AQMD's Governing Board. They are submitted to the Governing Board for approval at a monthly Board meeting in the format of a board letter which documents the need for the request and the source of funding for the expenditure. Budget amendments resulting from transfers between expenditure accounts within the same Major Object are approved at the Office level.

South Coast AQMD does not adopt annual budgets for its Special Revenue Funds. Special Revenue Funds are used to record transactions applicable to specific revenue sources that are legally restricted for specific purposes. All transactions in Special Revenue Funds are approved by the Governing Board on an as-needed basis. South Coast AQMD's Comprehensive Annual Financial Report includes the General Fund and Special Revenue Funds.

### **Budget Process**

The South Coast AQMD budget process begins with the Chief Financial Officer issuing instructions and guidelines to the Offices. Under the guidance of the Executive Officer, the Chief Operating

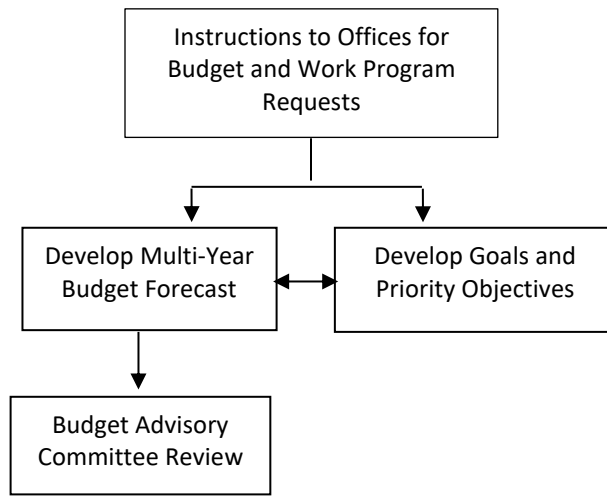
Officer and the Chief Financial Officer the Offices also begin establishing Goals and Priority Objectives for the fiscal year. The proposed annual budget and multi-year forecast is then developed by the Offices, Finance, Executive Council, Chief Operating Officer and the Executive Officer based on the Goals and Priority Objectives as well as guidelines issued by the Executive Officer. Each Office submits requests for staffing, select Salary accounts, Services and Supplies accounts, and the Capital Outlays account. The remaining salary and benefit costs are developed by Finance. Capital expenditure requests are reviewed by an in-house committee who prioritizes the requests. Revenue projections are developed by Finance based on input received from the appropriate Offices and incorporate any proposed changes to Regulation III - Fees. This information is integrated into an initial budget request, including a multi-year forecast, and then fine-tuned under the direction of the Chief Operating Officer and the Executive Officer to arrive at a proposed budget. The public, business community, and other stakeholders have several opportunities to participate in the budget process, up to and at the budget adoption hearing by the Governing Board, including:

- Two meetings of the Budget Advisory Committee whose members include various stakeholder representatives.
- One public consultation meeting to discuss the automatic CPI increase and proposed amendments to Regulation III – Fees and a second public consultation meeting to discuss the proposed budget and the automatic CPI increase. (Staff initially planned to propose amendments to Regulation III – Fees. On March 25, 2020, those proposed amendments were withdrawn. Staff is also recommending that this year’s automatic CPI increase be refunded to fee payors via a credit on their bills.)
- a public hearing on the Proposed Budget and Work Program

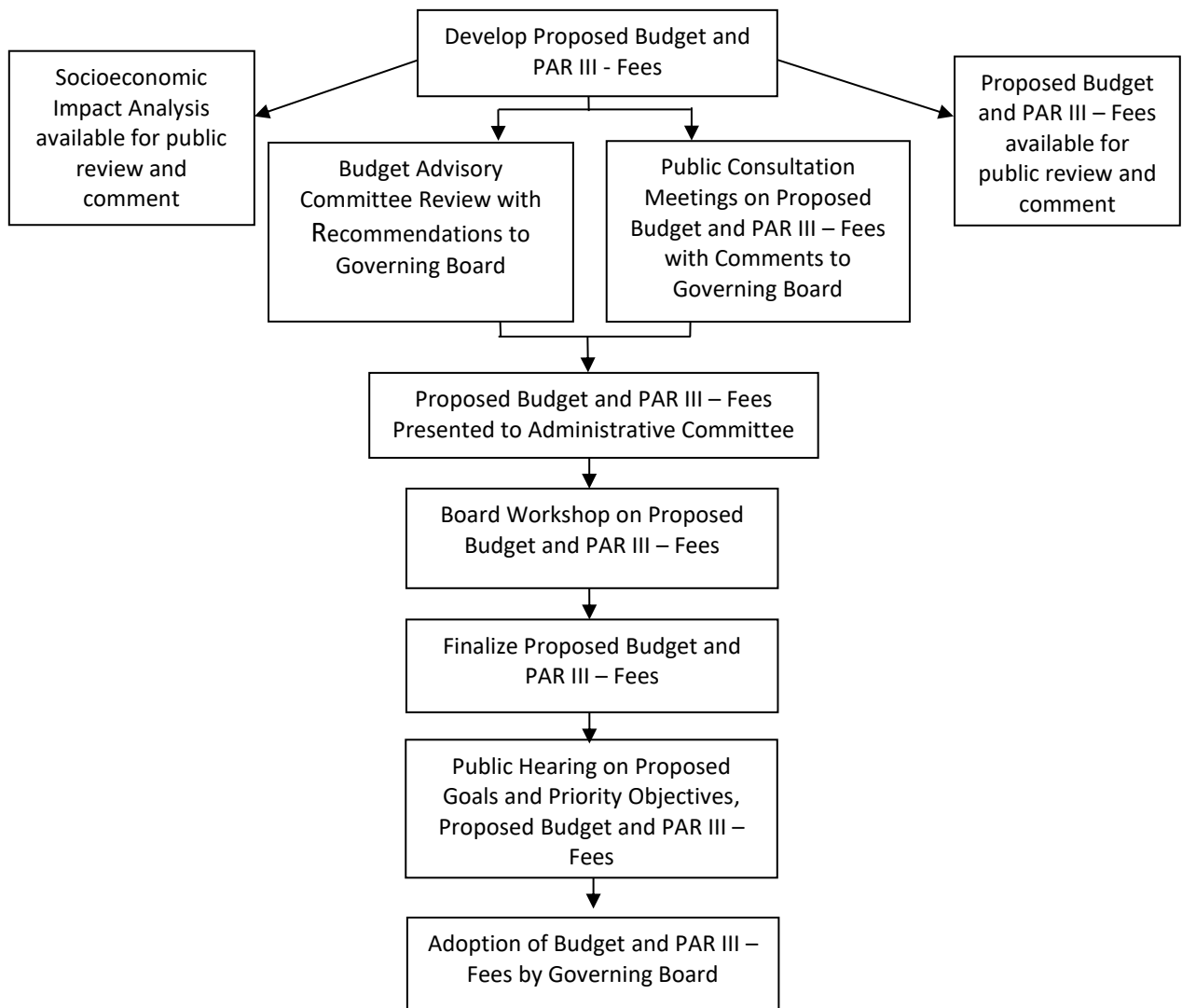
The proposed budget is presented to South Coast AQMD’s Governing Board at a budget workshop and to South Coast AQMD’s Administrative Committee. Any public comments and Budget Advisory Committee recommendations are submitted to the Governing Board by April 15 of each year. The proposed budget is adopted by the Governing Board and is in place on July 1 for the start of the new fiscal year.

The following flow charts represent the typical major milestones and budget processes that take place in developing South Coast AQMD’s annual budget. (Although Regulation III is mentioned because it is typically part of the budget process, staff is not proposing any amendments to Regulation III – Fees.)

### Preliminary Budget Process



### Annual Budget Process





<b>FY 2021 Budget Timeline</b>	
Budget submissions received from Offices	Jan 17, 2020
Budget Advisory Committee meeting	Jan 17, 2020
Proposed budget available for public review	March 31, 2020
Budget Advisory Committee meeting on proposed budget	April 3, 2020
Public Consultation Meeting on proposed budget	April 7, 2020
Proposed budget presented to Administrative Committee	April 10, 2020
Governing Board Budget Study Session	April 10, 2020
Public comments and Budget Advisory Committee recommendations submitted to Governing Board	April 15, 2020
Public Hearing & Governing Board adoption of budget	May 1, 2020

## **Proposed Budget & Work Program**

### Budget Overview

The budget for FY 2020-21 is a balanced budget with revenues/transfers in and expenditures/transfers out of \$179.4 million. To compare against prior years, the following table shows South Coast AQMD's amended budget and actual expenditures for FY 2018-19, adopted and amended budgets for FY 2019-20 and proposed budget for FY 2020-21.

<b>Description</b>	<b>FY 2018-19 Amended</b>	<b>FY 2018-19 Actual</b>	<b>FY 2019-20 Adopted</b>	<b>FY 2019-20 Amended<sup>1</sup></b>	<b>FY 2020-21 Proposed</b>
Staffing	938	-	939	947	946
Revenue/Transfers In	\$170.7	\$167.3	\$170.9	\$185.3	\$179.4
Expenditures/Transfers Out	\$180.4	\$164.1	\$170.9	\$191.7	\$179.4

<sup>1</sup> Includes Board approved changes through February 2020

The FY 2020-21 proposed budget reflects a decrease of \$12.3 million in expenditures/transfers out from the FY 2019-20 amended budget and an increase of \$8.5 million in expenditures/transfers out from the budget adopted for FY 2019-20. The increase in expenditures/transfers out from the FY 2019-20 adopted budget can be attributed to increases in retirement costs, salaries due to labor negotiation agreements approved in FY 2017-18, salaries associated with new positions and budgeting for emergency response. The FY 2020-21 proposed budget of 946 positions has a net decrease of one position over the FY 2019-20 amended budget with the deletion of one position in Information Management.

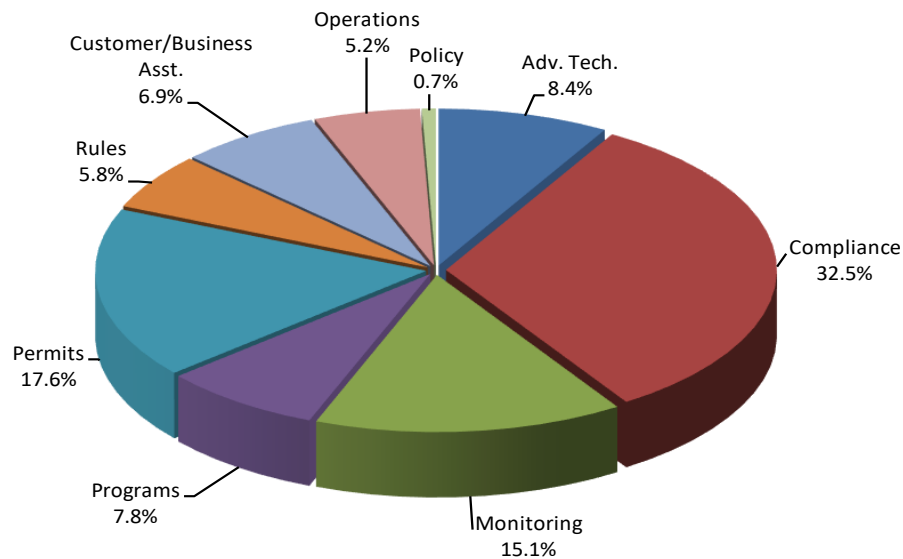
## Expenditures

### Work Program

South Coast AQMD expenditures are organized into nine Work Program Categories: Advance Clean Air Technology; Ensure Compliance with Clean Air Rules; Customer Service and Business Assistance; Develop Programs to Achieve Clean Air; Develop Rules to Achieve Clean Air; Monitoring Air Quality; Operational Support; Timely Review of Permits; and Policy Support. Each category consists of Work Programs, or activities, which are classified according to the nature of the activity being performed.

Each Work Program ties to the goals and objectives of the agency and identifies resources, performance measures/outputs and legal mandates. A complete description of each program category along with a detailed work program sort by program is included in the Goals and Priority Objectives and Work Program section. The pie chart that follows represents the budgeted expenditures by Program Category for FY 2020-21.

**Work Program Category Expenditures**



The following table compares South Coast AQMD Work Program expenditures by category for the FY 2019-20 adopted budget and FY 2020-21 proposed budget.

<b>Work Program Categories</b>	<b>FY 2019-20 Adopted Budget</b>	<b>FY 2020-21 Proposed Budget</b>
Advance Clean Air Technology	\$ 14,407,609	\$15,027,566
Customer Service and Business Assistance	11,670,353	12,436,998
Develop Programs to Achieve Clean Air	13,522,293	14,015,299
Develop Rules to Achieve Clean Air	10,774,511	10,409,258
Ensure Compliance with Clean Air Rules	55,331,881	58,234,995
Monitoring Air Quality	23,964,705	27,086,143
Operational Support	8,680,764	9,315,355
Policy Support	1,361,283	1,214,660
Timely Review of Permits	31,183,326	31,642,200
<b>Total</b>	<b>\$170,896,725</b>	<b>\$179,382,474</b>

Note: Fully burdened expenditures based on the Cost Allocation Schedule

#### Account Categories

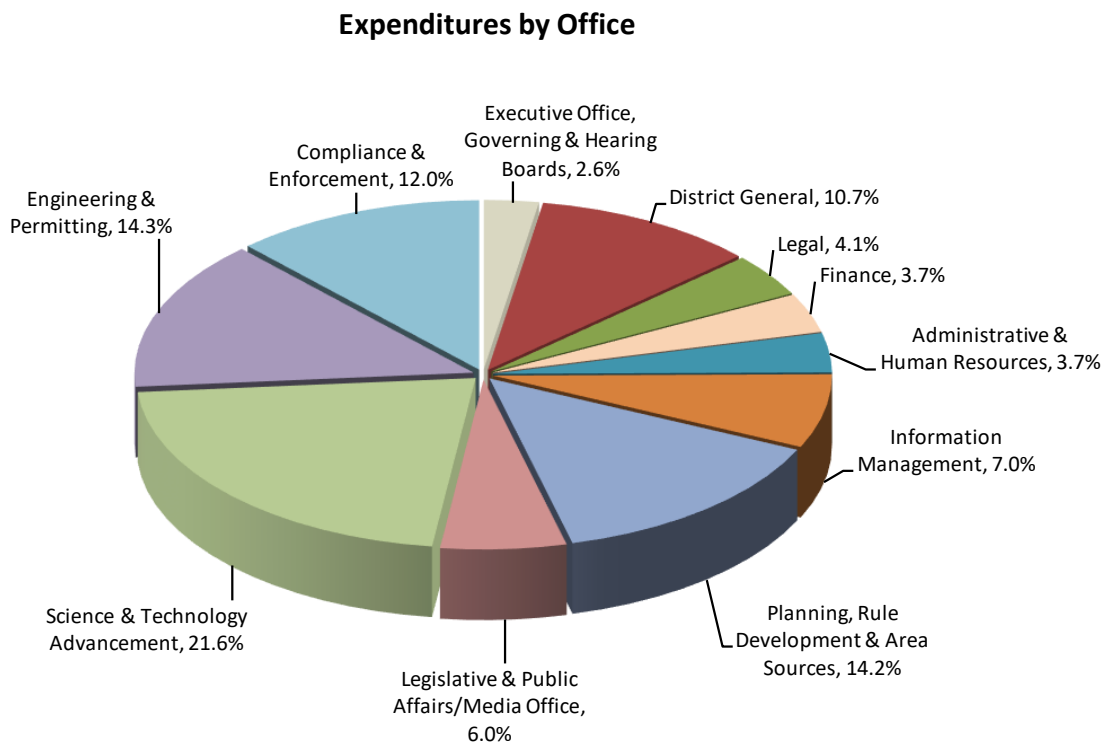
The following table compares the FY 2019-20 adopted budget and the FY 2019-20 amended budget to the proposed budget for FY 2020-21 by account category. The FY 2019-21 amended budget includes the Board-approved mid-year adjustments through March 2020.

