

**MONTEREY BAY UNIFIED
AIR POLLUTION CONTROL DISTRICT**

FY 09-10 Adopted Budget



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Richard A. Stedman, Air Pollution Control Officer

Esta Martin, Administrative Services Manager

FY 09-10 BUDGET

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FY 09-10 BUDGET ADOPTION SCHEDULE

1. **FY 09-10 Administrative Draft Release**..... **April 6, 2009**

2. **Budget Workshop #1** **April 21, 2009**
11:00 a.m. -- Monterey Bay Unified APCD
Board Chambers
24580 Silver Cloud Court, Monterey, California

3. **Budget Workshop #2** **April 22, 2009**
11:00 a.m. -- City of Watsonville
Watsonville Public Library, Civic Center
275 Main Street, Suite 100, 2nd Floor, Watsonville, California

4. **Budget Workshop #3** **April 23, 2009**
11:00 a.m. -- San Benito County
Board Chambers
481 Fourth Street, Hollister, California

5. **Advisory Committee Presentation**..... **May 7, 2009**
1:30 p.m. -- Monterey Bay Unified APCD
Board Chambers
24580 Silver Cloud Court, Monterey, Ca.

6. **First Board Hearing**..... **May 20, 2009**
1:30 p.m. -- Monterey Bay Unified APCD
Board Chambers
24580 Silver Cloud Court, Monterey, Ca.

7. **Board Adoption of Final Budget** **June 17, 2009**
1:30 p.m. -- Monterey Bay Unified APCD
Board Chambers
24580 Silver Cloud Court, Monterey, Ca.

8. **District Fiscal Year Begins**..... **July 1, 2009**

BUDGET GUIDE

BUDGET PROCESS

The District's budget is developed through a detailed review of proposed expenditures and a careful forecast of revenues. While some items such as utilities can be estimated from historical data, the majority of the budget is proposed in terms of future programmatic needs.

In December, the budget instruction packet is distributed to Division Managers. In January and February the proposals are compiled, divisional budget meetings are held, and the draft is prepared for the Board's Budget and Personnel Committee's review in March. From there, revisions continue as new information is received and as public meetings commence leading to the budget adoption in June.

OVERVIEW AND DEFINITIONS

APPENDIX: Board Resolutions specific to the budget.

BUDGET EXPENDITURE SUMMARIES BY PROGRAM TOTALS: The budget classified by the totals of District programs.

BUDGET SUMMARY & RECOMMENDATIONS: An explanation by the Air Pollution Control Officer of the budget basis outlining the sources of revenue, the categories of expenditures, and highlights of the services or functions.

DIVISIONAL NARRATIVES AND SUMMARIES BY OBJECT TOTALS: Explanations of what each of the District's divisions do, level of staffing, and individual divisional budgets.

EXPENDITURE ACCOUNTS & REVENUE ACCOUNTS: Explanations of what is in each line item of the budget.

FUND: Can be thought of as a separate bank account for each specific purpose.

FUND BALANCE: The excess of assets over liabilities; leftover; a negative fund balance is sometimes called a deficit.

GENERAL FUND: Consists of all District revenue and matching expenditures except that which is restricted to specific use by statute or Board action.

NON-OPERATING BUDGET: Consists of revenue collected for and passed on to other entities such as the State, as well as funds the District receives and grants to other entities.

OBJECT: Expenditure classification based on the types or categories of goods and services purchased. Typical objects are wages, professional services, etc.

OPERATING BUDGET: Primarily uses the General Fund to pay for all expenditures incurred in the day-to-day operation of the District.

PROGRAM: Categories of services or activities the District engages in.

RULE 431 BUDGET: Consists of special revenue restricted in use by this rule.

Questions regarding the budget document may be directed to the Administrative Services Manager at (831) 647-9411.

DATE: June 17, 2009

TO: Board of Directors
Monterey Bay Unified Air Pollution Control District

FROM: Richard A. Stedman
Air Pollution Control Officer

SUBJECT: FY 09-10 Budget

INTRODUCTION

This budget is for the District's FY 09-10, which runs from July 1, 2009 through June 30, 2010. The budget adoption process is specified in the California Health and Safety Code Section 40131 and includes requirements for two public hearings and notification of all fee payers.

The FY 09-10 budget has been prepared according to the policy framework and direction provided by the District's Budget and Personnel Committee and the Board of Directors. In addition, comments received through the public hearing process were fully considered and incorporated, where possible, in development of this budget.

The FY 09-10 Budget is designed to:

- Continue our mission of assuring healthful ambient air quality in the North Central Coast Air Basin,
- Maintain and improve levels of service to the public and the regulated community, and
- Reduce and control costs.

This Proposed Budget funds a comprehensive local air pollution program which includes the following functions:

- Continuing the implementation of the District policy of responding in a timely fashion to an estimated 200 air pollution complaints annually
- Conducting special field studies as needed
- Operating and maintaining eight air monitoring stations, recording and reporting some 73 parameters with full quality assurance
- Administering and processing approximately 200 air pollution reducing projects funded by District grants
- Processing approximately 644 Authorities to Construct and Permits to Operate annually and maintaining and inspecting some 3,180 Permits to Operate
- Fully responding to the Nonattainment classification for the California Ozone and Particulate Ambient Air Quality Standards
- Reviewing approximately 175 environmental documents annually
- Implementing new Federal programs including federal permitting and new toxics regulations
- Implementing the Education Program for public schools and air quality education programs
- Providing full support services for the District Board of Directors, Hearing Board, Advisory Committee and 39 staff with a fully audited total budget of \$9,880,410.

BUDGET FINANCING

In summary, the estimated financing for the FY 09-10 Budget totals \$9,880,410 of which \$6,601,949 is the District's annual operating budget and \$3,278,461 is pass-through grant funds. A summary of the total costs are relative share of revenue and expenditures is presented in the following tables.

Table 1.1 Revenue

Revenue Type	Revenue Amount	% of Budget
Federal Grants	316,207	3%
State Grants	2,251,303	23%
DMV Surcharge Fees	2,300,000	23%
Permit Fees	3,393,372	34%
Special Fees	647,348	7%
Miscellaneous Revenue	268,359	3%
Special Contracts	148,177	1%
Penalties	56,000	1%
Member Contributions	174,483	2%
Prior Year Revenue (Includes Rule 431 Interest)	325,161	3%
Totals	9,880,410	100%
Total All Revenues	9,880,410	

Table 1.2 Expenditures

Expenditure Category	Budgeted Amount	% of Budget
Personnel	4,429,995	45%
Occupancy	625,145	6%
Operations	200,364	2%
Administrative	1,071,445	11%
Fixed Assets	122,500	1%
Refunds	2,500	0%
Pass Through & Grants	3,278,461	33%
Contingency	150,000	2%
Totals	9,880,410	100%
Total All Expenditures	9,880,410	

STAFF RECOMMENDATIONS:

The following actions are recommended:

1. Adopt the proposed FY 09-10 Budget as presented herein.
2. Adopt revisions to District Rules which will implement the Proposed Budget.
3. Authorize the purchases of fixed assets.
4. Authorize the continuation of the contract for Hearing Board legal services.
5. Direct the Air Pollution Control Officer (APCO) to use a standard index of cost-of-living for the adjustment of regulatory fees.
6. Direct the APCO to continue to seek additional funding for District activities that would minimize fiscal impacts to stationary sources and member cities and counties.
7. Direct the APCO to continue to streamline internal District operations.

