



**AIR POLLUTION
CONTROL DISTRICT**
COUNTY OF SAN LUIS OBISPO

TO: Board of Directors, Air Pollution Control District
AW
FROM: Larry R. Allen, Air Pollution Control Officer
DATE: July 27, 2011
SUBJECT: Adoption of District Budget for Fiscal Year 2011-2012

SUMMARY

This is the second of two public hearings required to adopt the District's Fiscal Year (FY) 2011-2012 Final Budget; the first hearing was held by your Board on May 18, 2011. Changes proposed from the draft budget request presented at the May hearing include increased beginning fund balance available, reduced budgeted revenues, and reduced budgeted services and supplies. A total budget appropriation of \$4,137,260 is requested for FY 2011-2012, a 10% reduction from last fiscal year.

RECOMMENDATION

That your Board approve the attached resolution adopting the District's Fiscal Year 2011-2012 Final Budget of \$4,137,260, along with a budget adjustment to authorize \$3,000 in interest from APCD Restricted Revenues to be transferred to the District's operating budget.

DISCUSSION

The first of two required public hearings on the proposed District Budget for FY 2011-2012 was held by your Board on May 18, 2011. At that hearing, staff provided a detailed overview of the budget proposal. To date, no comments regarding the budget or requests to change it have been received from the public or from permitted sources. However, in response to comments made by Board members and more recent budget projections, four changes have been made by staff to the original budget request presented at the May 18 hearing, resulting in an overall decrease of \$19,506 in revenue and expenditures:

1. First, budgeted revenues have been reduced by a combined \$36,015 because of the revised projections for FY 2010-2011 actuals, which provide the basis for several FY 2011-2012 revenue estimates. This includes reducing burn permit revenues by \$16,496 and DMV fees by \$21,519. Federal Aid was increased \$2,000 for an EPA grant award notice received in June.
2. Second, the estimated beginning fund balance available (FBA) in FY 2011-2012 has been increased \$16,509. While our original estimates of actual FY 2010-2011 property taxes, asbestos fees, agricultural and backyard burn permits, and DMV fees have since decreased by a combined \$47,138, estimates of renewal permits and mutual settlements have increased by a combined \$63,647.
3. Third, proposed salaries and benefits have been reduced by \$4,638, as a result of reducing on-call labor and temporary help, and having a more current estimate of the accumulated leave payoff for a retiring employee.
4. Finally, we are proposing to reduce other expenses by a combined \$14,868. The services and supplies budget will be reduced \$7,643 as a result of (a) reducing travel and staff training related line-items by \$12,143, (b) increasing Professional Services by a net \$4,500 by eliminating the proposed AERMOD contractor and adding a contractor to assist with online permit forms design

and implementation, (c) reducing Public Outreach and Education expenses \$5,000 by eliminating the stakeholder survey project and (d) increasing Human Resources expenses \$5,000 for labor negotiation assistance. Other changes include reducing Capital Equipment expenses \$5,000 through a decision to purchase a used rather than new replacement pool vehicle, lowering Contingencies \$518 to reflect reduced expenditures, and eliminating a \$1,707 increase to the Capital Equipment Designated Reserve.

Attached for your review is a budget package that includes the Air Pollution Control Officer's Budget Message, a summary of the budget request and a detailed line-item budget that includes service program descriptions and other supporting information. A complete list of budget documents is included at the end of the APCO's Budget Message. Special programs, tasks, and responsibilities for FY 2011-2012 are also described in the Budget Message.

For FY 2011-2012, a total budget of \$4,137,260 is requested, representing a decrease of 10% compared to the amended District budget for the current year. Although increases in a few expenditure categories are anticipated for FY 2011-2012, most others will decrease while still allowing for maintenance of normal District operations and staffing of 23.50 full-time equivalent (FTE) employees.

Increases in several revenue categories are anticipated for FY 2011-2012 to accomplish the goals and mandates of the District, support implementation of the Strategic Action Plan and improve cost recovery of our permit programs and other services provided. The primary revenue increases will occur through proposed changes to District Rule 302 Schedule of Fees that would increase stationary source permit fees by 5.7% and raise burn permit fees by \$25 for typical green waste and agricultural permits. A 4.5% increase in the District's hourly billing rate is also proposed. The attached Budget Message and line item budget tables provide specific details on the proposed budget.