<b>Account Description</b>	<b>FY 2019-20 Adopted Budget</b>	<b>FY 2019-20 Amended Budget<sup>1</sup></b>	<b>FY 2020-21 Proposed Budget</b>
Salaries/Benefits	\$141,667,712	\$142,242,416	\$145,327,635
Insurance	1,317,400	1,357,400	1,449,140
Rents	511,823	1,267,574	805,123
Supplies	2,880,142	4,610,640	3,265,442
Contracts and Services	10,230,004	10,984,162	11,656,863
Maintenance	1,825,343	3,544,533	1,813,343
Travel/Auto Expense	931,323	1,188,527	945,323
Utilities	1,959,620	1,774,818	1,989,620
Communications	707,800	975,289	907,800
Capital Outlays	395,000	13,259,724	1,742,500
Other	1,438,583	1,756,154	1,444,783
Debt Service	6,190,622	6,190,624	7,193,549
Transfers Out	841,353	2,525,592	841,353
<b>Total</b>	<b>\$170,896,725</b>	<b>\$191,677,453</b>	<b>\$179,382,474</b>

<sup>1</sup> Includes Board approved changes through February 2020

As mentioned previously, the proposed budget for FY 2020-21 represents an approximately \$12.3 million decrease in expenditures from the FY 2019-20 amended budget. The FY 2019-20 amended budget includes mid-year increases associated with the following: monitoring equipment and staff for the implementation of the Rule 1180 Community and Enhanced Monitoring Program, Headquarters Building elevator modernization project, legal counsel for specialized, environmental, and other litigation, the purchase of office data cable infrastructure for the Headquarters building, legislative representation in Sacramento, outreach efforts for the high school air quality education program, staff, services and supplies and capital budget for critical projects and programs, funding for critical building infrastructure projects, funding for the Health Effects Research Fund, the purchase of fleet vehicles, upgrade to the Headquarters building security server and related equipment, and grant-related expenditures offset by revenue.

The following pie chart represents budgeted expenditures by Office for FY 2020-21.

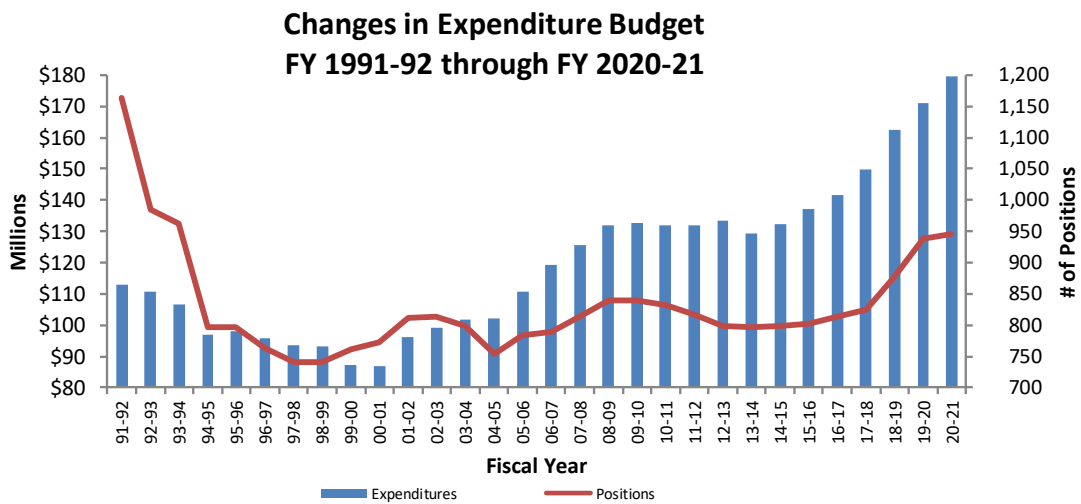


**Budget Strategy**

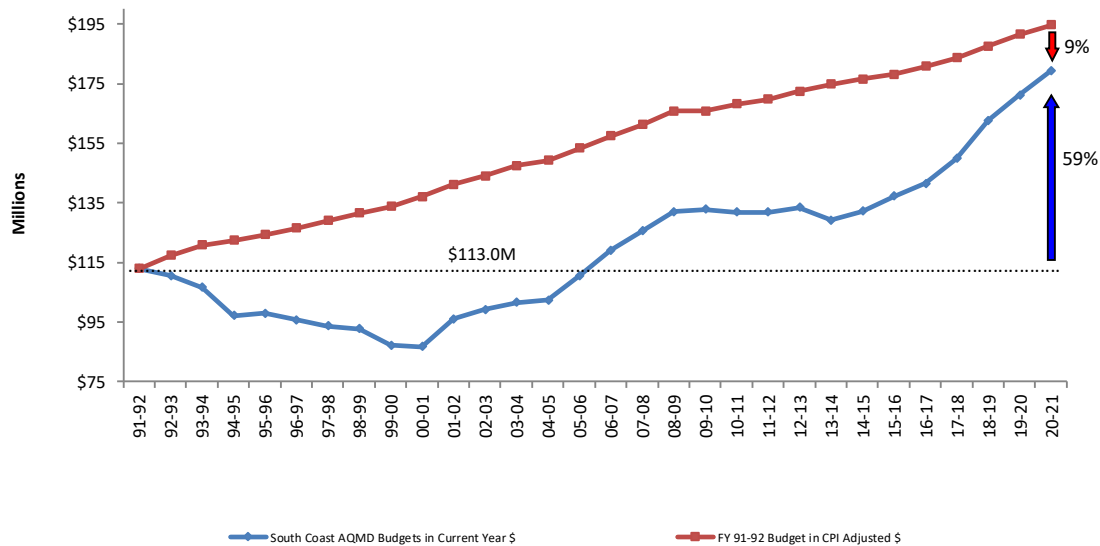
Over the years, South Coast AQMD has focused on streamlining many of its operations while still meeting its program commitments despite new federal and state mandates and increased workload complexity. The focus has been, and continues to be, on reducing or maintaining expenditure levels in the Major Object of Services and Supplies and maximizing the efficient use of staff resources to enable select vacant positions to remain vacant, be deleted or be unfunded whenever possible. However, In FY 2017-18, South Coast AQMD’s workload increased

substantially when the agency began to receive funding from the California Resource Board under AB 617 to reduce exposure in neighborhoods most impacted by air pollution as well as funding under the AB 134 Community Air Protection Fund. In FY 2019-20, South Coast AQMD began receiving funding through the California Resource Board under the Volkswagen Mitigation Settlement Agreement which has also increased the agency’s workload. An additional 83 new positions funded by AB 617, 11 positions funded by AB 134 and 5 positions funded by the Volkswagen Mitigation Settlement Agreement have been added, along with various services, supplies and capital equipment, to support these programs. Nonetheless, South Coast AQMD’s focus continues to be on the efficient use of its resources to keep expenditure and staffing levels as low as possible. In addition, the budgeted vacancy rate is reviewed and adjusted, as necessary, as part of the annual budget process. These efforts have resulted in reduced program costs overall and a balanced budget for FY 2020-21. The following charts show South Coast AQMD’s staffing and budget levels starting in FY 1991-92 when staffing was at 1,163 FTEs. The proposed budget for FY 2020-21 reflects a staffing level of 946 FTEs. This staffing level is 19% (217 FTEs) below the FY 1991-92 level.

The FY 2020-21 proposed budget is 59% higher when compared to the FY 1991-92 adopted budget of \$113 million. However, after adjusting the FY 1991-92 adopted budget for CPI over the last 29 years, the FY 2020-21 proposal is 9% lower.



**Inflation Impact on South Coast AQMD Budgets  
FY 1991-92 through FY 2020-21**



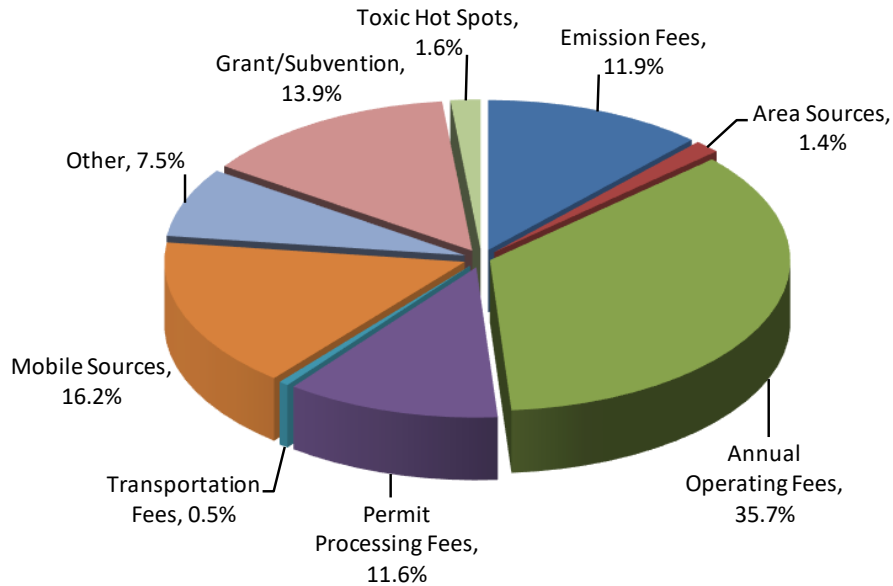
Note: CPI adjustment based on California Consumer Price Index for the preceding Calendar Year

## Revenues

### Revenue Categories

Each year, in order to meet its financial needs, the South Coast AQMD Governing Board adopts a budget supported by a system of annual operating and emission fees, permit processing fees, toxic “Hot Spots” fees, area sources fees, source test/analysis fees, and transportation plan fees. In FY 2020-21, these fees are projected to generate approximately \$112.8 million or 63% of South Coast AQMD revenues; of this \$112.8 million, \$106.0 million or 59% of South Coast AQMD’s projected revenues are from stationary sources. Other sources, which include penalties/settlements, Hearing Board fees, interest, and miscellaneous income, are projected to generate approximately 7% of total revenues in FY 2020-21. The remaining 30% of revenue is projected to be received in the form of federal and state grants, California Air Resource Board (CARB) subvention, and California Clean Air Act motor vehicle fees. Beginning in Fiscal Year 1978-79 Budget, the South Coast AQMD became a fee supported agency no longer receiving financial support from property taxes. The following pie chart represents revenues by Major Category for then proposed FY 2020-21 budget.

### Revenues by Major Category



The following table compares the FY 2019-20 adopted revenue budget and the FY 2019-20 amended revenue budget to the proposed revenue budget for FY 2020-21. The FY 2019-20 amended revenue budget includes Board-approved mid-year changes through February 2020.

Revenue Description	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget <sup>1</sup>	FY 2020-21 Proposed Budget
Annual Operating Emission Fees	\$ 20,675,800	\$ 20,675,800	\$ 21,325,870
Annual Operating Permit Renewal Fees	59,351,020	59,351,020	63,957,840
Permit Processing Fees	20,643,870	20,643,870	20,741,980
Portable Equipment Registration Program	1,000,000	1,000,000	1,000,000
Area Sources	2,277,000	2,277,000	2,200,000
Grants/Subvention	21,155,180	27,582,771	24,906,150
Mobile Sources	28,129,833	28,129,833	30,047,494
Transportation Programs	963,900	963,900	950,500
Toxic Hot Spots	2,647,420	2,647,420	2,891,580
Other <sup>2</sup>	9,763,002	9,763,002	8,183,660
Transfers In	4,289,700	12,301,980	3,177,400
<b>Total</b>	<b>\$170,896,725</b>	<b>\$185,336,596</b>	<b>\$179,382,474</b>

<sup>1</sup> Includes Board approved changes through February 2020

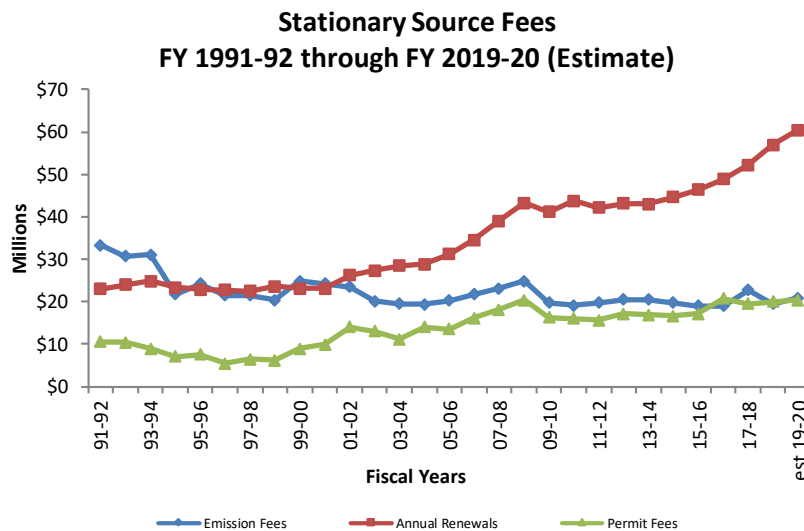
<sup>2</sup> Includes revenues from Interest, Lease Income, Source Testing, Hearing Board, Penalties/Settlements, Subscriptions, and Other

Over the past two decades, total permit fees (including permit processing, annual operating permit, and annual emissions-based fees) collected from stationary sources has increased by about 53% from \$66.8 million in FY 1991-92 to \$101.9 million (estimated) in FY 2019-20. When adjusted for inflation however, stationary source revenues have decreased by 11% over this same period.