Respectfully submitted,

Richard A. Stedman
Air Pollution Control Officer

EXPENDITURE & REVENUE CALCULATIONS

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FY 09-10 OPERATING BUDGET

	REVISED FY 08-09	ESTIMATED FY 08-09	PROPOSED FY 09-10
PERSONNEL			
Salaries	3,452,245	3,452,245	3,305,206
Retirement	622,949	622,949	602,294
Group Insurance	413,375	413,375	443,528
Workers Compensation	<u>71,740</u>	<u>71,740</u>	<u>78,967</u>
Subtotal	4,560,309	4,560,309	4,429,995
OCCUPANCY			
Utilities	55,598	52,300	52,500
Rent	32,000	32,000	32,000
Building Payments	437,458	437,458	446,645
Maintenance	<u>116,000</u>	<u>96,960</u>	<u>94,000</u>
Subtotal	641,056	618,718	625,145
OPERATIONS			
Books	14,700	12,649	12,600
Postage	17,600	16,337	16,300
Rental & Lease Equipment	75,500	56,434	63,500
Maintenance Vehicles	35,000	41,501	33,000
Maintenance, Equipment	68,551	64,222	68,514
Lab	2,000	1,464	1,000
Safety Equipment	2,950	1,950	2,450
Tools	<u>5,100</u>	<u>4,300</u>	<u>3,000</u>
Subtotal	221,401	198,857	200,364

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FY 09-10 OPERATING BUDGET

	REVISED FY 08-09	ESTIMATED FY 08-09	PROPOSED FY 09-10
ADMINISTRATIVE			
Copy Machine	12,300	11,000	11,000
Office Expenses	67,900	75,238	58,200
Printing	18,600	14,500	17,700
Communications	68,000	68,000	68,000
Legal Services	11,000	48,000	60,000
Professional Services	461,627	534,716	600,450
Legal Notices	30,525	22,900	26,300
Insurance	99,000	98,000	100,800
Memberships	14,000	16,855	18,700
Travel	74,645	47,945	60,233
Special District Expense	<u>70,150</u>	<u>41,899</u>	<u>50,062</u>
Subtotal	927,747	979,054	1,071,445
FIXED ASSETS	319,000	253,756	122,500
REFUNDS	2,500	2,500	2,500
UNOBLIGATED CONTINGENCY	100,000	-0-	150,000
TOTAL OPERATING EXPENDITURES	6,772,013	6,613,193	6,601,949

FY 09-10 OPERATING BUDGET – REVENUE CALCULATIONS

REVENUE SUMMARY	REVISED FY 08-09	ESTIMATED FY 08-09	PROPOSED FY 09-10
EPA 105 GRANT			
Current Year	231,062	213,000	213,000
Prior Year	77,021	70,907	70,907
EPA 103 GRANT	<u>40,300</u>	<u>40,300</u>	<u>32,300</u>
Subtotal	348,383	324,207	316,207
STATE FUNDS			
DMV Surcharge	1,466,158	1,466,158	1,343,638
AB923 Surcharge	60,000	60,000	60,000
Moyer Funds	100,010	100,010	86,330
School Bus Funds	195,250	195,250	-0-
CARB Subvention	<u>186,000</u>	<u>182,114</u>	<u>186,000</u>
Subtotal	2,007,418	2,003,532	1,675,968
DISTRICT PERMIT FEES			
RULE 300, ARF's			
4.3 Major Source	1,883,976	1,883,976	1,883,976
DISTRICT PERMIT FEES			
RULE 301, INITIAL PERMIT FEES			
Schedule 1	111,906	101,377	100,715
Schedule 2	66,448	66,448	29,596
Schedule 3	95,081	95,081	55,335
Schedule 4	19,486	18,987	19,486
Schedule 5	5,308	2,000	4,777
Miscellaneous	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Subtotal Initial Permit Fees	298,229	283,893	209,909

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FY 09-10 OPERATING BUDGET – REVENUE CALCULATIONS

REVENUE SUMMARY	REVISED FY 08-09	ESTIMATED FY 08-09	PROPOSED FY 09-10
DISTRICT PERMIT FEES			
RULE 300, ARF's			
<u>Part 4, Minor Sources</u>			
0 to 0.1 tpy*	102,741	102,741	95,495
0.1 to 1tpy	186,762	221,254	281,727
1 to 2 tpy	38,765	47,989	46,200
2 to 5 tpy	47,666	46,739	59,472
5 to 8 tpy	13,602	15,522	18,711
8 to 10 tpy	5,844	6,516	19,548
10 to 20 tpy	27,228	33,642	56,070
20 to 30 tpy	13,794	13,900	19,460
30 to 45 tpy	20,438	20,438	19,780
45 to 60 tpy	48,371	48,520	58,044
60 to 80 tpy	17,078	17,154	22,872
80 to 100 tpy	6,297	12,767	12,594
100 to 150 tpy	13,685	14,482	20,595
150 to 200 tpy	14,965	16,628	16,628
200 to 250 tpy	19,527	17,000	19,526
250 to 300 tpy	-0-	-0-	-0-
Nozzle Fee	304,321	343,880	291,689
Rule 216 ARF's	<u>17,670</u>	<u>17,670</u>	<u>18,094</u>
Subtotal	898,754	996,842	1,076,505
Minor Permit Fees			
DISTRICT PERMIT FEES			
GENERAL FEES			
Filing Fees	73,179	60,984	50,196
Change of Ownership	6,787	5,186	6,787
Toxics Fee	<u>165,999</u>	<u>183,870</u>	<u>165,999</u>
General Fees Subtotal	245,965	250,040	222,982
SUBTOTAL OF ALL PERMIT FEES	3,326,924	3,414,751	3,393,372

*tpy = Tons Per Year

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FY 09-10 OPERATING BUDGET – REVENUE CALCULATIONS

REVENUE SUMMARY	REVISED FY 08-09	ESTIMATED FY 08-09	PROPOSED FY 09-10
SPECIAL FEES			
Asbestos	174,576	189,578	174,576
Source Test Analysis	60,960	60,960	60,960
Rule 309 Evaluation	4,707	16,596	9,324
Title V	344,062	377,349	381,000
Engine Registrations	<u>7,500</u>	<u>4,000</u>	<u>20,000</u>
Subtotal	591,805	648,484	645,860
OTHER REVENUE			
Miscellaneous	75,000	55,000	225,000
Rules & Regulations Subcs.	500	500	500
Interest Income	45,000	63,000	13,000
Advisory Comm. Packets	200	200	200
Rule & File Copies	-0-	138	-0-
Board Packets	300	300	300
Agenda Service	-0-	-0-	-0-
Excess Emission	2,945	42,000	2,945
Banked Emissions	1,414	1,683	1,414
Petition Filing	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Subtotal	125,359	162,821	243,359
PENALTY REVENUE			
Civil Penalties	40,000	20,000	40,000
Penalty Fees	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>
Subtotal	56,000	36,000	56,000
SPECIAL INVESTIGATION CONTRACTS			
Source Air Monitoring			
Subtotal	148,177	148,177	148,177

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FY 09-10 OPERATING BUDGET – REVENUE CALCULATIONS

REVENUE SUMMARY	REVISED FY 08-09	ESTIMATED FY 08-09	PROPOSED FY 09-10
CITY & COUNTY CONTRIBUTIONS			
San Benito County	4,338	4,338	4,386
Hollister	8,522	8,522	8,522
San Juan Bautista	431	431	435
Monterey County	24,758	24,758	24,928
Carmel-By-The Sea	931	931	929
Del Rey Oaks	374	374	375
Gonzales	2,025	2,025	2,076
Greenfield	3,983	3,983	4,036
King City	2,726	2,726	2,766
Marina	4,409	4,409	4,431
Monterey	6,744	6,744	6,726
Pacific Grove	3,559	3,559	3,573
Salinas	34,707	34,707	35,097
Sand City	69	69	72
Seaside	7,865	7,865	7,875
Soledad	6,418	6,418	6,452
Santa Cruz County	31,062	31,062	31,282
Capitola	2,303	2,303	2,317
Santa Cruz	13,369	13,369	13,566
Scotts Valley	2,690	2,690	2,706
Watsonville	<u>11,892</u>	<u>11,892</u>	<u>11,933</u>
Subtotal	173,175	173,175	174,483
GENERAL FUND BALANCE	196,169	(139,187)	(161,804)
AB 2766 FUND BALANCE	(64,740)	(84,532)	-0-
MOYER FUND BALANCE	69,012	131,305	116,199
SCHOOL BUS FUND BAL.	(172,504)	(172,373)	30,498
AB923 FUND BALANCE	(33,165)	(33,165)	(36,370)
TOTAL REVENUE	6,772,013	6,631,193	6,601,949