In compliance with California Health and Safety Code sections 40131 and 42311, summaries of the Proposed Budget and APCD fee schedules for FY 2011-2012 were made available for public review on April 15, 2011 at six public libraries around the county and at the District's office. A legal notice was published and letters were sent to all stationary permit holders advising them of the budget adoption schedule, proposed new billing and renewal rates, District Rule 302 and 303 changes, and the availability of the budget proposal for review. A budget summary was made available by mail to parties requesting copies and is also available on the District's website (www.slccleanair.org). Additionally, permit holders were invited to a public workshop on the proposed District Rule 302 and 303 changes, held at the APCD office on April 26, 2011.

The California Health and Safety Code requires two separate hearings to adopt the District budget. The first hearing was held on May 18, 2011. Today's hearing is intended for the Board to give final consideration to the budget proposal, accept and consider public comment, and approve the final budget. This will complete the budget adoption process.

As noted at the May 18 budget hearing, performance indicators for FY 2011-2012 have now been added to this final budget package as Attachment 2. These performance measures may be modified as a result of any updates to the District's Strategic Action Plan, which would be presented to your Board for approval. Progress on the performance measures approved for FY 2010-2011 will be reported in a separate item on today's Board Agenda.

OTHER AGENCY INVOLVEMENT

No other agencies are directly involved with the District's budget. However, costs to reimburse several County departments for services they will provide to the District during FY 2011-2012 are incorporated into the budget proposal. We have coordinated with those departments during our budget preparation process to confirm the level of service anticipated to be provided to the District and the estimated charges to be billed.

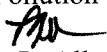
FINANCIAL CONSIDERATIONS

If approved as recommended through action taken by your Board today, the Final District Budget for Fiscal Year 2011-2012 will be \$4,137,260. This amount will be funded through regular District revenues and Fund Balance Available at the end of FY 2010-2011. Associated with approval of the District Budget, your Board's approval is requested for Attachment 3, a budget adjustment request for EFS Cost Center 7220000000 APCD Restricted Revenues. This will authorize the transfer of \$3,000 in interest earned from certain grant and mitigation accounts during the year to the District's operating budget, to partially compensate the District for staff and outreach costs involved in administering these programs; this is consistent with APCD's Five-Year Fiscal Plan adopted by your Board in November 2008.

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**Air Pollution Control Officer's
Budget Message**

TO: Air Pollution Control District Board
FROM:  Larry R. Allen, Air Pollution Control Officer
DATE: July 27, 2011

Summary of the FY 2011-2012 APCD Budget Proposal

For FY 2011-2012, an operating budget of \$4,137,260 is requested, representing a decrease of 10% compared to the amended District budget for the current year. The requested funding level will provide the resources needed by the District to maintain core and mandated air quality programs, including administration of important grant programs and expanded public outreach efforts, and allow continued effort toward implementing key measures and operational strategies identified in the APCD Strategic Action Plan (SAP).

Expenditures Projected for FY 2011-2012

Although increases in a few expenditure categories are anticipated for FY 2011-2012, most others will see decreases, while still allowing for maintenance of normal District operations and staffing of 23.50 full-time equivalent (FTE) employees. The most significant changes include:

- Salary and Benefits costs are expected to increase by \$90,234 (+3%), primarily due to an estimated 1.0% pension contribution rate increase, increased employer-provided workers' compensation and life insurance costs, an accumulated leave pay-off for a retiring employee and normal career step increases and promotions. District staff size is proposed to remain at 23.50 FTEs (full-time equivalent staff).
- Computer Software expenditures are budgeted to decrease by \$28,350 (-55%), as FY 2010-2011 included increased costs for software upgrades for staff and air monitoring station computers. The proposed budget returns to the ordinary expected level of software licensing and maintenance costs.
- Professional Services expenses are budgeted to decrease \$494,081 (-57%). This decrease is primarily due to the fact FY 2010-2011 included budgeted costs of \$368,183 for a contractor to perform a CEQA review of ConocoPhillips' proposed throughput expansion. Any unspent amount for this contract remaining at year-end will be administratively "budget restored" by the County Auditor Controller's Office in FY 2011-2012, along with the corresponding unrealized budgeted reimbursement revenue. FY 2010-2011 also included one-time budgeted costs for the District's OIS database rewrite project (\$80,000) and the Diablo Canyon Nuclear Power Plant wind-field modeling software project (\$22,000). Lastly, various outreach-related expenses (\$22,500) have been reclassified from this line-item to the new Public Outreach and Education expense account discussed below.
- Public Outreach and Education is a new budget line-item intended to consolidate outreach costs previously budgeted under separate accounts for Copying-Printing, Professional Services, Publications & Legal Notices and Special Department Expense. This line-item is shown to increase by \$56,500, which is almost entirely offset by corresponding decreases in the old line-item accounts. The only proposed increase in these expenses is \$3,000 to purchase air quality index (AQI) flags for county schools.