Mobile source revenues that are subvned to the South Coast AQMD by the Department of Motor Vehicles (DMV) are projected to increase slightly from the FY 2019-20 budgeted amounts based on vehicle registration information from the DMV and recent revenue received. In addition, this category reflects reimbursements of incentive programs (Clean Fuels, Carl Moyer, Prop 1B, VW Mitigation and AB 134) whose contract activities and revenues are recorded in special revenue funds (outside the General Fund). These incentive program costs incurred by the General Fund are reimbursed to the General Fund from the various special revenue funds (subject to any administrative caps) and are reflected under the Mobile Source revenue category.

Revenues from the federal government, (Environmental Protection Agency, Department of Homeland Security, and Department of Energy) are projected to increase slightly in FY 2020-21 from FY 2019-20 budgeted levels reflecting the anticipated level of federal funding from one-time and on-going grants in support of air quality efforts. State Subvention funding is expected to remain at the current level for FY 2020-21. In addition, funding recognized from CARB for the AB 617 Community Air Protection Program is expected to increase from the FY 2019-20 budgeted level.

The following graph tracks actual stationary source revenues by type of fee from FY 1991-92 (when CPI limits were placed on South Coast AQMD fee authority) to estimated revenues for FY 2019-20.





## Debt Structure

### Pension Obligation Bonds

These bonds were issued jointly by the County of San Bernardino and the South Coast AQMD in December 1995. In June 2004 the South Coast AQMD went out separately and issued pension obligation bonds to refinance its respective obligation to the San Bernardino County Employee's Retirement Association (SBCERA) for certain amounts arising as a result of retirement benefits accruing to members of the Association.

The annual payment requirements under these bonds are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$3,840,443	\$3,353,106	\$7,193,549
2022	4,006,881	3,186,361	7,193,242
2023	3,780,000	348,736	4,128,736
2024	4,010,000	118,897	4,128,897
Total	\$15,637,324	\$7,007,100	\$22,644,424

## Fund Balance

South Coast AQMD is projecting an Unreserved (Unassigned) Fund Balance for June 30, 2021 of \$49,454,307 in addition to the following Reserved and Unreserved Designated Fund Balances for FY 2020-21.

<b>Classification</b>	<b>Reserves/Unreserved Designations</b>	<b>Amount</b>
Committed	Reserve for Encumbrances	\$ 17,402,000
Nonspendable	Reserve for Inventory of Supplies	80,000
	Unreserved Designations:	
Assigned	For Enhanced Compliance Activities	883,018
Assigned	For Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	For Permit Streamlining	234,159
Assigned	For Self-Insurance	2,000,000
Assigned	For Unemployment Claims	80,000
Total Reserved & Unreserved Designations		\$ 23,631,673

Reserves are portions of the fund balance set aside for future use and are therefore not available for appropriation. These funds are made-up of encumbrances which represent the estimated amount of current and prior years' purchase orders and contract commitments at year-end and

inventory which represents the value at cost of office, computer, cleaning and laboratory supplies on hand at year-end.

Unreserved Designations in the fund balance indicate plans for use of financial resources in future years. The Designation for Enhanced Compliance Activities provides funding for inspection/compliance efforts. The Designation for Other Post Employment Benefit Obligations (OPEB) provides funding to cover the current actuarial valuation of the inherited OPEB obligation for long-term healthcare costs from the County of Los Angeles resulting from the consolidation of the four county Air Pollution Control Districts (APCDs). The Designation for Permit Streamlining was established to fund program enhancements to increase permitting efficiency and customer service. South Coast AQMD is self-insured for general liability, workers' compensation, automobile liability, premises liability, and unemployment.

### **Long-Term Projection**

South Coast AQMD continues to face a number of challenges in the upcoming years, including the economic impact from the COVID-19 outbreak, continued higher operating costs, the need for major information technology and building infrastructure improvement projects with the aging of our headquarters building, and growing program commitments while meeting air quality goals and permit processing targets. Recruiting, training and retaining the high level of technical staffing expertise necessitated by the Community Air Protection Program established in 2017 under AB 617, the Volkswagen Mitigation Settlement Projects, the Refinery Fenceline Air Monitoring Plans under Rule 1180, and additional incentive funding under AB 134, as well as for South Coast AQMD's ongoing projects and programs, will continue to be a challenge further complicated by the retirement of current, long-term staff.

Increasing retirement costs and any future actions SBCERA may take which could significantly impact South Coast AQMD's level of expenditures remains a primary uncertainty. Any legislative action that may impact the level of federal and state funding from grant awards, particularly AB 617 funding, and subvention funds is another unknown that must be considered as South Coast AQMD plans for the future. Cost recovery within the constraints of Proposition 26 is an additional uncertainty as South Coast AQMD strives to balance program operating expenses with revenues collected from fees.

In order to face these challenges, South Coast AQMD has a five year plan in place that provides for critical infrastructure improvement projects, maintains a stable vacancy rate in order to maximize cost efficiency, better aligns program revenues with costs, and strives to keep the percentage of unreserved fund balance to revenue within the Governing Board policy of 20%.

The following chart, outlining South Coast AQMD's financial projection over this time period, shows the agency's commitment to meet these challenges and uncertainties while protecting the health of the residents within the South Coast AQMD boundaries and remaining sensitive to

business. Starting in FY 2023-24, South Coast AQMD will realize a \$3.1M savings in Pension Obligation Bond payments.

<b>Fiscal 2019-20 Estimate and Five Year Projection</b>						
<b>(\$ in Millions)</b>						
	<b>FY 19-20 Estimate</b>	<b>FY 20-21 Proposed</b>	<b>FY 21-22 Projected</b>	<b>FY 22-23 Projected</b>	<b>FY 23-24 Projected</b>	<b>FY 24-25 Projected</b>
STAFFING		946	946	946	946	946
REVENUES/TRANSFERS IN*	\$181.3	\$179.4	\$184.8	\$183.4	\$182.8	\$183.5
EXPENDITURES/TRANSFERS OUT	\$184.4	\$179.4	\$189.7	\$190.2	\$190.4	\$187.3
Change in Fund Balance	-\$3.1	-	-\$4.9	-\$6.8	-\$7.6	-\$3.8
UNRESERVED FUND BALANCE (at year-end)	\$55.6	\$55.6	\$50.7	\$43.9	\$36.3	\$32.5
% of REVENUE	31%	31%	27%	24%	20%	18%
*Does not include a projected CPI fee increase of 2.8% for FY 2020-21; FY 2021-22 has a projected CPI increase of 3.2% and restoration of the FY 20-21 CPI fee increase; FY 2022-23, FY 2023-24, and FY 2024-25 have a projected CPI increase of 3.1% for each FY.						

As part of the Five Year Projection, South Coast AQMD has identified projected building maintenance and capital outlay improvement projects for its headquarters building. These projects are outlined below. In addition, the Infrastructure Improvement Special Revenue Fund was created with unanticipated one-time revenues from the General Fund for some of the capital outlay building-related improvement projects.

<b>GENERAL FUND POTENTIAL BUILDING MAINTENANCE and CAPITAL OUTLAY PROJECTS FY 2020-21 through 2024-25</b>
Child Care Building Roof Replacement and Playground Renovation
Patio Crack and Joint Sealing
Carpet Installation 3rd & 4th Floor
Atrium and Building Expansion Joint Waterproofing
Concrete Repair in East Courtyard & Pedestrian Areas
Irrigation System Renovation
Building Window and Structural Joint Sealing
Saw Tooth Lab Roof Refurbishment
Restroom and Copy/Coffee Sink and Counter Tops Replacement
Parking Lot Repair and Reseal
Retrofit Can Lighting (LED)
Door Replacement 2 North (Administration)
Landscape Renovation
Roofing Surface Recoating (Sure Coat Systems)
Building Interior Painting and Wallpaper
VCT Tiles Replacement (Various Areas)
Restroom Panels Refurbishment/Replacement
Vinyl Wall Covering Replacement (Various Areas)
Air Handler Mechanical Systems Upgrade /Fan Wall Installation
Building Energy Management System Upgrade
Building Lighting Controls Upgrade
Leibert AC Units-Computer Room Replacement
Air Handler Mechanical Systems/Fan Wall Install Upgrade
Fire Life Safety System Upgrade
Pneumatic Controls to DDC (Direct Digital Control) Conversion
Automatic Transfer Switch Upgrade
Aging Kitchen Equipment Replacement
Computer Room UPS System Upgrade
Parking Lot Lights to LED Conversion
Fluorescent Office Lighting to LED Conversion
Emergency Generator Upgrade
EVES Charger and Support System Upgrade

**SUMMARY OF FISCAL YEAR 2020-21 PROPOSED BUDGET**

	<b>FY 2019-20 Adopted Budget</b>	<b>FY 2019-20 Amended Budget <sup>1</sup></b>	<b>FY 2019-20 Estimate <sup>2</sup></b>	<b>FY 2020-21 Proposed</b>
<b>Funding Sources</b>				
Revenue	\$ 166,607,025	\$ 173,034,616	\$ 179,495,060	\$ 176,205,074
Transfers-In	4,289,700	12,301,980	1,814,783	3,177,400
<b>Total Funding Sources</b>	<b>\$ 170,896,725</b>	<b>\$ 185,336,596</b>	<b>\$ 181,309,843</b>	<b>\$ 179,382,474</b>
<b>Funding Uses</b>				
Salaries & Employee Benefits	\$ 141,667,712	\$ 142,242,416	\$ 135,502,331	\$ 145,327,635
Services & Supplies	27,992,660	33,637,556	33,129,368	31,470,986
Capital Outlays	395,000	13,271,889	13,271,889	1,742,500
Transfers-Out	841,353	2,525,592	2,525,592	841,353
<b>Total Funding Uses</b>	<b>\$ 170,896,725</b>	<b>\$ 191,677,453</b>	<b>\$ 184,429,180</b>	<b>\$ 179,382,474</b>

<b>Fund Balances - Reserves &amp; Unreserved Designations</b>	<b>Classification</b>	<b>Projected June 30, 2020</b>	<b>Projected June 30, 2021</b>
Reserve for Encumbrances	Committed	\$ 16,238,000	\$ 17,402,000
Reserve for Inventory of Supplies	Nonspendable	80,000	80,000
Designated for Enhanced Compliance Activities	Assigned	883,018	883,018
Designated for Other Post Employment Benefit (OPEB) Obligations	Assigned	2,952,496	2,952,496
Designated for Permit Streamlining	Assigned	234,159	234,159
Designated for Self-Insurance	Assigned	2,000,000	2,000,000
Designated for Unemployment Claims	Assigned	80,000	80,000
<b>Total Reserves &amp; Unreserved Designations</b>		<b>\$ 22,467,673</b>	<b>\$ 23,631,673</b>
Unassigned Fund Balance	Unassigned	\$ 49,437,308	\$ 49,454,307
<b>Total Fund Balances</b>		<b>\$ 71,904,981</b>	<b>\$ 73,085,980</b>

<sup>1</sup> The FY 19-20 Amended Budget includes mid-year changes through February 2020.

<sup>2</sup> Includes estimated encumbrances of \$12,800,000 which will be applicable to the fiscal year ending June 30, 2020.

<b>ANALYSIS OF PROJECTED JUNE 30, 2020 FUND BALANCE</b>	
<b>Fund Balances as of June 30, 2019</b>	
Reserves	\$ 12,359,666
Designated	6,149,673
Unassigned	52,514,979
<b>Total Fund Balances, June 30, 2019</b>	<b>\$ 71,024,318</b>
<b>Add Excess Fiscal Year 2019-20 Revenues over Expenditures</b>	
Revenues	\$ 181,309,843
Expenditures <sup>1</sup>	169,103,588
<b>Sub-Total</b>	<b>\$ 12,206,255</b>
Deduct Decrease in Encumbrances Open on June 30, 2020	(8,800,000)
Deduct Projected FY 2019-20 Transfers Out to Other Funds	(2,525,592)
<b>Total Projected Fund Balances, June 30, 2020</b>	<b>\$ 71,904,981</b>
<b>Fund Balances (Projected) at June 30, 2020</b>	
Reserve for Encumbrances	\$ 16,238,000
Reserve for Inventory of Supplies	80,000
Designated for Enhanced Compliance Activities	883,018
Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496
Designated for Permit Streamlining	234,159
Designated for Self-Insurance	2,000,000
Designated for Unemployment Claims	80,000
Unassigned	49,437,308
<b>Total Projected Fund Balances, June 30, 2020</b>	<b>\$ 71,904,981</b>
Note: This analysis summarizes the estimated amount of funds that will be carried into FY 2020-21.	
<sup>1</sup> Expenditures do not include estimated \$12,800,000 encumbrances for the Fiscal Year ended June 30, 2020.	