FY 09-10 NON OPERATING BUDGET

REVENUE SUMMARY	REVISED FY 08-09	ESTIMATED FY 08-09	PROPOSED FY 09-10
STATE FUNDS			
AB2766 DMV	833,842	833,842	956,362
School Bus Grants/Interest	6,904,750	1,601,850	-0-
Moyer Grants/Interest	902,088	902,088	778,973
AB923/Interest	<u>1,140,000</u>	<u>1,140,000</u>	<u>1,140,000</u>
Subtotal	9,780,680	4,477,780	2,875,335
SPECIAL FEES AB 2588	4,100	4,083	1,488
AB2766 INTEREST INCOME	70,000	59,300	25,000
FROM (TO) MOYER FUND BALANCE	1,205,604	1,205,604	(2,000)
FROM (TO) SCHOOL BUS FUND BALANCE	-0-	(1,601,850)	-0-
FROM (TO) AB2766 FUND BALANCE	4,195,110	4,205,810	378,638
FROM (TO) AB923 FUND BALANCE	1,661,111	1,661,111	-0-
NON-OPERATING REVENUES TOTAL	16,916,605	10,011,838	3,278,461

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FY 09-10 NON OPERATING BUDGET

EXPENDITURE SUMMARY	REVISED FY 08-09	ESTIMATED FY 08-09	PROPOSED FY 09-10
GRANTS			
DMV-Current Year	1,600,003	1,600,003	1,360,000
DMV-Prior Years	3,498,949	3,498,949	-0-
School Bus Grants	6,904,750	-0-	-0-
School Bus Grants (DMV)	-0-	-0-	-0-
Moyer Grants	2,107,692	2,107,692	776,973
Energy Crisis Grants	-0-	-0-	-0-
AB923 Grants	<u>2,801,111</u>	<u>2,801,111</u>	<u>1,140,000</u>
Subtotal	16,912,505	10,007,755	3,276,973
PASS THROUGH			
AB 2588	4,100	4,083	1,488
OTHER			
Adjustment to Fund			
Balance for Capital Outlay	(240,000)	(240,000)	(240,000)
Depreciation	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>
Subtotal	-0-	-0-	-0-
NON-OPERATING EXPENDITURES TOTAL	16,916,605	10,011,838	3,278,461

EXPENDITURE ACCOUNTS

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SALARIES

FY: 09-10	\$ 3,305,206
FY: 08-09	\$ 3,452,245

The Permanent Salaries account includes the base wage costs for all permanent full time employees. This account also includes negotiated increases, and upcoming step increases.

The FY 09-10 account includes 39 permanent full time positions. The totals include cafeteria plan allotment for those employees not participating in the PERS Health Plan.

RETIREMENT COSTS

FY 09-10:	\$ 602,294
FY 08-09:	\$ 622,949

The Retirement Costs account includes District contributions to the Public Employees' Retirement System (PERS). The FY 09-10 figure is based on an Employer contribution rate of 11.314%. The contribution rate was established to amortize the District's unfunded liabilities by the year 2039.

The District's contribution rate customarily varies annually based on the actuarial data of the District's members and retirees, and due to change in both economic and non-economic assumptions developed by the PERS Board of Administration.

Also included in this account is the District's contribution toward the employee's portion of PERS funds, 7.0 percent. This is in accord with the approved MOU between the District and SEIU, pursuant to which the District pays the employees' PERS contributions.

The account total is based on 18.314% of the total applicable salaries cost.

GROUP HEALTH INSURANCE

FY 09-10:	\$ 443,528
FY 08-09:	\$ 413,375

The Group Health Insurance account includes the District's costs for group health insurance premiums, dental, vision, and life insurance, and the District's contribution to the Medicare portion of FICA for affected employees.

WORKER'S COMPENSATION

FY 09-10:	\$ 78,967
FY 08-09:	\$ 71,740

The Workers' Compensation account includes charges for all costs associated with Workers' Compensation, which is based on varied percentages of the District's payroll depending on the individual job classification and responsibilities.

UTILITIES

FY 09-10:	\$ 52,500
FY 08-09:	\$ 55,598

The Utilities account includes charges for electricity, natural gas, water, heating and cooling, garbage disposal services at the District office, and the costs of electricity for the District's air monitoring stations.

RENT

FY 09-10:	\$ 32,000
FY 08-09:	\$ 32,000

The Rent account consists of the site rental for the District's air monitoring stations at Santa Cruz, Watsonville, Scotts Valley, Salinas, and Hollister.

BUILDING PAYMENTS

FY 09-10:	\$ 446,645
FY 08-09:	\$ 437,458

The Repayment of Building Debt account is established to make the semi-annual payments on the debt incurred for the District's building.

MAINTENANCE OF STRUCTURE

FY 09-10:	\$ 94,000
FY 08-09:	\$ 116,000

The Maintenance of Structure account includes expenses for maintaining the useful life of structures, improvements, and grounds, such as janitorial services and supplies, gardening services, electrical and plumbing supplies and services, fire extinguisher refills, heating and cooling system maintenance and repairs, elevator maintenance and repair, building alarm services, and pest control services.

BOOKS

FY 09-10:	\$ 12,600
FY 08-09:	\$ 14,700

The Books account includes subscriptions to magazines, newspapers, codes, information services, technical journals, reference books and manuals.

POSTAGE

FY 09-10:	\$ 16,300
FY 08-09:	\$ 17,600

The Postage account includes services such as postage, metered postage, envelopes, registered mail, parcel post, special delivery and express mail costs, but excludes rental of metering machine.

RENTAL & LEASE EQUIPMENT

FY 09-10:	\$ 63,500
FY 08-09:	\$ 75,500

The Rental & Lease Equipment account includes rental costs of copiers, mail handling and metering equipment, gas cylinders for the source testing program, dispensed water service, the ongoing computer workstation replacement program, and phone system.

MOTOR VEHICLE MAINTENANCE

FY 09-10:	\$ 33,000
FY 08-09:	\$ 35,000

The Motor Vehicle Maintenance account reflects all costs of keeping equipment in operating condition, including contractual repairs of vehicles, and automotive parts and supplies.

EQUIPMENT MAINTENANCE

FY 09-10:	\$ 68,514
FY 08-09:	\$ 68,551

The Equipment Maintenance account includes contractual repairs, overhauls and replacement of air monitoring and source testing equipment. The account also includes service contracts for equipment maintenance and calibration, repair parts, annual equipment service costs, recorder paper, filters, and both quality assurance calibration and operating gases for monitoring stations.

LAB

FY 09-10:	\$ 1,000
FY 08-09:	\$ 2,000

The Laboratory costs account includes outside lab services, general air monitoring supplies including chemicals, and other supplies such as laboratory tools, instruments, enamelware and glassware.

