

AIR QUALITY MANAGEMENT DISTRICT

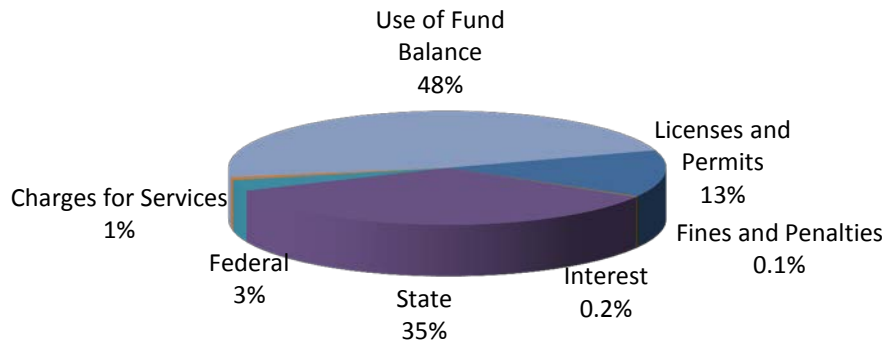
Program Summaries

Total Appropriations: \$4,987,296
Total Revenues: \$2,615,620
Net Use of Fund Balance: \$2,371,676
Net County Cost: \$0
Positions: 8.0 FTE
Extra Help: \$0

The Air Quality Management District (AQMD) administers the California and Federal Clean Air Acts via guidelines set forth by State and Federal Agencies and the AQMD Rules established by the AQMD Board of Directors. These requirements are implemented through a variety of activities including: emission control requirement compliance verification, Naturally Occurring Asbestos dust control, fugitive dust control, burning regulation enforcement, 24 hour complaint investigation, review of land development projects and the promotion of transportation control measures that improve air quality. Revenue is generated from stationary source permit fees, construction dust mitigation plan fees, motor vehicle registrations fees, State funding for Portable Equipment Registration Program (PERP), subvention funding for rural districts, annual Carl Moyer grant allocations, the Tahoe Regional Planning Agency (TRPA), grants and other sources. AQMD funds shuttle projects, bus retrofits, bus replacement, vehicle retirement and other projects that reduce motor vehicle emissions. AQMD incentivizes the purchase of electric vehicles and works to expand electric vehicle charging infrastructure throughout the County. AQMD also incentivizes old wood stove removals and replacements. Staff salaries and benefits comprise approximately 21% of the FY 2016-17 AQMD budget.

Financial Charts

Sources of Funds



License, Permits & Franchises (\$657,548): Air emissions source permits, dust plans and hot spots program revenue.

Fine, Forfeiture & Penalties (\$6,000): Minor revenue from air quality violations.

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Use of Money & Property (\$9,000): Interest revenue.

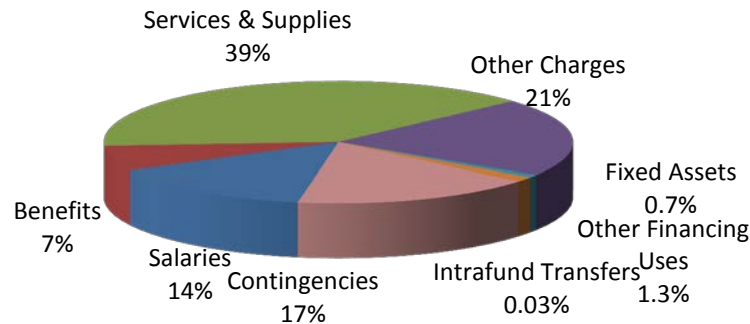
State (\$1,742,172): DMV registration (\$1,184,000), Carl Moyer Memorial Air Quality Standards Attainment Program (\$339,920), Greenhouse Gas Cap and Trade Proceeds (\$100,000), and Rural District Subvention Funds (\$96,252) and Portable Equipment Registration Program funding (\$26,000).

Federal (\$155,000): Congestion Mitigation Air Quality grant.

Charges for Service and Miscellaneous Revenue (\$41,900): Fees for source testing (\$500), and revenue from TRPA for woodstove program (\$41,400).