**SCHEDULE OF AVAILABLE FINANCING AND PROPOSED FISCAL YEAR 2020-21  
RESERVES AND DESIGNATIONS**

Fund Balances	\$ 71,904,981	
Emission Fees	21,325,870	
Annual Renewal Fees	63,957,840	
Permit Processing Fees	20,741,980	
Portable Equipment Registration Program	1,000,000	
State Subvention	3,939,220	
State Grant	14,685,000	
Federal Grant	6,281,930	
Interest Revenue	911,330	
Lease Revenue	169,480	
Source Test/Analysis Fees	730,000	
Hearing Board Fees	210,000	
Penalties and Settlements	5,000,000	
Area Sources	2,200,000	
Transportation Programs	950,500	
Mobile Sources/Clean Fuels	28,996,562	
Air Toxics "Hot Spots"	2,891,580	
Other Revenues/Transfers In	5,391,182	
Total Funds		\$ 251,287,455
Less Proposed Fiscal Year 2019-20 Reserves and Designations		
Reserve for Encumbrances	\$ 17,402,000	
Reserve for Inventory of Supplies	80,000	
Designated for Enhanced Compliance Activities	883,018	
Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496	
Designated for Permit Streamlining	234,159	
Designated for Self-Insurance	2,000,000	
Designated for Unemployment Claims	80,000	
Total Proposed Reserves and Designations		\$ 23,631,673
Available Financing		\$ 227,655,782

**ANALYSIS OF PROJECTED JUNE 30, 2021 FUND BALANCE**

<b>Fund Balances as of June 30, 2020</b>		
Reserves	\$	16,318,000
Designated		6,149,673
Unassigned		49,437,308
<b>Total Fund Balances, June 30, 2020</b>	<b>\$</b>	<b>71,904,981</b>
<b>Add Excess Fiscal Year 2020-21 Revenues over Expenditures</b>		
Revenues	\$	179,382,474
Expenditures <sup>1</sup>		166,562,474
<b>Sub-Total</b>	<b>\$</b>	<b>12,820,000</b>
<b>Deduct Decrease in Encumbrances Open on July 1, 2020</b>		<b>(11,639,000)</b>
<b>Total Projected Fund Balances, June 30, 2021</b>	<b>\$</b>	<b>73,085,980</b>
<b>Fund Balances (Projected) Fiscal Year 2020-21</b>		
Reserve for Encumbrances	\$	17,402,000
Reserve for Inventory of Supplies		80,000
Designated for Enhanced Compliance Activities		883,018
Designated for Other Post Employment Benefit (OPEB) Obligations		2,952,496
Designated for Permit Streamlining		234,159
Designated for Self-Insurance		2,000,000
Designated for Unemployment Claims		80,000
Unassigned		49,454,307
<b>Total Projected Fund Balances, June 30, 2021</b>	<b>\$</b>	<b>73,085,980</b>
<sup>1</sup> Expenditures do not include estimated \$12,820,000 encumbrances for the Fiscal Year ended June 30, 2021.		



Revenue Comparison				
Revenue Account	FY 2018-19 Actual	FY 2019-20 Adopted Budget	FY 2019-20 Estimated	FY 2020-21 Proposed
Emission Fees	\$ 19,542,162	\$ 20,675,800	\$ 20,940,607	\$ 21,325,870
Annual renewal Fees	55,786,911	59,351,020	59,124,837	63,957,840
Permit Processing Fees	20,030,306	20,643,870	20,398,683	20,741,980
Portable Equipment Registration Program	1,241,720	1,000,000	1,404,698	1,000,000
State Subvention	3,924,547	3,924,550	3,939,219	3,939,220
State Grant	13,862,588	11,090,280	15,517,427	14,685,000
Federal Grant	7,563,375	6,140,350	7,819,555	6,281,930
Interest Revenue	1,976,414	1,718,490	1,312,732	911,330
Lease Revenue	162,879	176,960	167,272	169,480
Source Test/Analysis Fees	574,007	755,550	301,634	730,000
Hearing Board Fees	187,308	217,350	385,283	210,000
Penalties and Settlements	7,196,194	5,000,000	12,667,949	5,000,000
Area Sources	2,257,755	2,277,000	2,277,000	2,200,000
Transportation Programs	977,223	963,900	1,346,805	950,500
Mobile Sources/Clean Fuels	22,221,267	28,129,833	27,069,593	28,996,562
Air Toxics "Hot Spots"	2,184,155	2,647,420	2,666,911	2,891,580
Other Revenues/Transfers In	7,657,704	6,184,352	3,969,639	5,391,182
Total Revenue	\$ 167,346,517	\$ 170,896,725	\$ 181,309,843	\$ 179,382,474

## EXPLANATION OF REVENUE SOURCES

### **Annual Operating Emissions Fees**

The Lewis-Presley Air Quality Management Act (Health & Safety Code Section 40400-40540) authorizes the South Coast AQMD to collect fees for permitted sources to recover the costs of District programs related to these sources. (Health & Safety Code 40410(b)). South Coast AQMD initiated an annual operating emissions fees program in January 1978. As the program currently exists, all permitted facilities pay a flat fee for up to four tons of emissions. In addition to the flat fee, facilities that emit four tons or greater (from both permitted and unpermitted equipment) of any organic gases, specific organics, nitrogen oxides, sulfur oxides, or particulate matter, or 100 tons per year or greater of carbon monoxide, also pay fees based on the facility's total emissions. These facilities pay for emissions from permitted equipment as well as emissions from unpermitted equipment and processes which are regulated, but for which permits are not required, such as solvent use. In addition, a fee-per-pound is assessed on ozone depleters (ammonia, chlorofluorocarbons, 1,1,1 trichloroethane) over thresholds as well as base toxics fees, device fees, and cancer-potency weighted fees for the following toxic air contaminants: asbestos; benzene; cadmium; carbon tetrachloride; chlorinated dioxins and dibenzofurans; ethylene dibromide; ethylene dichloride; ethylene oxide; formaldehyde; hexavalent chromium; methylene chloride; nickel; perchloroethylene; 1,3-butadiene; inorganic arsenic; beryllium; polynuclear aromatic hydrocarbons (PAHs); vinyl chloride; lead; 1,4-dioxane; trichloroethylene; and diesel particulate. The rates are set forth in South Coast AQMD Rule 301.

FY 2020-21 Proposed Budget: The non-RECLAIM emissions are based on Annual Emission Report (AER) data for Calendar Year 2017. The RECLAIM NOx and SOx emission projection is based on holdings according to the RECLAIM Trading Credit (RTC) listing. The flat emission fees are projected based on the number of active facilities with at least one permit. The proposed budget does not take into account a CPI increase. Even though most Reg III fees are being adjusted for CPI, staff has recommended that those CPI increases be credited back to the fee payors at the time of billing.

### **Annual Operating Permit Renewal**

State law authorizes South Coast AQMD to have an annual permit renewal program and authorizes fees to recover the costs of the program (Health & Safety Code Section 42300; 40510(b)). The annual operating permit renewal program, initiated by the South Coast AQMD in February 1977, requires that all active permits be renewed on an annual basis upon payment of annual renewal fees. The annual renewal rates are established in South Coast AQMD Rule 301 and are based on the type of equipment, which is related to the complexity of related compliance activity. For basic equipment (not control equipment) the operating fee schedule also corresponds to some extent to the emission potential of the equipment. Along with annual operating emissions fees, annual operating permit renewal fees are intended to recover the costs of programs such as South Coast AQMD's compliance program, planning, rule making, monitoring, testing, source education, public outreach, civil enforcement, including the South Coast AQMD's Hearing Board, and stationary and area source research projects. Also included in this category are the Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees (Rule 301(aa)).

## EXPLANATION OF REVENUE SOURCES

*FY 2020-21 Proposed Budget:* The projection is based on an estimated number of permits at the various equipment fee schedules as well as the Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees (Rule 301(aa)). The proposed budget does not take into account a CPI increase. Even though most Reg III fees are being adjusted for CPI, staff has recommended that those CPI increases be credited back to the fee payors at the time of billing.

### Permit Processing Fees

Under the Health & Safety Code 42300, South Coast AQMD may adopt and implement a program requiring that a permit be obtained from South Coast AQMD to construct or operate any equipment which emits or controls air pollution in South Coast AQMD's jurisdictional boundaries before the construction or operation of the equipment. South Coast AQMD has adopted rules requiring such permits, to ensure that equipment in South Coast AQMD's jurisdictional boundaries is in compliance with South Coast AQMD Rules and Regulations but exempts certain equipment which is deemed to have de minimis emissions (Rule 219). Permit fees are authorized by state law to recover the reasonable costs of the permit program involving permitting, planning, enforcement, and monitoring related activities. Permit processing fees support the permit processing program and the fee rate schedules for the different equipment categories are based on the average time it takes to process and issue a permit. Each applicant, at the time of filing, pays a permit processing fee which partially recovers the costs for normal evaluation of the application and issuance of the permit to construct and permit modifications. This category also includes fees charged to partially recover the costs of evaluation of plans, including but not limited to Rule 403 dust control plans, and Rule 1118 flare monitoring plans. The permit processing fees also cover the administrative cost to process Change of Operator applications, applications for Emission Reduction Credits, and Administrative Changes to permits. This category also includes a number of specific fees such as Title V permit processing fees, RECLAIM permit processing fees, CEQA and air quality modeling fees, and public noticing fees. Finally, this category includes some fees that are related to specific activity such as asbestos notification and Rule 222 'registration in lieu of permit.'

Included in this year's budget is a new permit fee to recover the cost associated with revising and reissuing permits to facilities exiting the RECLAIM program in accordance with the South Coast AQMD's Governing Board resolution. Currently, RECLAIM facilities, including both Title V and non-Title V facilities, are subject to a South Coast AQMD-issued facility permit. The facility permit identifies conditions associated with compliance with the RECLAIM program. The process of exiting the RECLAIM program requires a re-evaluation of existing facility permits, with case-by-case analysis of each device (piece of equipment) for incorporation of Non-RECLAIM regulatory limits, monitoring, recordkeeping and reporting requirements, emission factors, emission limits, and removing permit conditions and requirements related to RECLAIM that are no longer applicable. This is a one-time fee for the proposed transition process associated with exiting the RECLAIM program.

*FY 2020-21 Proposed Budget:* The projection is based on the anticipated number and type of applications that will be processed. The proposed budget does not take into account a CPI increase. Even though most Reg III fees are being adjusted for CPI, staff has recommended that those CPI increases be credited back to the fee payors at the time of billing.

## EXPLANATION OF REVENUE SOURCES

### **Portable Equipment Registration Program (PERP)**

The California Air Resources Board (CARB) provides revenues to local air districts to offset the costs of inspecting equipment registered under CARB's Portable Equipment Registration Program (PERP). Fees for inspection of PERP-registered engines by South Coast AQMD field staff are collected by CARB at the time of registration and passed through to South Coast AQMD on an annual basis. Fees for inspection of all other PERP-registered equipment are billed at an hourly rate set forth in South Coast AQMD Rule 301, as determined by CARB and collected by South Coast AQMD at the time the inspection is conducted.

*FY 2020-21 Proposed Budget:* The revenue projection is based on the anticipated number of inspections.

### **Area Sources**

Emissions fees and quantity-based fees from architectural coatings revenue covers architectural coatings fair share of emissions supported programs. South Coast AQMD Rule 314 covers emission-based fees and quantity-based fees. Fees on area sources are authorized by Health & Safety Code §40522.5. Architectural coatings are assessed annually based on quantity (gallons) distributed or sold for use in South Coast AQMD's jurisdiction. This revenue allows South Coast AQMD to recover the costs of staff working on compliance, laboratory support, architectural coatings emissions data, rule development, and architectural coatings revenue collection.

*FY 2020-21 Proposed Budget:* Fees are based on the annual quantity and emissions of architectural coatings distributed or sold into or within and for use in the South Coast AQMD for the previous calendar year. Emissions are decreasing while sales volume is increasing. The proposed budget does not take into account a CPI increase. Even though most Reg III fees are being adjusted for CPI, staff has recommended that those CPI increases be credited back to the fee payors at the time of billing.

### **California Air Resources Board Subvention**

Under Health and Safety Code Section 39800-39811, the State appropriates monies each year to CARB to subvene to the air quality districts engaged in the reduction of air contaminants pursuant to the basin wide air pollution control plan and related implementation programs. South Coast AQMD has received subvention funds since its inception beginning in 1977.

*FY 2020-21 Proposed Budget:* The current amount of \$3.9 million is included in the FY 2020-21 proposed budget.

### **State Grant**

Under AB 617, recently adopted by the state legislature, CARB funding is distributed to air districts to implement the Community Air Protection Program which includes monitoring and developing emissions reductions plans in disadvantaged communities with high cumulative exposure to air toxics.

*FY 2020-21 Proposed Budget:* The proposed budget includes the anticipated reimbursement from CARB funding for staff time, services and supplies, and equipment needed to implement the program.

### **Federal Grants/Other Federal Revenue**

South Coast AQMD receives funding from EPA Section 103 and 105 grants to help support the South Coast AQMD in its administration of active air quality control and monitoring programs where the South Coast AQMD is required to perform specific agreed-upon activities. Other EPA and Department of Energy (DOE) grants provide funding for various air pollution reduction projects. A

## EXPLANATION OF REVENUE SOURCES

Department of Homeland Security (DHS) grant funds a special particulate monitoring program. When stipulated in the grant agreement, the General Fund is reimbursed for administrative costs associated with grant-funded projects. Most federal grants are limited to specific purposes, but EPA Section 105 grants are available for the general support of air quality-related programs.

*FY 2020-21 Proposed Budget:* The revenue projection is based on funding levels from current federal grants.

### **Interest**

Revenue from this source is the result of investing South Coast AQMD's General Fund cash balances.

*FY 2020-21 Proposed Budget:* The revenue projection is based on average cash balances and anticipated interest rates.

### **Leases**

Revenue in this category is a result of leasing available space at South Coast AQMD's Headquarters facility.

*FY 2020-21 Proposed Budget:* The projection is based on the existing lease agreements

### **Source Test/Sample Analysis Fees**

Revenue in this category includes fees for source tests, test protocol and report reviews, continuous emissions monitoring systems (CEMS) evaluations and certifications, laboratory approval program (LAP) evaluations, and laboratory sample analyses. The revenue recovers a portion of the costs of performing tests, technical evaluations, and laboratory analyses.

*FY 2020-21 Proposed Budget:* The revenue projection is based on the anticipated number of tests and analyses. The proposed budget does not take into account a CPI increase. Even though most Reg III fees are being adjusted for CPI, staff has recommended that those CPI increases be credited back to the fee payors at the time of billing.

### **Hearing Board**

Hearing Board revenue is from the filing of petitions for variances and appeals, excess emissions fees, and daily appearance fees. The revenue recovers a portion of the costs associated with these activities. Petitions for Orders for Abatement, which go before the Hearing Board, are filed by South Coast AQMD; therefore, there are no Hearing Board fees/revenue related to these proceedings.

*FY 2020-21 Proposed Budget:* The estimate is based on the projected number of hearings to be held and cases to be heard. The proposed budget does not take into account a CPI increase. Even though most Reg III fees are being adjusted for CPI, staff has recommended that those CPI increases be credited back to the fee payors at the time of billing.

### **Penalties/Settlements**

The revenue from this source is derived from cash settlements for violations of permit conditions, South Coast AQMD Rules, or state law. This revenue source is available for the general support of the South Coast AQMD's programs.

*FY 2020-21 Proposed Budget:* It is anticipated that revenue in this category will be approximately \$5.0 million.

## EXPLANATION OF REVENUE SOURCES

### Mobile Sources

Mobile Sources revenue is composed of six components: AB2766 revenue and administrative/program cost reimbursements from five programs: Carl Moyer, AB 134, Proposition 1B, MSRC and Volkswagen Environmental Mitigation Trust.