SAFETY EQUIPMENT

FY 09-10:	\$ 2,450
FY 08-09:	\$ 2,950

The Safety Equipment account includes all items for personal protective use including safety garments, gloves, goggles, masks, respirators, and helmets. Such items are needed primarily for field inspections and source testing activities.

TOOLS

FY 09-10:	\$ 3,000
FY 08-09:	\$ 5,100

The Tools account includes items having a cost and useful life less than those which would require capitalization as fixed assets including: general purpose tools, drafting and engineering tools, electrical, metal working, plumbing, and measuring tools.

COPY MACHINE

FY 09-10:	\$ 11,000
FY 08-09:	\$ 12,300

The Copy Machine account includes charges associated with the use of the copy machines including paper and per-copy charges, as well as the occasional use of outside duplicating services.

OFFICE EXPENSES

FY 09-10:	\$ 58,200
FY 08-09:	\$ 67,900

The Office Expenses account includes all consumable and other office supplies not specifically identified in the other preceding accounts. This account includes the cost of minor computer accessories, software, binders, paper, envelopes, pencils, and all other office equipment which is not required to be capitalized. Also included are the additional costs associated with the purchase of recycled materials for office use.

PRINTING

FY 09-10:	\$ 17,700
FY 08-09:	\$ 18,600

The Printing account supports the District's Public Affairs/Community Education program. The account reflects the cost of publishing informational and education materials, as well as the cost of reproducing *Way to Go!* the District's Mobility Education Program.

COMMUNICATIONS

FY 09-10:	\$ 68,000
FY 08-09:	\$ 68,000

The Communications account reflects the cost of communication services, including monthly telephone and cellular phone expense. This account also includes costs to maintain the District-wide toll-free "800" number system for providing pre-recorded daily burn-day determinations to the interested public as well as teleconference expense.

LEGAL SERVICES

FY 09-10:	\$ 60,000
FY 08-09:	\$ 11,000

The Legal Services account includes charges for the District's contract with Monterey County to provide legal support to the District. This account also includes bond service costs for the building bond counsel and a contingency fund for support from outside counsel.

PROFESSIONAL SERVICES

FY 09-10:	\$ 600,450
FY 08-09:	\$ 461,627

The Professional & Special Services account includes consulting costs for outside professional and specialized services, including compensation to the auditor for an annual audit required in accordance with Section 26910 of the State Government Code, contract computer support services, temporary outside help, and specialized monitoring analysis.

The account includes funds for depositions and expert witnesses associated with ongoing legal actions, and funds for outside mailing, translation services, implementation of the *Way To Go!* program, and Moyer Grant program.

LEGAL NOTICES

FY 09-10:	\$ 26,300
FY 08-09:	\$ 30,525

The Legal Notices account includes costs of publication of legally required notices and reports, such as rule development, employment opportunities, hearing, budgets, and new source review publication requirements.

INSURANCE

FY 09-10:	\$ 100,800
FY 08-09:	\$ 99,000

The Insurance account includes premiums for full replacement value of property, primary general liability, primary auto liability, excess liability, boiler and machinery coverage, an employee's faithful performance bond, and public officials' errors and omissions coverage.

The FY 09-10 costs are broken down into the following coverage:

\$ 40,200	Property	
\$ 56,600	Special Liability Insurance Program (SLIP)	
	Primary general liability	
	Primary auto liability	
	Public officials errors and omissions	
\$ 2,000	Boiler and machinery	
\$ 2,000	Faithful performance bond	
\$100,800	Total cost	

MEMBERSHIPS

FY 09-10:	\$ 18,700
FY 08-09:	\$ 14,000

The Memberships account includes costs of memberships in societies and associations of official, trade and other organizations where membership is useful or essential in the conduct of District business. These include memberships in the California Air Pollution Control Officers Association, the Air and Waste Management Association, and California Special District Association. Also included are the required property owner fees to the Laguna Seca Office Park.

TRAVEL

FY 09-10:	\$ 60,233
FY 08-09:	\$ 74,645

The Travel account includes all travel costs consisting of reimbursement to officers and employees for the cost of meals, lodging, commercial transportation, and mileage allowance for use of private automobiles.

SPECIAL DISTRICT EXPENSES

FY 09-10:	\$ 50,062
FY 08-09:	\$ 70,150

The Special District Expenses account includes all travel-related costs for members of the District Board, the Hearing Board and Advisory Committee, plus meals and mileage as appropriate. This account also includes the compensation cost to the Board and Hearing Board members at a rate of \$100 per meeting attended.

In addition, this category includes expenses for career development and a service award program for staff.

Other items charged to this account include unemployment costs, grant clearinghouse fees, and registration fees for conferences and training.

All other miscellaneous expenses are charged to this account, which include film and photographic supplies, as well as mandatory payments to AMBAG for Rule 216 Consistency Determinations for Waste Water Treatment Plants.

FIXED ASSETS

FY 09-10:	\$ 122,500
FY 08-09:	\$ 319,000

The Fixed Assets account includes any item or equipment having a unit price of \$5,000 or more and a useful life of three years or longer.

The fixed assets charges in the account include:

<u>Detail</u>	<u>Amount</u>
Compliance:	
Burn Monitor Network	55,000
Air Monitoring	
1 Vehicle	25,000
A/C Unit for Lab	10,500
Replace Clean Air Supply System	<u>32,000</u>
 GRAND TOTAL FIXED ASSETS:	 \$ 122,500

DMV FEE GRANT PROGRAM

FY 09-10:	\$ 1,360,000
FY 08-09:	\$ 5,098,952

The DMV Surcharge Funds are collected pursuant to AB 2766, which authorizes air districts to use them for planning, monitoring, and enforcement activities related to the portion of the emissions inventory generated by motor vehicles and to implement the California Clean Air Act. In FY 08-09, the District allocated \$1,600,003 in new grants to public agencies and will grant \$1,360,000 in FY 09-10. This budget assumes that all past grants will be paid out in FY 08-09.

AB 2588 STATE FEES

FY 09-10:	\$ 1,488
FY 08-09:	\$ 4,100

The AB 2588 (1987) State Fees account is made up of the funds required by State law to be collected by the air districts and passed through to the Air Resources Board to fund the State's portion of the Toxics Hot Spots program.

MOYER PROGRAM

FY 09-10:	\$ 776,973
FY 08-09:	\$ 2,107,692

The Carl Moyer Program is a State grant program administered through local air districts to fund projects which reduce oxides of nitrogen and particulate matter emissions from diesel engines.

SCHOOL BUS PROGRAM

FY 09-10:	\$ -0-
FY 08-09:	\$ -0-

This program was going to be funded in FY 08-09, however, it has been temporarily suspended due to State budget issues. Continuation of this grant program remains uncertain at this time.

AB923 PROGRAM

FY 09-10:	\$ 1,140,000
FY 08-09:	\$ 2,801,111

Assembly Bill 923 was passed by the California Legislature in 2004 allowing local air districts to elect to raise vehicle license fees by \$2.00. In December 2004, the MBUAPCD Board of Directors voted to raise the fees to fund projects eligible under the Moyer program; for new purchase, retrofit, re-power, or add-on of equipment previously unregulated agricultural sources; for new purchase of school buses under the Lower-Emission School Bus Program; or for an accelerated vehicle retirement or repair program. It is estimated that the AB923 program will be funded by approximately \$1,140,000 for FY 09-10.

REFUNDS

The Refunds account exists to account for the occasional instances where the District refunds a portion of a fee that has been incorrectly calculated. The account contains \$2,500 for the coming fiscal year.

CONTINGENCY

The Contingency account includes \$150,000 in unobligated contingency funds.

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REVENUE ACCOUNTS

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EPA 105 AND 103 GRANT

Pursuant to Section 105 of the Federal Clean Air Act the District is eligible to receive financial assistance from EPA. This assistance consists of a base grant, as well as supplemental or special project funds.