Use of Fund Balance (\$2,371,676).

Use of Funds



Services & Supplies (\$1,961,769): Comprised of the wood stove Chimney Smoke Reduction incentive program (\$300,000); the Voluntary Accelerated Vehicle Retirement (VAVR) scrap program (\$200,000); Drive Clean EV incentive program (\$428,000); Residential EV home charging station incentives (\$321,915); County wide public-use EV charging stations (\$185,901); EV charging stations at County facilities for County Fleet vehicles (\$90,000); City of Placerville truck replacement and charger projects (\$100,480); Chief Administrative Office (CAO) Parks Division El Dorado Trail electric motorcycle project (\$24,000); Coloma shuttle (\$84,600), EDC Chamber of Commerce shuttle (\$75,500); El Dorado Transit Fair shuttle (\$31,512); Cameron Park CSD Summer Spectacular shuttle (\$1,382); staff vehicle rent, lease and fuel costs (\$30,308), outreach and education (\$25,000); ancillary equipment and signage for EV charging stations (\$20,000); and miscellaneous program operation costs (\$43,171).

Other Charges (\$1,036,730): Comprised of school bus retrofit and replacement grants (\$900,000); OMB A-87 costs (\$86,567); a regional Spare the Air campaign contribution (\$5,228); CAO Facilities charges for AQMD office upgrades during the Building A renovation (\$10,000); Community Development Agency (CDA) Fleet Management charges for vehicle

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repairs (\$10,000); CDA charges for one month of administrative support prior to the Sr. Department Analyst start date (\$9,299); County Counsel charges (\$8,000); and various County department cost-applied and staff charges (\$7,636).

Fixed Assets (\$37,000): Comprised of a Coloma shuttle van (\$30,000) and trailer (\$7,000).

Other Financing Uses (\$66,000): Comprised of a transfer to CAO Facilities for electric vehicle chargers at County owned facilities (\$50,000); and a transfer to CDA Fleet Management for the replacement gasoline fleet vehicles with plug in hybrids (\$16,000).

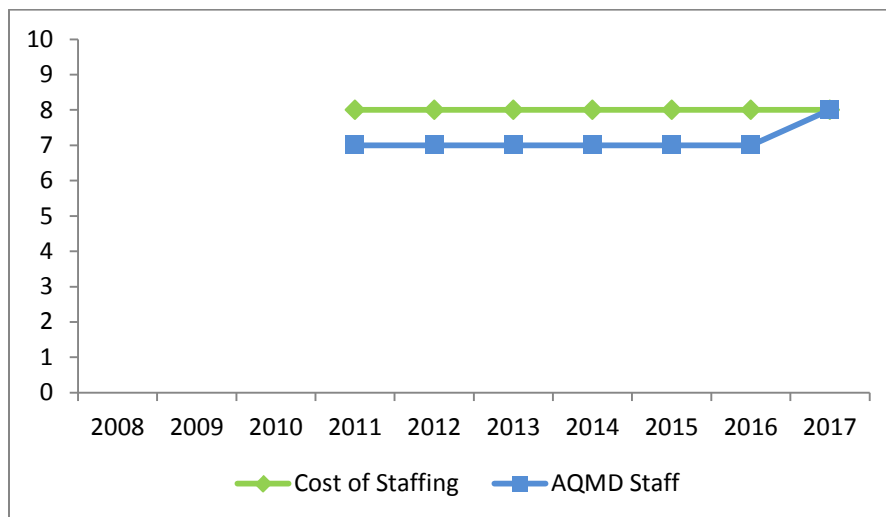
Intrafund Transfers (\$1,288): An Intrafund Transfer to the CDA Environmental Management Division (EMD) for staff work charges on AQMD programs (\$4,732), and Interfund Abatements for AQMD charges to CSA #10 Union Mine (-\$3,444).

Appropriations for contingencies/unallocated fund balance (\$827,949).

Salaries & Benefits (\$1,056,560): Comprised of salary costs (\$726,971), health insurance (\$121,081), retirement (\$152,238), workers compensation (\$27,531), and small benefit costs netting (\$28,739).