#### AB2766:

Section 9250.17 of the Vehicle Code gives the Department of Motor Vehicles (DMV) the authority and responsibility to collect and forward to South Coast AQMD four dollars for every vehicle registered in South Coast AQMD's jurisdictional boundaries. Thirty percent of the money (\$1.20 per vehicle) collected is recognized in South Coast AQMD's General Fund as mobile sources revenue and is used for programs to reduce air pollution from motor vehicles and to carry out related planning, monitoring, enforcement, and technical studies authorized by, or necessary to implement, the California Clean Air Act of 1988 or the South Coast AQMD Air Quality Management Plan. A proportionate share of programs that are not associated with any individual type of source (e.g., air quality monitoring) is supported by these revenues. The remaining monies are used to pay for projects to reduce air pollution from mobile vehicles: 40% (\$1.60 per vehicle) to the Air Quality Improvement Special Revenue Fund to be passed through to local governments and 30% (\$1.20 per vehicle) to the Mobile Source Air Pollution Reduction Fund (MSRC) to pay for projects recommended by the MSRC and approved by the South Coast AQMD Governing Board (see MSRC below).

#### Carl Moyer Program:

The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) provides funding from the state of California for the incremental cost of cleaner heavy-duty vehicles, off-road vehicles and equipment, marine, and locomotive engines. The General Fund receives reimbursements from the Carl Moyer Fund for staff time and other program implementation/administration costs up to specified limits.

#### AB 134:

AB 134 increases funding for the Carl Moyer program. The General Fund will receive reimbursements from the AB 134 Special Revenue Fund (up to 6.25 percent) for administrative costs incurred to implement the program.

#### Proposition 1B:

The Proposition 1B Program is a \$1 billion bond program approved by California voters in November 2006. This incentive program is designed to reduce diesel emissions and public health risks from goods movement activities along California's trade corridors. The General Fund receives reimbursements from the Proposition 1B Funds for staff time and other program implementation/administration costs up to specified limits.

#### MSRC:

MSRC revenue reflects the reimbursement from the Mobile Source Air Pollution Reduction Special Revenue Fund for the cost of staff support provided to the MSRC in administering a mobile source program. These administrative costs are limited by State law and the MSRC adopts a budget for staff support each year.

#### Volkswagen Environmental Mitigation Trust:

The Volkswagen Mitigation Trust was established as part of a settlement with Volkswagen for their role in utilizing illegal defeat devices in certain 2.0- and 3.0-liter VW vehicles that resulted in excess emissions. The Beneficiary Mitigation Plan identifies five funding categories that are intended to mitigate the excess NOx emissions caused by VW vehicles. South Coast AQMD has been identified by CARB as the administrator of two project funding categories: Zero Emission Class 8 Freight and Port Drayage Trucks; and Combustion Freight and Marine Projects. The General Fund receives

## EXPLANATION OF REVENUE SOURCES

reimbursements from the Volkswagen Environmental Mitigation Fund for staff time and other program implementation/administration costs up to specified limits.

*FY 2020-21 Proposed Budget:* Revenue projections are based on vehicle registration data from the DMV, other state revenue received, and anticipated reimbursable implementation/administration costs for the Carl Moyer, AB 134, Prop 1B, MSRC and Volkswagen Environmental Mitigation Trust programs.

### **Clean Fuels**

The General Fund receives reimbursements from the Clean Fuels Program Special Revenue Fund for staff time and other program implementation/administration costs necessary to implement the Clean Fuels Program.

Section 9250.11 of the Vehicle Code gives the DMV authority to collect and forward to South Coast AQMD money for clean fuels technology advancement programs and transportation control measures related to motor vehicles, according to the plan approved pursuant to Health & Safety Code §40448.5. One dollar is collected by the DMV for every vehicle registered in South Coast AQMD's jurisdictional boundaries, forwarded to South Coast AQMD, and deposited in the Clean Fuels Program Special Revenue Fund.

Clean fuels fees from stationary sources are recorded in a separate revenue account within the Clean Fuels Program Special Revenue Fund. Fees authorized by Health & Safety Code §40512 are collected from sources that emit 250 tons or more per year of Nitrogen Oxides (NOx), Sulfur Oxides (SOx), Reactive Organic Compounds (ROC), or Particulate Matter (PM). The fees collected are used to develop and implement activities that promote the use of clean-burning fuels. These activities include assessing the cost effectiveness of emission reductions associated with clean fuels development and use of new clean fuels technologies, and other clean fuels related projects. The General Fund receives reimbursements from the Clean Fuels Program Fund for staff time and other program implementation/administration costs necessary to implement a Clean Fuels Program.

*FY 2020-21 Proposed Budget:* Revenue projections are based on anticipated reimbursable staff and other program costs to implement the Clean Fuels Program.

### **Transportation Programs**

In accordance with federal and state Clean Air Act requirements, South Coast AQMD's Rule 2202 – On-Road Vehicle Mitigation Options provides employers with various options to either reduce mobile source emissions generated from employee commutes or implement mobile source emission reduction programs. Employers with 250 or more employees at a worksite are subject to Rule 2202 and are required to submit an annual registration to implement an emission reduction program that will obtain emission reductions equivalent to a worksite specific emission reduction target. The revenue from this category is used to recover a portion of the costs associated with filing, processing, reviewing, and auditing the registrations and the ridesharing programs. Fees for indirect sources, which are sources that attract mobile sources, such as the large employers covered by Rule 2202, are authorized by Health & Safety Code §40522.5.

*FY 2020-21 Proposed Budget:* The projection is based on the anticipated number of registrations. The proposed budget does not take into account a CPI increase. Even though most Reg III fees are being adjusted for CPI, staff has recommended that those CPI increases be credited back to the fee payors at the time of billing.

## EXPLANATION OF REVENUE SOURCES

### **Toxic "Hot Spots"**

Health and Safety Code Section 44380 requires South Coast AQMD to assess and collect fees from facilities that emit toxic compounds. Fees collected are used to recover state and South Coast AQMD costs to collect and analyze data regarding air toxics and their effect on the public. Costs recovered include a portion of the administrative, outreach, plan processing, and enforcement costs to implement this program. Staff has also noticed a large number of Air Toxics Inventory Reports (ATIR) and Health Risk Assessments (HRA) which require substantial modifications or revisions that the facility is unable to perform without errors or delays. Therefore, the amendments to Rule 307.1 also include cost recovery for these efforts.

*FY 2020-21 Proposed Budget:* The revenue projection is based on estimated General Fund reimbursements from the Air Toxics Fund for staff time and other program and administrative expenditures.

### **Other**

Miscellaneous revenue includes revenue attributable to professional services South Coast AQMD renders to other agencies, reimbursements from special revenue funds (non-mobile source), vanpool revenue, fees from fitness center memberships, and Public Records Act requests.

*FY 2020-21 Proposed Budget:* The revenue projections are based on historical trend information and anticipated receipts.



**South Coast AQMD  
Line Item Expenditure**

Major Object / Account # / Account Description		FY 2018-19 Actuals	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	FY 2019-20 Estimate *	FY 2020-21 Proposed Budget
<b>Salary &amp; Employee Benefits</b>						
51000-52000	Salaries	\$ 79,695,616	\$ 89,957,250	\$ 90,529,957	\$ 87,080,951	\$ 90,660,691
53000-55000	Employee Benefits	44,680,603	51,710,462	51,712,459	48,420,893	54,666,945
Sub-total Salary & Employee Benefits		\$ 124,376,218	\$ 141,667,712	\$ 142,242,416	\$ 135,501,844	\$ 145,327,635
<b>Services &amp; Supplies</b>						
67250	Insurance	\$ 1,718,104	\$ 1,317,400	\$ 1,357,400	\$ 1,357,400	\$ 1,449,140
67300	Rents & Leases Equipment	266,701	212,280	284,007	284,007	212,280
67350	Rents & Leases Structure	333,478	299,543	1,003,408	1,003,408	592,843
67400	Household	636,596	817,322	815,072	815,072	877,195
67450	Professional & Special Services	10,380,172	8,066,737	8,433,101	8,329,101	9,340,974
67460	Temporary Agency Services	1,157,934	744,049	1,085,138	1,085,138	766,048
67500	Public Notice & Advertising	414,098	439,966	485,166	485,166	510,966
67550	Demurrage	69,068	161,930	194,685	194,685	161,680
67600	Maintenance of Equipment	920,848	822,864	1,327,495	1,327,495	810,864
67650	Building Maintenance	996,352	1,002,479	2,222,300	2,222,300	1,002,479
67700	Auto Mileage	184,704	95,627	241,854	241,854	110,627
67750	Auto Service	520,618	471,000	473,197	473,197	470,000
67800	Travel	416,884	364,696	473,476	473,476	364,696
67850	Utilities	1,413,921	1,959,620	1,719,977	1,438,977	1,989,620
67900	Communications	639,215	707,800	977,289	977,289	907,800
67950	Interest Expense	3,637,290	3,503,982	3,503,983	3,503,983	3,353,106
68000	Clothing	78,287	53,805	54,302	54,302	53,508
68050	Laboratory Supplies	427,260	307,000	605,714	605,714	557,000
68060	Postage	378,198	465,803	415,559	415,559	468,158
68100	Office Expense	2,119,243	1,459,260	2,295,422	2,175,422	1,514,905
68200	Office Furniture	121,626	14,000	212,712	212,712	24,000
68250	Subscriptions & Books	228,505	178,517	261,821	261,821	178,574
68300	Small Tools, Instruments, Equipment	301,711	109,736	455,662	455,662	177,276
68400	Gas and Oil	299,038	292,021	292,021	292,021	292,021
69500	Training/Conference/Tuition/ Board Exp.	1,028,063	976,357	1,071,223	1,071,223	995,807
69550	Memberships	220,862	68,678	249,678	249,678	71,428
69600	Taxes	23,442	59,000	61,856	61,856	59,000
69650	Awards	56,951	79,023	76,219	76,219	69,023
69700	Miscellaneous Expenses	150,687	255,525	297,178	297,178	249,525
69750	Prior Year Expense	(24,248)	-	-	-	-
69800	Uncollectable Accounts Receivable	471,292	-	-	-	-
89100	Principal Repayment	2,553,110	2,686,640	2,686,641	2,686,641	3,840,443
Sub-total Services & Supplies		\$ 32,140,010	\$ 27,992,660	\$ 33,633,556	\$ 33,128,556	\$ 31,470,986
77000	<b>Capital Outlays</b>	\$ 4,669,722	\$ 395,000	\$ 13,271,889	\$ 13,271,889	\$ 1,742,500
79050	<b>Building Remodeling</b>	\$ -	\$ -	\$ -	\$ -	\$ -
99950	<b>Transfers Out</b>	\$ 2,904,582	\$ 841,353	\$ 2,525,592	\$ 2,525,592	\$ 841,353
<b>Total Expenditures</b>		\$ 164,090,532	\$ 170,896,725	\$ 191,673,453	\$ 184,427,881	\$ 179,382,474

\* Estimates based on July 2019 through February 2020 actual expenditures and February 2020 budget amendments.

**SALARIES & EMPLOYEE BENEFITS**

<b>Acct. #</b>	<b>Account Description</b>	<b>FY 2019-20 Adopted Budget</b>	<b>FY 2019-20 Amended Budget</b>	<b>FY 2019-20 Estimate</b>	<b>FY 2020-21 Proposed Budget</b>	<b>Increase/ (Decrease)<sup>(a)</sup></b>
<b>51000- 52000</b>	<b>SALARIES</b>	<b>\$89,957,250</b>	<b>\$90,529,957</b>	<b>\$87,080,951</b>	<b>\$90,660,691</b>	<b>\$703,441</b>
<p>These accounts include salaries and special pays such as: Call-Back, Hazard, Night Shift, Rideshare, Skill-Based, Stand-By and Overtime. The FY 2020-21 Proposed Budget reflects a 10 percent vacancy rate (actual vacant positions are currently at 13 percent). The FY 2020-21 Proposed Budget does not include overtime amounts for federal grant work that is not expected to be awarded until mid-year and will not be appropriated until the grants are awarded. The main reason for the increase from the FY 2019-20 Adopted Budget is the addition of 7 positions mid-year in FY 2019-20 for Rule 1180 (5 FTEs), Environmental Justice (1 FTE) and Grant (1 FTE) programs. In addition, the increase from the FY 2019-20 Adopted Budget can be attributed to the costs associated with the final year of a three-year labor agreement that went into effect in the third quarter of FY 2017-18.</p>						
<b>53000</b>	<b>EMPLOYEE BENEFITS</b>	<b>\$3,774,162</b>	<b>\$3,774,162</b>	<b>\$3,632,196</b>	<b>\$3,867,258</b>	<b>\$93,096</b>
<p>This account includes the costs associated with State Disability Insurance, employer share of unemployment insurance, Social Security and Medicare. In addition, this account includes individual memberships and/or management physicals.</p>						
<b>54000</b>	<b>RETIREMENT</b>	<b>\$36,805,778</b>	<b>\$36,805,778</b>	<b>\$34,242,484</b>	<b>\$37,971,253</b>	<b>\$1,165,475</b>
<p>This account includes the employer's share of the employee retirement system contributions. The increase from the FY 2019-20 Adopted Budget is based on the contribution rates provided by the San Bernardino County Retirement Association (SBCERA) and adding 7 positions mid-year in FY 2019-20.</p>						
<b>55000</b>	<b>INSURANCE</b>	<b>\$11,130,521</b>	<b>\$11,132,519</b>	<b>\$10,546,143</b>	<b>\$12,828,433</b>	<b>\$1,697,912</b>
<p>This account includes employer's share of health, life, dental, vision care and accident insurance.</p>						

<sup>(a)</sup> FY 2020-21 Proposed Budget vs. FY 2019-20 Adopted Budget.