STATE REVENUES

State Subvention

State Subvention Funds are provided to the District pursuant to Section 39800 et seq. of the California Health & Safety Code, which states that subvention funds may be provided to districts of up to \$1 for every dollar budgeted, so long as the subvention does not exceed \$.23 per capita.

Because there have historically been more District requests for funds than funds available through this subvention program, the District has regularly received somewhat less than the allowable maximum funding. \$186,000 has been budgeted for FY 09-10.

DMV Surcharge Fees

The DMV Surcharge Fees account includes \$2,300,000 in FY 09-10 revenues collected through the vehicle registration surcharge program. This budget proposes that \$1,343,638 of these revenues remain in the District's operating budget to fund regulatory activity eligible by statute, and that the rest be disbursed through the AB 2766 (1990) grant program to mitigate emissions from motor vehicles registered within the District.

AB 923

Assembly Bill 923 was passed by the California Legislature in 2004 allowing local air districts to elect to raise vehicle license fees by \$2.00. In December 2004, the MBUAPCD Board of Directors voted to raise the fees to fund projects eligible under the Moyer program; for new purchase, retrofit, repower, or add-on of equipment previously unregulated agricultural sources; for new purchase of school buses under the Lower-Emission School Bus Program; or for an accelerated vehicle retirement or repair program. It is estimated that the AB923 program will be funded by approximately \$1,140,000 for grants.

PERMIT FEES

Annual Renewal Fees

Annual Renewal Fees are paid pursuant to State statute and District regulations for renewing each permit to operate issued by the District. Included is a toxics program fee added to the renewal of most District permits. These revenues are used to implement the increasing State and Federal toxic program regulatory mandates and public “right to know” effects. Annual Renewal fees are estimated to be \$2,960,481 in FY 09-10.

Initial and General Permit Fees

The Initial and General Permit Fees proposed result in \$432,891 in revenue. These consist of initial application fees for a new permit, change of ownership fees and a toxic air contaminant fee.

STATE TOXIC EMISSION INVENTORY FEES AB2588

AB 2588 (1987) requires the District to collect specified fees for the State Air Resources Board, and the Office of Environmental Health and Hazard Assessment efforts to review the toxic inventories and risk assessments produced by the affected sources.

Facilities required to prepare risk notification and risk reduction plans or reports would continue to be subject to fees based on the time staff must expend to either prepare or review risk assessments, risk notifications, and to review risk reduction plans or reports.

SOURCE TEST FEES

Revenue from the District’s performance of source tests is estimated at \$60,960. These tests may be necessary to determine the nature, extent, or amount of pollutants being discharged into the air or to determine compliance with permit conditions and Federal, State, or local law.

ASBESTOS FEES

Fees from the Asbestos Investigation Fee rule are expected to be \$174,576 in FY 09-10, and will partially underwrite the efforts of asbestos investigation program.

OTHER REVENUE

Other revenue includes a variety of funding sources, including the fees associated with the costs of subscription to District Board packets, Advisory Committee packets, Rules updates, contracts with other agencies, agenda mailing lists and earned interest income. \$268,359 in revenue from these sources is projected for FY 09-10.

PENALTY REVENUE

Penalties are not used to generate revenue, but instead are intended to ensure compliance.

SPECIAL CONTRACTS

The District will receive \$50,836 in revenue from CEMEX for operation of the Davenport air monitoring station, and \$97,341 from Dynegy for partial operation of the Salinas air monitoring station.

MEMBERSHIP CONTRIBUTIONS

City and County membership contributions are based on January 1, 2009 population figures provided by the State of California and are calculated at \$0.23 per capita.

This funding source category accounts for a total of \$174,483 in revenue.

PRIOR YEAR REVENUE

Prior Year Revenue includes all carry-over funds from the prior year. Prior year revenue carried forward into FY 09-10 is budgeted at \$161,804 to General Fund, \$114,199 from the Moyer Fund, \$36,370 to the AB 923 Fund, \$378,638 from the AB2766 DMV Fund and \$30,498 from School Bus Fund, for a total budgeted amount of \$325,161.

**DIVISIONAL NARRATIVES AND
SUMMARIES BY OBJECT TOTALS
(ALL FUNDS)**

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ADMINISTRATIVE DIVISION

The Administrative Division consists of the Air Pollution Control Officer, an Administrative Services Manager, Assistant to the APCO/Clerk of the Boards, one Senior Fiscal Assistant, one Administrative Services Assistant, a Senior Administrative Assistant and an Office Assistant.

Under two programs, Support and Operations and Public Education, the Division performs the following functions:

General Operations

The Division is responsible for all premises management including building and grounds, the vehicle fleet, the District Safety Program, secretarial support, telephone systems, reception duties, mail room, copy functions and office supplies.

Finance and Accounting

The accounting section is responsible for all general accounting functions including accounts receivable, accounts payable, payroll, fixed asset management, grants and related financial reporting.

An important part of this area is the preparation and tracking of the annual budget. All Managers participate in the collaborative effort with the Air Pollution Control Officer (APCO), and the Administrative Services Manager compiling and presenting the annual proposal.

Additional responsibilities include Employee benefits, Personnel needs and Risk Management.

District Boards

The Division provides support to the District's Board of Directors, Hearing Board and Advisory Committee. In that function all agendas, notices, minutes and public inquires are handled.

Monterey County Counsel provides contracted legal advice to the Board of Directors and its committees, the Advisory Committee, APCO and staff as well as representing the District in civil litigation, variance cases, abatement actions and permit revocations before the Hearing Board.

Management Information Services

Another responsibility of this Division is the development, maintenance and implementation of the District's computer systems. Using part time contract support, the District maintains a forty user network that provides routine software / hardware needs plus Internet capacity.

Public Education

The Public Education Program is staffed by the Planning and Administrative Divisions. Planning implements the Education Program on alternative fuels and *Way To Go!* curriculum.

DIVISIONAL SUMMARIES BY OBJECT TOTALS – ALL FUNDS

	REVISED FY 08-09	ESTIMATED FY 08-09	PROPOSED FY 09-10
ADMINISTRATIVE DIVISION			
Salaries	786,848	786,848	573,941
Retirement	139,830	139,830	103,189
Ins. Emp. Group	74,254	74,254	69,604
Medicare-Employer	9,186	9,186	8,528
Workers Compensation	7,872	7,872	6,013
Postage	8,800	6,862	7,700
Books	12,600	11,200	11,000
Copy Machine Use	12,300	11,000	11,000
Office Supplies	50,200	65,732	45,500
Printing	12,000	10,000	12,000
Communications	68,000	68,000	68,000
Utilities	49,000	46,300	46,500
Travel	27,000	13,795	18,000
Rental & Lease Equipment	70,500	52,934	59,500
Building Payments	437,458	437,458	446,645
Maintenance	96,000	76,000	74,000
Maintenance Vehicle	13,000	12,000	12,000
Safety Equipment	800	800	800
Tools	100	-0-	-0-
Legal Services	11,000	48,000	60,000
Professional Services	244,200	260,313	181,950
Legal Notices	27,000	22,000	24,500
Insurance	99,000	98,000	100,800
Memberships	14,000	16,855	18,700
Special District Expense	45,700	34,100	36,100
Refunds	2,500	2,500	2,500
Unobligated Contingency	100,000	-0-	150,000
Fixed Assets	108,000	97,816	-0-
TOTALS	2,527,149	2,409,657	2,148,470

ENGINEERING DIVISION

The Engineering Division staff consists of a Division Manager, a Supervising Engineer and five Permit Engineers, one 75% Engineer whose position is split with Emission Inventory in the Planning & Air Monitoring Division, one Source Testing Coordinator, and an Administrative Assistant.