Staffing Trend

AQMD's staffing has remained constant for several years prior to and since separating from EMD in FY 2010-11. Since 2011, CDA has provided some fiscal services and annually charged AQMD an amount equivalent to the cost of 1.0 FTE (\$111,593 for FY 2015-16). For FY 2016-17, those administrative functions will be performed by AQMD staff. Grant funds for air quality improvement projects that are passed through to other entities comprise over 60% of the AQMD budget. These funding streams and the emission reductions achieved continue to grow. An AQMD Sr. Department Analyst position will improve administrative and fiscal services and accelerate grant program delivery to residents, businesses, nonprofit entities and agencies by facilitating disbursements that are timely, cost effective, equitable, transparent and accountable. The AQMD position will ensure all AQMD funding is expended on air quality programs.



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Chief Administrative Office Comments

The AQMD Board of Directors is comprised of the same members as the County Board of Supervisors. Because the CAO's office is responsible for the sound and effective management of County government and makes recommendations for such to the Board of Supervisors, the CAO also provides oversight and recommendations for the AQMD budget. AQMD utilizes many services provided by County staff, and major changes to operations could have an effect on both the operations and budgets for various County departments.

AQMD solely utilizes special revenue funding with no County General Fund support.

The Recommended Budget for AQMD represents an increase in revenue and appropriations of \$424,323 or 9.3% when compared to the FY 2015-16 approved budget. The increase in revenue is primarily related to an increase in permit revenue (\$49,000) based on increased activity and fee CPI increases, and increased state revenue (\$561,000) based on increased availability of funding from the State. Partially offsetting these increases are decreases to Federal revenues (\$14,000) related to less anticipated Congestion Mitigation Air Quality funding, reduced miscellaneous revenue (\$20,000), and reduced use of Fund Balance (\$144,000) based on reduced need based on appropriation needs.

Increases to appropriations are related to services and supplies (\$548,000) tied to an increase in Drive Clean program activity and other program revisions, reduction in fixed asset purchases (\$87,000), and reduced operating transfers (\$73,000) mostly regarding reduced funds transferred to Fleet (in CDA) for replacement of gasoline powered vehicles with plug-in hybrid type vehicles purchased in FY 2015-16.

Pending Issues and Policy Considerations

Currently the District receives administrative and financial support from the Community Development Agency (CDA). As noted in the narrative above provided by the District, the District has requested the addition of 1.0 Senior Department Analyst to provide administrative and fiscal support for the District and has requested to discontinue the use of services by CDA. The Chief Administrative Office is not recommending the addition of the Senior Department Analyst or the discontinuation of services provided by CDA. The County has moved away from the model of decentralized fiscal and administrative support for small departments and moved towards a central fiscal/administrative model. The centralized model provides many advantages for smaller departments in the depth of job classifications available and the ability to match the appropriate job classification with the required duties. For example, currently AQMD receives part time services from 11 different positions ranging from a Senior Office Assistant to the Assistant Director of Admin and Finance, for less money than one Senior Department Analyst costs. The other advantage to a centralized model is the consistency this model provides in following County administrative and fiscal procedures. The County has seen success in this model in that it also allows for smaller departments to focus more on their core programs and services without having the burden of training and supervising administrative and fiscal staff.

Should the District Board approve the District's requested addition of 1.0 Senior Department Analyst, it is anticipated that the single position will be challenged to adequately provide the comprehensive suite of staff services currently being provided by CDA. The result would potentially include reduced compliance with County administrative and fiscal procedures, reduced ability to complete multiple tasks with common deadlines, and less expert

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administrative and fiscal assistance/oversight. If the District finds it necessary to utilize other departments to bridge the gap in services, additional costs would be incurred by the District to reimburse for such services.

Should the District Board not approve the addition of 1.0 Senior Department Analyst, the CAO's office, in conjunction with AQMD and CDA, will work to help address any perceived issues with this recommendation and make adjustments/recommendations to best suit the needs of AQMD going forward if needed.