SALARIES & EMPLOYEE BENEFITS

South Coast AQMD Personnel Summary – Authorized/Funded Positions						
Positions as of	Mid-Year Adjustments		Positions as of	FY 2020-21 Request		Positions as of
June 30, 2019	Add	Delete	June 30, 2020	Add	Delete	July 1, 2020
939	20	(12)	947	1	(2)	946

Fiscal Year 2019-20 Mid-Year Changes in Authorized/Funded Positions				
Office	Position	Add	Delete	Total
Finance	Financial Analyst	1	-	1
Finance	Payroll Supervisor	1	-	1
Finance	Supervising Payroll Technician	-	(1)	(1)
Information Management	Senior Information Technology Specialist	1	-	1
Legislative & Public Affairs/Media Office	Air Quality Inspector	-	(2)	(2)
Legislative & Public Affairs/Media Office	Air Quality Specialist	2	-	2
Legislative & Public Affairs/Media Office	Radio Telephone Operator	-	(7)	(7)
Legislative & Public Affairs/Media Office	Senior Office Assistant	7	-	7
Legislative & Public Affairs/Media Office	Senior Public Information Specialist	1	-	1
Legislative & Public Affairs/Media Office	Supervising Office Assistant	1	-	1
Legislative & Public Affairs/Media Office	Supervising Radio Telephone Operator	-	(1)	(1)
Science & Technology Advancement	Air Quality Instrument Specialist II	1	-	1
Science & Technology Advancement	Air Quality Specialist	2	-	2
Science & Technology Advancement	Office Assistant	-	(1)	(1)
Science & Technology Advancement	Senior Air Quality Instrument Specialist	1	-	1
Science & Technology Advancement	Senior Office Assistant	2	-	2
<b>Total Mid-Year Changes</b>		<b>20</b>	<b>(12)</b>	<b>8</b>

Fiscal Year 2020-21 Proposed Personnel Actions				
Office	Position	Add	Delete	Total
Information Management	Information Technology Specialist II	-	(1)	(1)
Science & Technology Advancement	Deputy Executive Officer*	-	(1)	(1)
Science & Technology Advancement	Chief Technologist/Deputy Executive Officer*	1	-	1
<b>Total Fiscal Year 2020-21 Proposed Personnel Actions</b>		<b>1</b>	<b>(2)</b>	<b>(1)</b>

\* Title change only

**SERVICES & SUPPLIES**

<b>Acct. #</b>	<b>Account Description</b>	<b>FY 2019-20 Adopted Budget</b>	<b>FY 2019-20 Amended Budget</b>	<b>FY 2019-20 Estimate</b>	<b>FY 2020-21 Proposed Budget</b>	<b>Increase/ (Decrease)<sup>(a)</sup></b>
<b>67250</b>	<b>INSURANCE</b>	<b>\$1,317,400</b>	<b>\$1,357,400</b>	<b>\$1,357,400</b>	<b>\$1,449,140</b>	<b>\$131,740</b>
<p>This account is for insurance coverage for the following: commercial property (real and personal) with earthquake and flood coverage, boiler and machinery, public official liability, excess workers' compensation, and excess general liability. South Coast AQMD is self-insured for workers' compensation, general liability, and automobile liability. The amount requested reflects anticipated workers' compensation claims, insurance policy premiums, property losses above South Coast AQMD's insurance deductibles, and liability claim payments. The increase from the FY 2019-19 Adopted Budget is due to an increase in the insurance premiums.</p>						
<b>67300</b>	<b>RENTS &amp; LEASES EQUIPMENT</b>	<b>\$212,280</b>	<b>\$284,007</b>	<b>\$284,007</b>	<b>\$212,280</b>	<b>\$0</b>
<p>This account is for lease agreements and/or rental of office equipment such as communication devices for emergency response inspectors, laboratory and atmospheric measurement equipment for special projects, audio visual equipment for outside meetings, printing equipment, and photocopiers.</p>						
<b>67350</b>	<b>RENTS &amp; LEASES STRUCTURE</b>	<b>\$299,543</b>	<b>\$1,003,408</b>	<b>\$1,003,408</b>	<b>\$592,843</b>	<b>\$293,300</b>
<p>This account is for expenditures associated with structures and lot leases, and off-site storage rentals:                      Long Beach field office - \$316,543;                      Conference and meeting rooms - \$9,000;                      Air monitoring sites/Wind Stations - \$240,000;                      Public Meetings - \$8,000; and                      Bay Area office space - \$19,300</p> <p>Free and low-cost public facilities are used whenever possible for public workshops and informational meetings. The increase in FY 2020-21 reflects the decision to appropriate budget mid-year for the implementation of the Rule 1180 air monitoring program. The FY 2019-20 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
<b>67400</b>	<b>HOUSEHOLD</b>	<b>\$817,322</b>	<b>\$815,072</b>	<b>\$815,072</b>	<b>\$877,195</b>	<b>\$59,873</b>
<p>This account is used for trash disposal, landscape maintenance, parking lot maintenance, janitorial supplies, and janitorial contracts. The increase from the FY 2019-20 Adopted Budget is due to an increase in the janitorial and landscaping contract.</p>						
<b>67450</b>	<b>PROFESSIONAL &amp; SPECIAL SERVICES</b>	<b>\$8,066,737</b>	<b>\$8,433,101</b>	<b>\$8,329,101</b>	<b>\$9,340,974</b>	<b>\$1,274,237</b>
<p>This account is for services rendered to South Coast AQMD by outside contractors. The FY 2020-21 Professional &amp; Special Services supporting detail is located at the end of this section. The increase from the FY 2019-20 Adopted Budget is a result of expenditures related to setting-up an Emergency Response program, Rule 1180 air monitoring program and contractual increases in security services. The FY 2020-21 Proposed Budget also does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						

<sup>(a)</sup>FY 2020-21 Proposed Budget vs. FY 2019-20 Adopted Budget.

SERVICES & SUPPLIES

Acct. #	Account Description	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	FY 2019-20 Estimate	FY 2020-21 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
67460	TEMPORARY AGENCY SERVICES	\$744,049	\$1,085,138	\$1,085,138	\$766,048	\$21,999
<p>Funds budgeted in this account are used for specialized temporary services that supplement staff in support of South Coast AQMD programs. Amounts are budgeted as a contingency for long-term absences and retirements/resignations. Also budgeted in this account is the student internship program that provides college students with the opportunity to gain experience in the workplace. The increase from the FY 2019-20 Adopted Budget reflects an anticipated increase in the use of temporary services. The FY 2020-21 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
67500	PUBLIC NOTICE & ADVERTISING	\$439,966	\$485,166	\$485,166	\$510,966	\$71,000
<p>This account is used for legally required publications such as Requests for Proposals, Requests for Quotations, personnel recruitment, public outreach, advertisement of South Coast AQMD Governing Board and Hearing Board meetings, and public notification of South Coast AQMD rulemaking activities. The increase from the FY 2019-20 Adopted Budget is due to an increase in AB 2588 required publications.</p>						
67550	DEMURRAGE	\$161,930	\$194,685	\$194,685	\$161,680	(\$250)
<p>This account is for various freight and cylinder charges as well as workspace reconfigurations and personnel moves. The decrease from the FY 2019-20 Adopted Budget is based on anticipated needs. The FY 2020-21 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
67600	MAINTENANCE OF EQUIPMENT	\$822,864	\$1,327,495	\$1,327,495	\$810,864	(\$12,000)
<p>This account is for maintenance costs of South Coast AQMD equipment such as: mainframe computer hardware, phone switch, air monitoring equipment, print shop equipment, copiers, and audio-visual equipment. The decrease from the FY 2019-20 Adopted Budget is due to a one-time project budgeted in FY 2019-20. The FY 2020-21 Proposed Budget also does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
67650	BUILDING MAINTENANCE	\$1,002,479	\$2,222,300	\$2,222,300	\$1,002,479	\$0
<p>This account reflects expenditures for maintaining South Coast AQMD offices and air monitoring stations. Also included are: a contingency amount for unplanned repairs; Gateway Association dues; elevator maintenance; energy management; and compressor services. The FY 2020-21 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						

<sup>(a)</sup>FY 2020-21 Proposed Budget vs. FY 2019-20 Adopted Budget.

SERVICES & SUPPLIES

Acct. #	Account Description	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	FY 2019-20 Estimate	FY 2020-21 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>67700</b>	<b>AUTO MILEAGE</b>	<b>\$95,627</b>	<b>\$241,854</b>	<b>\$241,854</b>	<b>\$110,627</b>	<b>\$15,000</b>
<p>This account is used to reimburse employees for the cost of using personal vehicles while on South Coast AQMD business. The requests include the mileage incurred for staff who are required to work on their scheduled days off and for employees who use their personal vehicles on South Coast AQMD-related business, conferences, and seminars and to attend various community, business and intergovernmental events. The increase from the FY 2019-20 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program. The FY 2020-21 Proposed Budget also does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
<b>67750</b>	<b>AUTO SERVICE</b>	<b>\$471,000</b>	<b>\$473,197</b>	<b>\$473,197</b>	<b>\$470,000</b>	<b>(\$1,000)</b>
<p>This account is used for the maintenance, towing, repair, and expired CNG tank replacement of South Coast AQMD fleet vehicles. The decrease from the FY 2019-20 Adopted Budget reflects an anticipated reduction in the use of auto services.</p>						
<b>67800</b>	<b>TRAVEL</b>	<b>\$364,696</b>	<b>\$473,476</b>	<b>\$473,476</b>	<b>\$364,696</b>	<b>\$0</b>
<p>This account is for business travel, including lodging and meals paid pursuant to the Administrative Code, for participation in legislative hearings and meetings involving state, federal, and inter-agency issues that affect air quality in the South Coast Air Basin. The FY 2020-21 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
<b>67850</b>	<b>UTILITIES</b>	<b>\$1,959,620</b>	<b>\$1,719,977</b>	<b>\$1,438,977</b>	<b>\$1,989,620</b>	<b>\$30,000</b>
<p>This account is used to pay gas, water, and electricity costs at the South Coast AQMD's headquarters building, the Long Beach field office, and air monitoring stations. The increase from the FY 2019-20 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program.</p>						
<b>67900</b>	<b>COMMUNICATIONS</b>	<b>\$707,800</b>	<b>\$977,289</b>	<b>\$977,289</b>	<b>\$907,800</b>	<b>\$200,000</b>
<p>This account includes telephone and fax service, leased computer lines, video conferencing, wireless internet access for inspectors in the field, radio, and microwave services. The increase from the FY 2019-20 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program. The FY 2020-21 Proposed Budget also does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
<b>67950</b>	<b>INTEREST EXPENSE</b>	<b>\$3,503,982</b>	<b>\$3,503,983</b>	<b>\$3,503,983</b>	<b>\$3,353,106</b>	<b>(\$150,876)</b>
<p>This account is for the interest due on the 1995 and 2004 Pension Obligation Bonds. The decrease from the FY 2019-20 Adopted Budget reflects scheduled payments for FY 2020-21.</p>						

<sup>(a)</sup>FY 2020-21 Proposed Budget vs. FY 2019-20 Adopted Budget.

**SERVICES & SUPPLIES**

<b>Acct. #</b>	<b>Account Description</b>	<b>FY 2019-20 Adopted Budget</b>	<b>FY 2019-20 Amended Budget</b>	<b>FY 2019-20 Estimate</b>	<b>FY 2020-21 Proposed Budget</b>	<b>Increase/ (Decrease)<sup>(a)</sup></b>
<b>68000</b>	<b>CLOTHING</b>	<b>\$53,805</b>	<b>\$54,302</b>	<b>\$54,302</b>	<b>\$53,508</b>	<b>(\$297)</b>
<p>This account is for the purchase of safety equipment and protective clothing used by source testing, laboratory, compliance, and stockroom personnel. The decrease from the FY 2019-20 Adopted Budget reflects the anticipated level of expenditures for FY 2020-21.</p>						
<b>68050</b>	<b>LABORATORY SUPPLIES</b>	<b>\$307,000</b>	<b>\$605,714</b>	<b>\$605,714</b>	<b>\$557,000</b>	<b>\$250,000</b>
<p>This account is used to purchase various supplies such as chemicals, calibration gases and glassware for laboratory services. The increase from the FY 2019-20 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program. The FY 2020-21 Proposed Budget also does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
<b>68060</b>	<b>POSTAGE</b>	<b>\$465,803</b>	<b>\$415,559</b>	<b>\$415,559</b>	<b>\$468,158</b>	<b>\$2,355</b>
<p>This account covers the cost of mailing out annual billings, permits, notifications to the Governing Board and Advisory groups, monthly newsletters, warrants, outreach materials to local governments, and Rule 2202 notifications. The FY 2020-21 Proposed Budget reflects the recent postal rate increases.</p>						
<b>68100</b>	<b>OFFICE EXPENSE</b>	<b>\$1,459,260</b>	<b>\$2,295,422</b>	<b>\$2,175,422</b>	<b>\$1,514,905</b>	<b>\$55,645</b>
<p>This account is used for the purchase of office supplies, computer hardware and software under \$5,000, photocopier supplies, print shop and graphic art supplies, and stationery and forms. The increase from the FY 2019-20 Adopted Budget reflects the expenditures related to the Rule 1180 air monitoring program. The FY 2020-21 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
<b>68200</b>	<b>OFFICE FURNITURE</b>	<b>\$14,000</b>	<b>\$212,712</b>	<b>\$212,712</b>	<b>\$24,000</b>	<b>\$10,000</b>
<p>This account is for office furniture under \$5,000. The increase in the FY 2020-21 Proposed Budget reflects an anticipated increase in needs due to staffing changes.</p>						
<b>68250</b>	<b>SUBSCRIPTIONS &amp; BOOKS</b>	<b>\$178,517</b>	<b>\$261,821</b>	<b>\$261,821</b>	<b>\$178,574</b>	<b>\$57</b>
<p>This account is used to purchase reference materials, magazine subscriptions, books, and on-line database legal research services. The increase in the FY 2020-21 Proposed Budget reflects an anticipated increase in needs due to staffing changes.</p>						

<sup>(a)</sup>FY 2020-21 Proposed Budget vs. FY 2019-20 Adopted Budget.