The Division staff perform the following functions:

Permitting

The District's permit system is the primary tool used to ensure that businesses comply with air quality control requirements. There are two types of permits that are issued, the Authority to Construct and the Permit to Operate. The Authority to Construct is a preconstruction permit that is issued after the projects emissions have been calculated, the necessary control technology has been determined, and criteria and toxic pollutant regulatory compliance has been determined. The Permit to Operate is issued after construction is completed, and after the equipment is found to be operating in compliance with all terms and conditions of the Authority to Construct and with all applicable regulatory requirements. The permit renewal process includes annual process information evaluation, and an annual emission estimate.

Currently there are 3,180 active permits. During calendar year 2008, 167 Authorities to Construct and 477 Permits to Operate were issued. The District has undertaken a registration program for diesel engines used in agricultural operations. In addition to normal permitting activities it is expected a large number of gasoline dispensing facilities will be completing the installation of upgraded equipment in FY 09-10. To continue to implement this program and to permit the gasoline dispensing facility upgrades a temporary part-time position or overtime may be necessary.

Included in the District's permitting responsibilities is the implementation of the Title V, Federal Operating Permit program. Currently, the District has issued 19 Title V permits to the major sources within our jurisdiction. The Title V permits are renewed on a five year cycle.

Rule Development Program

The process of developing and amending District regulations is complex, involving many statutory formalities and requirements, and is now handled by about 30% of an Engineer III staff position. The program includes detailed development of proposed regulatory changes or additions, preparation of the notification formalities, conducting public workshops and District Advisory Committee consideration, and finally the public hearing and consideration by the Board for adoption. Additionally, after each new rule adoption, compliance assistance materials are prepared and distributed to all sources affected by the rulemaking action. The program also

manages the rulebook and its distribution to subscribers. Rule development activities during FY 09-10 include revised rules for new source review, architectural coatings, all feasible measures and fugitive dust.

Toxics Programs

The District's efforts to implement the State Air Toxics Hot Spots Information and Assessment Act of 1987 is stabilizing as the program transitions into a maintenance effort for sources previously inventoried. The state has been active in identifying additional source categories that must complete initial toxic assessment particularly those that emit diesel particulate matter. At a minimum staff must review sources of intermediate risk every four years for significant changes.

Staff resources will be required to keep current on toxic air contaminant actions by the Air Resources Board, the Department of Toxics Substance Control, and Office of Environmental Health Hazard Assessment. In addition some measures for the implementation of AB 32, the California Global Warming Solutions Act, may impact permitting activities. These actions may require District Rules, Permit Guidelines And Requirements For Sources Emitting Toxic Air Contaminants, to be revisited to update the toxic compound identifications for global warming (greenhouse) gases and health effects criteria.

On the Federal level, the Environmental Protection Agency is reviewing programs that are contained in their New Source Review Reform, and Environmental Justice efforts. Additionally the Environmental Protection Agency is completing ongoing promulgations of new Title III Maximum Achievable Control Technology standards to control the toxic air contaminant emission from industrial and area sources. The local permitting program may need to be updated to implement federal toxic requirements.

Source Testing

The District maintains its ability to perform stack emission measurements in accordance with the federal and state reference methodologies. One staff is assigned to this program and at least 25 tests are performed each year. This position also observes and reviews all contracted stack emission testing performed by hired contractors at sources within the District. Finally, this position has been assigned some responsibilities to assist with District administered grant programs.

Technical Assistance

The Division staff provides technical assistance to a broad range of internal District actions (review of federal and state program developments, rule development and implementation, hearing board actions, emission inventory, California Environmental Quality Act evaluations, etc.), to inquiries from the public, business and consultants regarding permit and regulatory requirements, source information, and general air pollution questions, and in statewide California Air Pollution Control Officers Association committees efforts.

DIVISIONAL SUMMARIES BY OBJECT TOTALS – ALL FUNDS

	REVISED FY 08-09	ESTIMATED FY 08-09	PROPOSED FY 09-10
ENGINEERING DIVISION			
Salaries	947,000	947,000	956,568
Retirement	171,412	171,412	174,636
Ins. Emp. Group	91,637	91,637	102,907
Medicare-Employer	9,929	9,929	9,964
Workers Compensation	24,971	24,971	28,454
Postage	4,200	3,743	4,200
Books	500	300	500
Office Expenses	4,600	2,600	3,900
Printing	1,500	500	1,000
Travel	11,900	14,400	13,500
Rental & Lease Equipment	3,000	3,000	3,000
Maintenance Equipment	4,000	7,686	3,000
Maintenance Vehicle	3,000	3,236	3,000
Safety Equipment	350	250	350
Tools	100	100	100
Legal	-0-	-0-	-0-
Professional Services	46,500	9,455	48,500
Legal Notices	3,300	900	1,800
Memberships	-0-	-0-	-0-
Special District Expense	3,300	1,400	2,600
AB 2588 To State	4,100	4,083	1,488
Fixed Assets	-0-	-0-	-0-
TOTALS	1,335,299	1,296,603	1,359,468

PLANNING AND AIR MONITORING DIVISION

Air Monitoring Section

The Air Monitoring Section of the Planning and Air Monitoring Division consists of one Supervising Air Monitoring Specialist, three Air Monitoring Specialist II, one Administrative Assistant, and one Air Monitoring Specialist III.

Ambient Air Monitoring

The section monitors and reports hourly ozone data from eight stations in Salinas, Davenport, Hollister, Watsonville, Scotts Valley, Santa Cruz, King City, and Carmel Valley. The District also tracks ozone monitoring by the National Park Service at the Pinnacles National Monument. The North Central Coast Air Basin is nonattainment for the California Ozone Ambient Air Quality Standard. Ozone is the measure of smog.

The North Central Coast Air Basin is also a nonattainment area for the California PM₁₀ Ambient Air Quality Standard. "PM₁₀" refers to particles that are 10μ or less in aerodynamic diameter. The District conducts PM₁₀ monitoring at Salinas, Davenport, Hollister, Watsonville, Santa Cruz, and Carmel Valley.

The North Central Coast Air Basin is in attainment for the new PM_{2.5} National Ambient and State Air Quality Standard. "PM_{2.5}" refers to particles that are 2.5μ or less in aerodynamic diameter. The District conducts PM_{2.5} monitoring at three stations, at Salinas, Santa Cruz and Hollister. The District is testing three Beta Attenuation Realtime Monitors at Salinas, Santa Cruz and Hollister.

Nitrogen dioxide, nitric oxide, oxides of nitrogen, and carbon monoxide are monitored at the Salinas and Davenport stations. Sulfur dioxide is also monitored at the Davenport station.

Meteorological Monitoring

The District monitors and reports hourly meteorological data for eight sites--Salinas, Scotts Valley, Hollister, Watsonville, Davenport, Santa Cruz, King City and Carmel Valley. Parameters recorded are wind speed, wind direction, and ambient temperature. Meteorological data is used to better understand pollutant flux in the air basin and is an important data input to computer modeling conducted during permitting. This information is also useful as a part of complaint response.

Enforcement Monitoring

On occasion, air monitoring trained Compliance staff participates in complaint response. Generally this involves operating portable PM₁₀ air monitoring equipment and/or reporting meteorological data.

Planning Section

The Planning Section of the Planning and Air Monitoring Division includes one Supervising Planner, two Air Quality Planners III, an Air Quality Planner I, a Senior Administrative Assistant (25%), and an Engineer (25%).

FY 09-10 Objectives

Planning

- Prepare “Transport Findings” which document the magnitude and impact of ozone transport from the San Francisco Bay Area Air Basin into the North Central Coast Air Basin.
- Update the District CEQA Air Quality Guidelines.
- Add a new chapter on climate change to the District CEQA Air Quality Guidelines.
- Continue to implement the 2007 Federal Maintenance Plan.
- Continue to implement the 2008 Air Quality Management Plan.
- Continue to implement the SB 656 Particulate Matter Plan.
- Continue to refine the Area Source Emission Inventory.
- Continue to review development projects subject to the California Environmental Quality Act.
- Continue to implement and train others in URBEMIS 2007.
- Continue to assist other public agencies and consultants on air quality issues.
- Continue to cooperate with other Air Districts and State agencies to better inform and educate regional agencies regarding the requirements of State climate change law and regulations.
- Continue to evaluate air monitoring data and provide support to the Smoke Management Program.
- Continue to assist the Base Relocation and Closure Commission in managed burns at the former Fort Ord.
- Continue to provide meteorological analysis to the District Smoke Management Program.

Planning to Attain and Maintain Ambient Air Quality Standards

One of the primary activities is the work required to prepare plans to achieve the State ozone and PM₁₀ standards, and to maintain the federal ozone standard. This includes updating the emission inventory and forecasts, conducting photochemical and PM₁₀ modeling to comply with local, State and Federal requirements; evaluating air monitoring data, sharing data with other agencies, and working with land use and transportation planning agencies.

Environmental Review

The Planning Section works with District staff and Lead Agencies to ensure that the air quality impacts of proposed projects are adequately evaluated. Approximately 175 environmental documents were reviewed in 2008. This includes evaluating discretionary projects within the three counties in the North Central Coast Air Basin, as well as some projects in adjoining counties that could “transport” emissions into this air basin; providing technical assistance in preparation of air quality impact analyses, advising District staff on the appropriate environmental review for rules, permits and plans; maintaining the District CEQA Air Quality Guidelines, and coordinating the District’s Consistency Program.

Technical Support

The Planning Section is responsible for various technical support work with federal, State, regional and local agencies to implement the Federal Clean Air Act and California Clean Air Act; with the Association of Monterey Bay Area Governments on transportation, employment and population forecasts; and with other Air Districts, planning agencies and governmental agencies to ensure that air quality impacts of General Plans and development projects are addressed. The Planning Section presents technical workshops on issues related to air quality, such as the SB 656 / Ag-Air Initiative, which developed an educational program on Best Management Practices to reduce PM₁₀ in agricultural operations, and the annual URBEMIS 2007 workshop; and provides assistance to the general public, Lead Agencies, consultants, and project applicants. It also administers the Education Program on Alternative Fuels, and “Way to Go!”, and collaborates with AMBAG on Rideshare Week, and Clean Air Month.

New Programs

Climate Change

Planning staff will work with the Air Resources Board (ARB) other Air Districts, and local agencies to address the requirements of AB 32, the California Global Warming Solutions Act of 2006, and SB 375, which mandates changes in regional transportation planning and programming to address the impacts that vehicular travel contributes to global warming. A new chapter of the District CEQA Air Quality Guidelines will be devoted to Climate Change and Assessment of Project Impacts from Greenhouse Gases.

Grants

Ongoing Grants Program

The Planning Section administers four ongoing grant programs: Carl Moyer Grant Program, funded by the ARB (\$1.0 million for FY 09-10) and AB 923 local DMV registration fees;

AB 2766 Grant Program, funded with local DMV registration fees (\$1.4 million); AB 923 local DMV registration fees (\$1.1 million); and the District Offsite Mitigation Fund, which is funded from development project mitigation fees. A new Lower Emission School Bus Program (\$7.0 million) was suspended by the State before it began in FY 08-09, but may be reinstated.

New Programs

AQIP

The ARB will use AB 118 funds to offer approximately \$50 million in grants under the Air Quality Improvement Program (AQIP) for clean vehicle and equipment projects that reduce criteria pollutants and toxic air contaminants, as well as research on the air quality impacts of alternative fuels and advanced technology vehicles. Projects that demonstrate new technology for agricultural equipment may be eligible under the AQIP.

DIVISIONAL SUMMARIES BY OBJECT TOTALS – ALL FUNDS

	REVISED FY 08-09	ESTIMATED FY 08-09	PROPOSED FY 09-10
PLANNING & AIR MONITORING DIVISION			
Salaries	876,088	876,088	886,136
Retirement	159,334	159,334	162,287
Ins. Emp. Group	103,093	103,093	113,207
Medicare-Employer	10,346	10,346	10,668
Workers Compensation	17,785	17,785	19,943
Postage	1,900	3,531	2,200
Books	500	229	300
Office Expenses	6,400	4,007	4,300
Printing	5,100	4,000	4,700
Utilities	6,598	6,000	6,000
Travel	7,300	2,850	7,400
Rent & Lease Equipment	-0-	-0-	-0-
Rent	32,000	32,000	32,000
Maintenance	20,000	20,960	20,000
Maintenance Vehicles	11,000	15,009	12,000
Maintenance Equipment	64,551	56,535	65,514
Laboratory	2,000	1,464	1,000
Safety Equipment	500	200	300
Tools	500	2,300	500
Legal	-0-	-0-	-0-
Professional Services	91,927	144,648	157,000
Legal Notices	225	-0-	-0-
Membership	-0-	-0-	-0-
Special District Expense	7,300	1,799	3,600
CARB/Clean Air Act	-0-	-0-	-0-
Grants - AB2766*	5,098,952	5,098,952	1,360,000
Grants - Rule 431*	-0-	-0-	-0-
Grants – Moyer*	2,107,692	2,107,692	776,973
Grants - School Bus *	6,904,750	-0-	-0-
Grants - Energy Crisis*	-0-	-0-	-0-
Grants - AB923*	2,801,111	2,801,111	1,140,000
Fixed Assets	130,000	131,539	67,500
TOTALS	18,466,952	11,601,472	4,853,528

*These grants are pass through funds and this budget assumes that all past grants will be paid out in FY 08-09.

COMPLIANCE DIVISION

The Compliance Division is comprised of 12 staff, including: a Division Manager, Senior Administrative Assistant, Supervising Inspector, six Field Inspectors, one Inspector running the asbestos program and one field inspector, and a Senior Administrative Assistant who assists in the asbestos program and Mutual Settlement Program. The division performs the following major functions:

Enforcement

The largest single function in the division involves processes to assure compliance with all applicable local, state, and federal laws and regulations in the District. Field inspectors perform unannounced inspections of all permitted sources, numbering over 2,700 District-wide. During these inspections they determine whether the sources are operating in compliance with requirements. When they find violations of requirements they initiate appropriate enforcement actions and take affirmative steps to assure the violations are remedied and that the operator understands the problem and how it can be avoided. Enforcement actions for violations include: Notices to Comply for specified minor violations, imposition of civil penalties, abatement orders obtained from the District Hearing Board, injunctions, and permit revocation. The enforcement function also includes an element of compliance assistance, by which inspectors strive to affirmatively assure operators are aware of requirements in order to avoid the occurrence of violations.

Burn Program

District and state requirements relating to open burning are administered by a field inspector, who issues prescribed burn permits. This program has been developed to be in conformance with recently revised State regulations relating to prescribed burning. An environmental benefit program has been developed to issue rebates to residents who replace old high polluting wood burning heating devices with the new clean burning devices, in order to reduce highly toxic smoke emissions to the atmosphere.

Compliance Assistance Program

The District has adopted a comprehensive Compliance Assistance Program which involves measures to affirmatively ease and facilitate compliance by regulated sources. The primary focus of the various measures in this program is to affirmatively notify and educate regulated sources on the various requirements applicable to them to avoid compliance problems down the road.