SERVICES & SUPPLIES

Acct. #	Account Description	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	FY 2019-20 Estimate	FY 2020-21 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>68300</b>	<b>SMALL TOOLS, INSTRUMENTS, EQUIPMENT</b>	<b>\$109,736</b>	<b>\$455,662</b>	<b>\$455,662</b>	<b>\$177,276</b>	<b>\$67,540</b>
<p>This account covers the purchase of small tools and equipment for air monitoring stations, laboratory, and headquarters building maintenance. The increase from the FY 2019-20 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program. The FY 2019-20 Proposed Budget also does not include amounts for federally funded grant programs. Expenditure appropriations will occur mid-year for these programs.</p>						
<b>68400</b>	<b>GAS &amp; OIL</b>	<b>\$292,021</b>	<b>\$292,021</b>	<b>\$292,021</b>	<b>\$292,021</b>	<b>\$0</b>
<p>This account is for the purchase of gasoline, oil, and alternative fuels for the South Coast AQMD fleet. The FY 2020-21 Proposed Budget reflects no change in anticipated needs.</p>						
<b>69500</b>	<b>TRAINING/CONF/ TUITION/BOARD EXP</b>	<b>\$976,357</b>	<b>\$1,071,223</b>	<b>\$1,071,223</b>	<b>\$995,807</b>	<b>\$19,450</b>
<p>This account is used for tuition reimbursement, conference and training registrations, certain costs associated with South Coast AQMD's Governing and Hearing Boards and advisory groups, and training-related travel expenditures. The FY 2020-21 Proposed Budget reflects an increase for offsite meetings and per-diem.</p>						
<b>69550</b>	<b>MEMBERSHIPS</b>	<b>\$68,678</b>	<b>\$249,678</b>	<b>\$249,678</b>	<b>\$71,428</b>	<b>\$2,750</b>
<p>This account provides for South Coast AQMD membership in in scientific, clean fuels, advanced technology, and related environmental business/policy organizations. Membership costs are anticipated to increase marginally from the FY 2019-20 Adopted Budget.</p>						
<b>69600</b>	<b>TAXES</b>	<b>\$59,000</b>	<b>\$61,856</b>	<b>\$61,856</b>	<b>\$59,000</b>	<b>\$0</b>
<p>This account is for unsecured property and use taxes, fuel taxes, and sales taxes. The FY 2020-21 Proposed Budget reflects no change in expenditures from the FY 2019-20 Adopted Budget.</p>						
<b>69650</b>	<b>AWARDS</b>	<b>\$79,023</b>	<b>\$76,219</b>	<b>\$76,219</b>	<b>\$69,023</b>	<b>(\$10,000)</b>
<p>This account covers employee service awards for continuous service, employee recognition programs, plaques/awards the South Coast AQMD may present to individuals/businesses/community groups for outstanding contributions towards air quality goals, and promotional items for community events. The decrease from the FY 2019-20 Adopted Budget reflects the anticipated level of expenditures for FY 2020-21.</p>						
<b>69700</b>	<b>MISCELLANEOUS EXPENSES</b>	<b>\$255,525</b>	<b>\$297,178</b>	<b>\$297,178</b>	<b>\$249,525</b>	<b>(\$6,000)</b>
<p>This account is to record expenditures that do not fall in any other account such as South Coast AQMD advisory group per diems, meeting and event expenses, and sponsorships. The decrease from the FY 2019-20 Adopted Budget reflects the anticipated level of expenditures for FY 2020-21.</p>						

<sup>(a)</sup>FY 2020-21 Proposed Budget vs. FY 2019-20 Adopted Budget.



SERVICES & SUPPLIES

	Account Description	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	FY 2019-20 Estimate	FY 2020-21 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>69750</b>	<b>PRIOR YEAR EXPENSE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
This account is used to record actual expenditures attributable to prior year budgets. No amount is budgeted for this account due to the nature of the account.						
<b>69800</b>	<b>UNCOLLECTIBLE ACCOUNTS RECEIVABLE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
No amount is budgeted for this account due to the nature of the account.						
<b>89100</b>	<b>PRINCIPAL REPAYMENT</b>	<b>\$2,686,640</b>	<b>\$2,686,641</b>	<b>\$2,686,641</b>	<b>\$3,840,443</b>	<b>\$1,153,803</b>
This account reflects the principal due on pension obligation bonds. The increase from the FY 2019-20 Adopted Budget reflects scheduled payments for FY 2020-21 and 2004 Pension Obligation Bonds payment.						

<sup>(a)</sup>FY 2020-21 Proposed Budget vs. FY 2019-20 Adopted Budget.

SERVICES & SUPPLIES

Proposed Fiscal Year 2020-21 Professional & Special Services Detail by Office			
Office	Program	Contract Description	Amount
District General	Dist. General Overhead	Administrative Fees for 1995 & 2004 Pension Obligation Bonds (POBs)	\$1,500
	Dist. General Overhead	Arbitration/Hearing Officer	9,400
	Dist. General Overhead	Benefits Administrator	13,000
	Dist. General Overhead	COBRA Administration Services	6,000
	Dist. General Overhead	Custodial Fees for 1995 & 2004 POBs	800
	Dist. General Overhead	Emergency Response	1,000,000
	Dist. General Overhead	Employee Assistance Program	13,995
	Dist. General Overhead	Employee Relations Litigation	200,000
	Dist. General Overhead	Health Reimbursement Arrangement Plan Administration	5,000
	Dist. General Overhead	Insurance Brokerage	52,000
	Dist. General Overhead	LACERA OPEB Actuary Services	20,000
	Dist. General Overhead	Modular Furniture Maintenance, Setup, and Moving Services	15,000
	Dist. General Overhead	Oracle Software Support	30,400
	Dist. General Overhead	PeopleSoft Maintenance	208,400
	Dist. General Overhead	Plans and Design Consulting Services	95,000
	Dist. General Overhead	Security Alarm Monitoring	2,168
	Dist. General Overhead	Security Guard Services	565,114
	Dist. General Overhead	Wellness Program	35,312
<b>Sub-total District General</b>			<b>\$2,273,089</b>
Governing Board	Operational Support	Board Member Assistant/Consultants	\$807,784
<b>Sub-total Governing Board</b>			<b>\$807,784</b>
Executive Office	Develop Programs	Professional & Special Services	\$75,000
<b>Sub-total Executive Office</b>			<b>\$75,000</b>
Finance	Operational Support	AB 2766 Audit of DMV Fee Recipients	\$10,000
	Operational Support	Bank Service Charges/Los Angeles County Treasurer Office	60,000
	Ensure Compliance	Bank Services Fund 15, Hot Spots Lockbox	15,000
	Operational Support	E-Check Fee	3,000
	Operational Support	Financial Audit	55,528
	Operational Support	Financial Consultant for Treasury Management	23,000
	Operational Support	LA County Treasurer Office - PGP Maintenance	1,650
<b>Sub-total Finance</b>			<b>\$155,178</b>
Legal	Ensure Compliance	Experts/Court Reporters/Attorney Services	\$30,000
	Ensure Compliance	Litigation Counsel	126,001
	Ensure Compliance	Software Maintenance & Licensing	40,000
	Operational Support	Specialized Legal Services	50,000
<b>Sub-total Legal</b>			<b>\$246,001</b>

SERVICES & SUPPLIES

Proposed Fiscal Year 2020-21 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
<b>Administrative &amp; Human Resources</b>	Operational Support	In-house Training Classes	\$4,000
	Operational Support	Medical Services Provider	24,250
	Operational Support	NEOGOV Multiple Contracts	63,500
	Operational Support	Occupational Health Services	23,844
	Operational Support	Test Development	15,000
	Operational Support	Third-Party Claims Administrator for Workers Compensation	21,156
	<b>Sub-total Administrative &amp; Human Resources</b>		
<b>Clerk of the Boards</b>	Ensure Compliance	Court Reporting, Audio-visual, and/or Security Services	\$63,800
	Ensure Compliance	Outside Legal Contract	15,000
	Ensure Compliance	Professional Interpreter Services	6,400
	<b>Sub-total Clerk of the Boards</b>		
<b>Information Management</b>	Operational Support	Action Works Metro System Software Support	\$20,000
	Operational Support	Adobe Creative Cloud Software Support	2,500
	Operational Support	AER & R1113/314 Upgrade & Maintenance	15,000
	Operational Support	AIS (Address Information System) Five Digit Subscription	1,200
	Operational Support	Anti-Spam (MailShield) Maintenance/Support	15,000
	Operational Support	ArcGIS Online Annual Subscription	1,000
	Operational Support	Backup Software	50,000
	Operational Support	Backup Utility Maintenance	11,500
	Operational Support	CLASS System Maintenance	88,000
	Operational Support	Component One Software Support	1,200
	Operational Support	Computer-Based Training Software Support	1,800
	Operational Support	CourtView/DPO Maintenance	10,000
	Operational Support	Crystal Reports Software Support	22,000
	Operational Support	Disaster Recovery Software	60,000
	Operational Support	Dundas Chart Software Support	700
	Operational Support	Dynamic Web Twain License Renewal	5,700
	Operational Support	Email Recovery Software (PowerControls) Maint/Support	2,750
	Operational Support	Email Reporting	4,000
	Operational Support	ERwin ERX & BPwin SW Support	26,000
	Operational Support	Faxcom FaxServer Support	15,000
	Operational Support	Imaging Software Support	145,000
Operational Support	Infragistics Pro Software Support	1,000	
Operational Support	Ingres/OpenIngres Additional Licensing	72,000	
Operational Support	Ingres/OpenIngres Advanced Success Pack	140,000	
Operational Support	Installshield Software Support	3,800	

SERVICES & SUPPLIES

Proposed Fiscal Year 2020-21 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
Information Management (cont.)	Operational Support	Internet Filtering (SmartFilter) Maintenance/Support	\$70,000
	Operational Support	Kronos Time Keeper	2,000
	Operational Support	Microsoft Developer Network - Application Development	15,196
	Operational Support	Microsoft Developer Network Premium Renewal	4,000
	Operational Support	Microsoft Technical Software Support (Server Applications)	15,000
	Operational Support	Microsoft Virtual Earth Maintenance/Support	15,000
	Operational Support	Network Analyzer (Sniffer) Maintenance/Support	4,500
	Operational Support	Network Backbone Support	15,000
	Operational Support	NT Software Support - Proactive	62,000
	Operational Support	Off-site Document Destruction Services	24,000
	Operational Support	Off-site Storage Nightly Computer Backup	22,000
	Operational Support	Online Filing Infrastructure	25,000
	Operational Support	PowerBuilder Software Support	24,000
	Operational Support	PreEmptive Analytics Software Support	7,000
	Operational Support	Proxy Reporting Support	3,250
	Operational Support	PVCS Software Support	4,900
	Operational Support	ScaleOut StateServer Maintenance	8,500
	Operational Support	Secure Service Digital ID Services	2,000
	Operational Support	Secure Service Digital ID DEC Internet Server	850
	Operational Support	Sitefinity CMS Software Support	9,500
	Operational Support	Software Support for EOS.Web Enterprise	6,300
	Operational Support	Software Support for On-Line Catalog	2,050
	Operational Support	South Coast AQMD Web App Modifications	20,000
	Operational Support	Swiftview Software Support	950
	Operational Support	Telephone Switchview Software Support	9,500
	Operational Support	Terminal Emulation (Reflection) Maintenance/Support	1,175
	Operational Support	Videoteleconferencing Maintenance & Support	20,000
	Operational Support	Virus Scan Support	15,000
	Operational Support	Visual Expert Software Support	6,000
	Operational Support	Web Consulting Support	64,300
	Operational Support	Web Core Technology Upgrade (.NET Upgrade)	10,000
	Operational Support	Website Evaluation & Improvement	200,000
	<b>Sub-total Information Management</b>		

SERVICES & SUPPLIES

Proposed Fiscal Year 2020-21 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
Planning, Rule Development, & Area Sources	Ensure Compliance	AER Printing and Mailing	\$7,000
	Monitoring Air Quality	Air Quality Forecast and Alert Notification Support	50,000
	Develop Programs	California Emissions Estimator Model (CalEEMod) Upgrades/Support	25,000
	Develop Programs	CEQA for AQMD Projects	125,000
	Develop Programs	CEQA Special Studies	50,000
	Timely Review of Permits	Dispersion Modeling Support	25,000
	Monitoring Air Quality	Maintain Wind Stations and Analyze Data	60,000
	Monitoring Air Quality	MATES V	20,000
	Monitoring Air Quality	Meteorological Data Services	15,000
	Develop Rules	Mobile Source Related Data Licenses and Subscriptions	125,000
	Develop Rules	PM and Ozone Model Consulting	50,000
	Develop Programs	Rule 2202 Computer System Maintenance	15,000
	Develop Programs	Rule 2202 EMOvers System Maintenance	15,000
	Customer Service & Business Assistance	Rule 2202 ETC On-Line Training	10,000
	Ensure Compliance	Rules 1118 and 1118.1 Notifications	61,000
	Develop Programs	SIP, AQMP and Rule Printing	16,000
	Develop Programs	Software, Data Products, and Technical Support for Economic Modeling	150,000
	Develop Rules	Strategic and Logistical Support for Partnership Building in China	35,000
	Develop Rules	Technical Assessment in of Regional Modeling	20,000
	Ensure Compliance	Technology Assessment Studies	20,000
	<b>Sub-total Planning, Rule Development &amp; Area Sources</b>		
Legislative & Public Affairs/Media Office	Policy Support	After-hours Call Center Service	\$3,500
	Customer Service & Business Assistance	Clean Air Awards	12,600
	Customer Service & Business Assistance	Community Outreach	277,005
	Policy Support	Graphics & Printing	33,616
	Policy Support	Graphics, Printing & Outreach Materials	4,000
	Policy Support	Legislative Advocacy - Sacramento	365,000
	Policy Support	Legislative Advocacy - Washington DC	665,130
	Policy Support	Legislative Computer Services	10,000
	Customer Service & Business Assistance	Multi-Lingual Translation - Public Participation	20,000
	Policy Support	News Release Services	9,000
	Policy Support	Photographic and Video Services	55,000

SERVICES & SUPPLIES

<b>Proposed Fiscal Year 2020-21 Professional &amp; Special Services Detail by Office (cont.)</b>			
<b>Office</b>	<b>Program</b>	<b>Contract Description</b>	<b>Amount</b>
<b>Legislative &amp; Public Affairs/Media Office (cont.)</b>	Customer Service & Business Assistance	Promotion Marketing of Smart Phone Tools	\$50,000
	Policy Support	Radio/Television Monitoring	11,000
	<b>Sub-total Legislative &amp; Public Affairs/Media Office</b>		<b>\$1,515,851</b>
<b>Science &amp; Technology Advancement</b>	Ensure Compliance	Laboratory Analytical Services	\$15,000
	Ensure Compliance	Rule 1180	250,000
	Ensure Compliance	Source Testing Services	30,000
	Advanced Clean Air Technology	Technical Assistance, Expert Consultation, Outreach/Education – Clean Fuels	1,000,000
	Advanced Clean Air Technology	Technical Assistance, Expert Consultation, Outreach/Education – CMP, AB923	300,000
	Develop Programs	Technical Assistance, Expert Consultation, Outreach/Education – Prop 1B	75,000
	Ensure Compliance	Technical Support for Air Monitoring and Community Complaint Resolution	35,000
	<b>Sub-total Science &amp; Technology Advancement</b>		<b>\$1,705,000</b>
<b>Engineering &amp; Permitting</b>	Operational Support	Workspace Reconfiguration	\$2,500
<b>Sub-total Engineering &amp; Permitting</b>		<b>\$2,500</b>	
<b>Compliance &amp; Enforcement</b>	Ensure Compliance	Compliance Notice Printing	\$4,000
	Ensure Compliance	Lab Analysis Services for R1176 and other air samples	5,000
	Operational Support	Workspace Reconfiguration	3,500
	<b>Sub-total Compliance &amp; Enforcement</b>		<b>\$12,500</b>
<b>Total Professional &amp; Special Services</b>			<b>\$9,340,974</b>

**CAPITAL OUTLAYS, BUILDING REMODELING & TRANSFERS OUT**

Acct. #	Account Description	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	FY 2019-20 Estimate	FY 2020-21 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>77000</b>	<b>CAPITAL OUTLAYS</b>	<b>\$395,000</b>	<b>\$13,271,889</b>	<b>\$13,271,889</b>	<b>\$1,742,500</b>	<b>\$1,347,500</b>

This account is for tangible asset expenditures with a value of at least \$5,000 and a useful life of at least three years and intangible asset expenditures with a value of at least \$5,000 and a useful life of at least one year. The FY 2020-20 Proposed Budget reflects projects that are either offset by revenue or critical for operational support. Depending on funding availability, budget will be requested mid-year for additional projects. The FY 2020-21 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.