Asbestos Program

This program is administered by a senior inspector, and a field inspector and involves District enforcement of the federal NESHAP regulations for asbestos. The inspector monitors all asbestos projects in the District, inspects selected projects for compliance, initiates enforcement actions when violations occur, and cooperates with asbestos contractors to assure in advance that projects will be carried out correctly. The recent conversion of some military bases has markedly increased the number and complexity of demolition and renovation projects this program must deal with, and this increased level of activity is projected to continue for at least five years.

DIVISIONAL SUMMARIES BY OBJECT TOTALS – ALL FUNDS

	REVISED FY 08-09	ESTIMATED FY 08-09	PROPOSED FY 09-10
COMPLIANCE DIVISION			
Salaries	842,309	842,309	888,560
Retirement	152,372	152,372	162,181
Ins. Emp. Group	104,241	104,241	117,285
Medicare-Employer	10,689	10,689	11,366
Workers Compensation	21,111	21,111	24,557
Postage	2,700	2,200	2,200
Books	1,100	920	800
Office Expenses	6,700	2,900	4,500
Printing	-0-	-0-	-0-
Travel	28,445	16,900	21,333
Rent & Lease Equipment	2,000	500	1,000
Maintenance Vehicles	8,000	11,257	6,000
Safety Equipment	1,300	700	1,000
Tools	4,400	1,900	2,400
Legal	-0-	-0-	-0-
Professional Services	79,000	120,300	213,000
Legal Notices	-0-	-0-	-0-
Memberships	-0-	-0-	-0-
Special District Expenses	13,850	4,600	7,762
Fixed Assets	81,000	24,401	55,000
TOTALS	1,359,218	1,317,300	1,518,945

**BUDGET EXPENDITURE SUMMARIES
BY PROGRAM TOTALS
(ALL FUNDS)**

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**EXPENDITURE SUMMARIES BY PROGRAM TOTALS
ALL FUNDS**

	REVISED FY 08-09	ESTIMATED FY 08-09	PROPOSED FY 09-10
PROGRAM			
Support and Operations	2,401,185	2,270,259	2,093,901
Education	125,964	139,397	54,568
Permitting	1,856,323	1,812,008	2,044,253
Title V	97,698	93,613	88,724
Source Testing	88,878	95,799	89,706
AB 2588	4,100	4,083	1,488
Rule Development	57,766	55,866	58,266
Complaints	145,806	187,691	156,080
Asbestos	331,817	315,974	290,847
Burn	112,129	48,869	149,049
Air Monitoring General	250,228	239,026	175,209
Air Monitoring AB2766	566,222	562,345	637,213
Air Monitoring PM _{2.5}	79,682	78,363	32,641
Planning General	183,559	186,477	181,672
Planning AB2766	5,355,105	5,345,431*	1,653,163
AB923	2,827,946	2,827,946*	1,163,630
Moyer	2,276,714	2,339,007*	979,502
School Bus	6,927,496	22,877*	30,498
TOTAL DISTRICT BUDGET	23,688,618	16,625,031	9,880,410

*This budget assumes that all past grants will be paid out in FY 08-09.

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APPENDIX

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**BEFORE THE AIR POLLUTION CONTROL BOARD
OF THE MONTEREY BAY UNIFIED
AIR POLLUTION CONTROL DISTRICT**

RESOLUTION NO. 09-10

Adopting the FY 09-10 Budget....)
In the Amount of \$9,880,410.....)

BE IT RESOLVED, a budget figure in the amount of \$9,880,410 for the FY 09-10 is hereby adopted for the Monterey Bay Unified Air Pollution Control District and the Air Pollution Control Officer is hereby directed to implement the Budget accordingly.

BE IT FURTHER RESOLVED, the Air Pollution Control Officer is authorized and hereby directed to negotiate and sign the final supplemental applications for potential Federal grant and State subvention funds for FY 09-10.

On motion of Director Monaco, seconded by Director Campos, the forgoing Resolution is hereby adopted this 17th day of June, 2009, by the following vote, to-wit:

AYES: Directors Salinas, Storey, Campos, Russell, Pirie, Parker, Monaco, Ortiz

NOES: None

ABSENT: Directors Calcagno, Donohue, Bersamin

**BEFORE THE AIR POLLUTION CONTROL BOARD
OF THE MONTEREY BAY UNIFIED
AIR POLLUTION CONTROL DISTRICT**

RESOLUTION NO. 09-11

Authorizing Purchase of)
Specified Fixed Assets.....)

WHEREAS, the District has adopted a balanced FY 09-10 Budget incorporating the purchase of certain fixed assets set forth below.

BE IT RESOLVED, the Air Pollution Control Officer is hereby authorized to purchase the following fixed assets at costs not to exceed funds in the total fixed asset account:

<u>Detail</u>	<u>Amount</u>
Compliance:	
Burn Monitor Network	55,000
Air Monitoring	
1 Vehicle	25,000
A/C Unit for Lab	10,500
Replace Clean Air Supply System	<u>32,000</u>
 GRAND TOTAL FIXED ASSETS:	 \$ 122,500

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BE IT FURTHER RESOLVED, whereby the anticipated costs provided herein are estimates based on presently available information, the Air Pollution Control Officer shall use these cost estimates as guidelines in the purchase of these assets; however, in no event shall the purchase of these assets collectively exceed the funds contained in the Fixed Assets account of the approved FY 09-10 Budget.

On motion of Director Monaco, seconded by Director Campos, the foregoing Resolution is hereby adopted this 17th day of June, 2009, by the following vote, to-wit:

AYES: Directors Salinas, Storey, Campos, Russell, Pirie, Parker, Monaco, Ortiz

NOES: None

ABSENT: Directors Calcagno, Donohue, Bersamin

**BEFORE THE AIR POLLUTION CONTROL BOARD
OF THE MONTEREY BAY UNIFIED
AIR POLLUTION CONTROL DISTRICT**

RESOLUTION NO. 09-12

Approval of Continued Contract.....)
Between the District and.....)
Specified Entities.....)

BE IT RESOLVED this Board hereby approves continuation of the following District contract for the FY 09-10, terms to be as in the past except as for the following respective limits specified:

- Continuation of the contract with the Monterey County Counsel for specified legal services for the District Hearing Board on a retainer fee concept not to exceed the sum of \$6,000.00 for FY 09-10.

BE IT FURTHER RESOLVED, the Air Pollution Control Officer is hereby authorized to initiate actions as might be necessary to continue this contract and disburse funds as necessary pursuant to the contract provisions and limitations set forth herein.

On motion of Director Monaco, seconded by Director Campos, the foregoing Resolution is hereby adopted this 17th day of June, 2009, by the following vote, to-wit:

AYES: Directors Salinas, Storey, Campos, Russell, Pirie, Parker, Monaco, Ortiz

NOES: None

ABSENT: Directors Calcagno, Donohue, Bersamin

**BEFORE THE AIR POLLUTION CONTROL BOARD
OF THE MONTEREY BAY UNIFIED
AIR POLLUTION CONTROL DISTRICT**

RESOLUTION NO. 09-13

Approval of direction to staff.....)
For the development of District Budgets.....)

BE IT RESOLVED this Board directs staff to develop future budgets recognizing a consistent index of inflation. As needed, the Budget will be prepared for the Board's consideration using the San Francisco-Oakland-San Jose Consumer Price Index as available to adjust general regulatory fees.

On motion of Director Monaco, seconded by Director Campos, the foregoing Resolution is hereby adopted this 17th day of June, 2009, by the following vote, to-wit:

AYES: Directors Salinas, Storey, Campos, Russell, Pirie, Parker, Monaco, Ortiz

NOES: None

ABSENT: Directors Calcagno, Donohue and Bersamin

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