A listing by office of the proposed Capital Outlays for FY 2020-21 is provided at the end of this section.

<sup>(a)</sup>FY 2020-21 Proposed Budget vs. FY 2019-20 Adopted Budget.

Acct. #	Account Description	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	FY 2019-20 Estimate	FY 2020-21 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>79050</b>	<b>BUILDING REMODELING</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

This account is used for minor remodeling projects which become necessary as a result of reorganizations or for safety reasons. No projects are anticipated in Fiscal Year 2020-21.

<sup>(a)</sup>FY 2020-21 Proposed Budget vs. FY 2019-20 Adopted Budget.

Acct. #	Account Description	FY 2019-20 Adopted Budget	FY 2019-20 Amended Budget	FY 2019-20 Estimate	FY 2020-21 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>99950</b>	<b>TRANSFERS OUT</b>	<b>\$841,353</b>	<b>\$2,525,592</b>	<b>\$2,525,592</b>	<b>\$841,353</b>	<b>\$0</b>

The FY 2020-21 Proposed Budget includes a transfer to the Health Effects Research Fund, pursuant to Governing Board policy.

<sup>(a)</sup>FY 2020-21 Proposed Budget vs. FY 2019-20 Adopted Budget.

CAPITAL OUTLAYS, BUILDING REMODELING & TRANSFERS OUT

Fiscal Year 2020-21 Capital Outlays Detail				
Office	Program	Category	Description	Amount
District General	Operational Support	N/A	<u>Unbudgeted Capital Outlay</u> - This amount is set aside for unanticipated needs or emergency situations to avoid interruption of operations.	\$75,000
	Operational Support	New	<u>Upgrade/Enhancement</u> - Audio Visual and Network Equipment Replacement	125,000
	Operational Support	New	<u>Upgrade/Enhancement</u> - Telephone Server Upgrade	30,000
	<b>Sub-total District General</b>			<b>\$230,000</b>
Planning, Rule Development, & Area Sources	Develop Rules	New	<u>Regional Modeling</u> - Computer Upgrades	\$200,000
	<b>Sub-total Planning, Rule Development, &amp; Area Sources</b>			<b>\$200,000</b>
Information Management	Operational Support	New	<u>Network Operations/Telecom</u> – Misc. Telecommunication Upgrade/Enhancement	\$35,000
	Operational Support	New	<u>Network Operations/Telecom</u> – High Capacity Internet/cloud router with redundancy that support 2G-10G throughput	60,000
	<b>Sub-total Information Management</b>			<b>\$95,000</b>
Legislative & Public Affairs/Media Office	Operational Support	New	<u>Upgrade/Enhancement</u> - 2020 Mac Pro	\$19,500
	<b>Sub-total Legislative &amp; Public Affairs/Media Office</b>			<b>\$19,500</b>
Science & Technology Advancement	Advance Clean Air Technology	New	<u>Clean Fuels</u> – For advanced technology vehicles and infrastructure.	\$285,000
	Monitoring Air Quality	New	<u>R1180 Community Monitoring</u> - Air Monitoring Equipment	431,000
	Monitoring Air Quality	New	<u>R1180 Community Monitoring</u> - Vehicles	100,000
	Monitoring Air Quality	New	<u>Ambient Network</u> - Replacement instruments for gaseous measurement	382,000
	<b>Sub-total Science &amp; Technology Advancement</b>			<b>\$1,198,000</b>
<b>Total Capital Outlays</b>				<b>\$1,742,500</b>



**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
PROPOSED GOALS AND PRIORITY OBJECTIVES  
FOR FY 2020-2021**

**MISSION STATEMENT**

“To clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies.”

**GOALS AND PRIORITY OBJECTIVES**

The following Goals and Priority Objectives have been identified as being critical to meeting South Coast AQMD’s Mission in Fiscal Year 2020-21.

**GOAL I. Achieve Clean Air Standards.**

Priority Objective		Performance Indicator	Performance Measurement
1	Implementation of the 2016 AQMP	Adherence to adoption and implementation schedules for rules, working groups, assessments and programs as adopted in the 2016 AQMP.	Complete 6 rule adoptions and/or actions that result in achievements towards AQMP emissions reductions.
2	Secure Incentive Funding for Emissions Reduction	Dollar amount of new funding sources for pollution reduction projects.	Secure \$300 million of new funding sources.
3	AB 617 Implementation in Communities	Conduct air monitoring and implement emission reduction plans for each of the three Year 1 communities, and develop air monitoring and emission reduction plans for the 2 new communities.	Implementation of air monitoring and emission reduction plans for 3 Year 1 communities and development of these documents for 2 new communities.
4	Ensure Efficient Air Monitoring and Laboratory Operations	Achieve acceptable completion of valid data points out of the scheduled measurements in the South Coast AQMD air monitoring network for NAAQS pollutant before U.S. EPA deadline.	Achieve acceptable valid data completion submitted to U.S. EPA before deadline.
5	Ensure Timely Inspections of Facilities	Total number of Title V Inspections completed annually.	Complete 100% Title V Inspections.
6	Maintain progress in reducing the permit applications inventory	Number of pending permit applications.	Maintain pending permit applications inventory excluding Permits to Construct issued and RECLAIM transition applications at or near 3,000.
7	Support Development of Cleaner Advanced Technology	Amount of Clean Fuels Program projects funded.	Fund \$10 Million of Clean Fuels program projects with a 1:4 leveraging ratio.
8	Incentive Programs	% of grant money executed in contracts.	50% of grant money contracted within six months after receipt of funds.
9	Complete Final Report for the fifth Multiple Air Toxics Exposure Study	Written report of fixed-site monitoring data, emission inventory and health risk modeling.	Written report of fixed-site monitoring data, emission inventory and health risk modeling.

**GOAL II. Enhance Public Education and Equitable Treatment for All Communities.**

Priority Objective		Performance Indicator	Performance Measurement
1	Evaluation of Low Cost Air Quality Sensors	Evaluation and posting of results of low cost air quality sensors that have reached the market.	Evaluate and post results of 75% of sensors that have reached the market.
2	Outreach	Number of large community outreach events conducted in each County and effective information distribution for major incidents.	Conduct 1 large community outreach event per quarter, including 1 in each County starting 6 months after it is safe to have large gatherings. Develop and implement standard operating procedures to provide information to the public as quickly and accurately as possible.
3	Timely Investigation of Community Complaints	Initiate complaint investigation within 2 hours of complaint receipt.	During normal South Coast AQMD business hours, contact 90% of complainants within 2 hours of complaint receipt.
4	Social Media Efforts	Percentage increase in number of social media followers.	15% to 20% increase in social media followers.
5	High School Educational Outreach	Number of high schools participating in the air quality education program in environmental justice communities.	Provide curriculums to 100 high schools throughout the 4 Counties in environmental justice communities and teach at schools as requested when schools are back in session.

**GOAL III. Operate Efficiently and Transparently.**

Priority Objective		Performance Indicator	Performance Measurement
1	Ensure Transparent Governance	Percentage of Committee and Board meeting agendas with materials made available to the public one week prior to the meeting.	100% of Committee and Board meeting agendas with materials made available to the public one week prior to the meeting.
2	Ensure Transparent Governance	Percentage of Stakeholder and Working Group meeting agendas with materials made available prior to the meeting.	100% of Stakeholder and Working Group meeting agendas with materials made available to the public three days prior to the meeting.
3	Maintain a Well Informed Staff	Number of all staff information sessions offered and conducted.	Offer and conduct 10 information sessions/training for all staff.
4	Partner with Public Agencies, Stakeholder Groups, & Business	Number of meetings with Permit Streamlining Task Force subcommittee and stakeholders.	Conduct 2 meetings of the Permit Streamlining Task Force subcommittee and stakeholders.
5	Timely Financial Monitoring	Timely budgetary financial reporting.	Submit quarterly budgetary financial reports to the Governing Board within 6 working days of the end of the quarter for quarters 1-3. Submit the 4 <sup>th</sup> quarter report within 6 working days of the end of July.

**ATTACHMENT B**

**ARTICLE 7**

**DESIGNATED DEPUTY ANNUAL SALARIES**

(Effective with the start of the pay period encompassing January 1, 2017)

Assistant Chief Deputy Counsel, Major Prosecutions	\$162,826
Assistant Deputy Executive Officer, including Chief Information Officer	\$160,374
Chief Deputy Counsel	\$183,790
Deputy Executive Officer, including Chief Operating Officer and Chief Administrative Officer	\$171,651
Director of Strategic Initiatives	\$153,218
Health Effects Officer	\$126,053 - \$153,218 (Steps 1 – 5)
Intergovernmental Affairs Officer	Vacant
Senior Policy Advisor	\$156,196

(Effective with the start of the pay period encompassing July 1, 2018)

Assistant Chief Deputy Counsel, Major Prosecutions	\$167,304
Assistant Deputy Executive Officer, including Chief Information Officer	\$164,784
Chief Deputy Counsel	\$188,844
Deputy Executive Officer, including Chief Operating Officer and Chief Administrative Officer	\$176,371
Director of Strategic Initiatives	\$157,432
Director of Communications	\$157,432
Health Effects Officer	\$126,053 - \$157,432 (Steps 1 – 6)
Intergovernmental Affairs Officer	Vacant
Senior Policy Advisor	Vacant

(Effective with the start of the pay period encompassing July 1, 2019)

Assistant Chief Deputy Counsel, Major Prosecutions	\$171,905
Assistant Deputy Executive Officer	\$169,316
Chief Deputy Counsel	\$194,037
Chief Operating Officer	\$194,037
Deputy Executive Officer, including Chief Financial Officer and Chief Information Officer	\$181,222
Director of Strategic Initiatives	\$161,761
Director of Communications	\$161,761

Health Effects Officer	\$126,053 - \$161,761 (Steps 1 – 7)
Intergovernmental Affairs Officer	Vacant
Senior Policy Advisor	Vacant

(Effective with the start of the pay period encompassing July 1, 2020)

Assistant Chief Deputy Counsel, Major Prosecutions	\$176,632
Assistant Deputy Executive Officer	\$173,972
Chief Deputy Counsel	\$199,373
Chief Operating Officer	\$199,373
Deputy Executive Officer, including Chief Financial Officer, <del>and</del> Chief Information Officer, <u>and Chief Technologist</u>	\$186,205
Director of Strategic Initiatives	\$166,209
Director of Communications	\$166,209
Health Effects Officer	\$126,053 - \$166,209 (Steps 1 – 8)
Intergovernmental Affairs Officer	Vacant
Senior Policy Advisor	Vacant

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DRAFT

BOARD MEETING DATE: May 1, 2020

AGENDA NO.

PROPOSAL: Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2020-21

SYNOPSIS: The Board Member Assistant and Board Member Consultant compensation is proposed to be amended to adjust the compensation level the South Coast AQMD may make per Board Member, per fiscal year, based on the Board approved assignment-of-points methodology. The points are calculated based on the level of complexity, number of meetings and role (Chair/Vice-Chair).

COMMITTEE: Administrative, April 10, 2020; Recommended for Approval

RECOMMENDED ACTION:

Approve adjustments to compensation for Board Member Assistants and Board Member Consultants for FY 2020-21 in accordance with the Administrative Code and described in Attachment A.

Wayne Nastri  
Executive Officer

SJ;jk

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### **Background**

Board members must address an ever-increasing range of complex issues related to performance of their duties, requiring increased assistance, and it is appropriate to make adjustments to the maximum support level expenditure the South Coast AQMD may make per Board Member, per fiscal year, based on the assignment-of-points methodology that was approved at the July 2015 Board Meeting and incorporated into the Administrative Code.

The Administrative Code describes an assignment-of-points methodology that is based on the level of complexity, number of meetings, role (Chair/Vice-Chair), etc. Additionally, the Administrative Code defines the minimum and maximum amounts that may be allocated per Board Member.

**Proposal**

This action is to approve the support level of expenditures for Board Member Assistants and Board Member Consultants for FY 2020-21 in accordance with the Administrative Code. Upon approval, Board Members will select Board Assistants and Consultants and allocate their funds. These selections and allocations are anticipated to be reviewed and approved by the Administrative Committee in May or June 2020.

**Resource Impacts**

Sufficient funding will be requested in the FY 2020-21 Budget to accommodate the recommended adjustments.

**Attachment**

Proposed Board Member Committee/Advisory/Other Group Assignment Points Calculation for FY 2020-21.

## ATTACHMENT A

### Board Member Committee/Advisory/Other Group Assignment Points Calculation for FY 2020-21

Governing Board Member	Committee/Advisory/Other Group Assignment Points *	Calculated Maximum Support Level **
Barger	36	\$39,624
Cacciotti	68	\$39,624
McCallon	66	\$39,624
Kracov	85	\$42,724
Bartlett	89	\$44,734
Delgado	100	\$50,263
Rodriguez	107	\$53,781
Perez	124	\$62,326
Buscaino	128	\$64,337
Rutherford	128	\$64,337
Mitchell	269.5	\$118,872
Benoit (Vice-Chair)	236.5	\$118,872
Burke (Chair)	298	\$118,872
* Point Calculation does not account for additional responsibilities for Chair and Vice-Chair.		
** Calculated Maximum Support Level based on the Board Member's total points in comparison to the Vice-Chair's total points (not to go below \$39,624 and above \$118,872).		