- Special Department Expense will decrease by \$18,380 (-90%) due to various outreach expenses being moved from this category to Public Outreach and Education expense, as described above.
- County-wide overhead costs will decrease by \$26,747 (-32%) from FY 2010-2011 levels. This decrease results primarily from the fact that County Human Resources services and Auditor-Controller payroll services will now be discretely budgeted and billed instead of included in County-wide overhead. This is partially offset by increases in charges for Auditor-Controller accounts payable services and Treasurer-Tax Collector services, which are included in County-wide overhead.
- Direct billings for other County services are budgeted to increase by \$25,691 (+22%) over FY 2010-2011 levels. The majority of the increase is due to Human Resources services that will now be discretely billed, as discussed above, and increased County Information Technology Department charges.
- Equipment purchases are budgeted to decrease \$21,862 (-33%). The FY 2010-2011 budget included funding for the purchase of three particulate matter air monitors and an ozone calibrator, whereas the FY 2011-2012 request includes a single calibrator and a replacement pool car.
- Lastly, Reserves & Designations are budgeted to remain unchanged at a total \$1,585,124. This level is 38% of the District's annual budget, and will allow us to delay implementation of a county-wide per-capita fee at least one year later than originally planned (FY 2011-2012) in the District's approved Five Year Fiscal Plan. Additional detail is given below under "Reserves and Designations".

Revenues Projected for FY 2011-2012

Increases in several revenue categories are anticipated for FY 2011-2012, to support implementation of the SAP, move toward full cost recovery of the permit program and other services provided, and accomplish the goals and mandates of the District. The most significant changes include:

- Estimated FY 2011-12 beginning Fund Balance Available (FBA) is \$462,345, which is \$93,722 (-17%) lower than the FY 2010-2011 beginning FBA. This FBA will result from salary savings in FY 2010-2011 due to staff vacancies, significant unexpended services and supplies budget, and unused contingencies, combined with higher than anticipated revenue from permit fees and State Aid.
- Annual operating permit revenue for existing sources is proposed to increase 5.4% overall, from \$1,830,000 to \$1,928,000 to cover the increased costs of the permit program. This increase will be accomplished by a proposed 5.7% increase in permit fees, raising the permit renewal factor in our fee rule from \$75.69 to \$80.00. Permit fees have not increased for the past two years.
- The District's hourly billing rate is proposed to increase 4.5% from \$110/hour to \$115/hour. This is the rate charged for evaluating new construction permit applications and other directly reimbursable District services. Increasing this rate is a key element of our Five Year Fiscal Plan to ensure full cost recovery; no increase in this rate has occurred in the last two fiscal years. Even with the proposed increase, we are maintaining a fiscally conservative outlook that the slow economic recovery will continue to suppress new project proposals into next year. Therefore, we have reduced budgeted estimates of construction permit revenue by \$35,000 (-23%), from \$150,000 to \$115,000.
- Annual burn permit fees are proposed to increase \$25 for typical green waste and agricultural permits; permit fees for larger burn projects will increase by \$25 to \$50, depending upon size. These increases were approved in the District's adopted Five Year Fiscal Plan and were originally slated for implementation last fiscal year. Budgeted revenue from these fees is estimated to increase by \$46,284, from \$40,780 to \$87,064, reflecting the increased fees combined with an ongoing increase in burn activities.
- Other Reimbursements revenue is budgeted at \$0 in FY 2011-2012. In FY 2010-2011, \$368,183 was budgeted to be reimbursed from ConocoPhillips for costs to hire a contractor to perform a CEQA review of their proposed throughput expansion, of which \$73,637 has been earned. Any remaining unearned revenue related to this project at year-end will be administratively "budget restored" by the

County Auditor-Controller's Office in FY 2011-2012, along with the corresponding contract encumbrance discussed in Expenditures-Professional Services above.

APCD Projects, Tasks and Priorities for FY 2011-2012

In addition to implementation of ongoing routine program responsibilities, the proposed FY 2011-2012 budget includes resources to implement several strategies designed to address the critical issues identified in the SAP adopted by your Board on January 24, 2007, as well as new priorities identified by the Board since then. These strategies include:

- Continue working with the County and California Department of Parks and Recreation to develop and evaluate strategies to reduce the impacts of off-road vehicle use at the Oceano Dunes State Vehicle Recreation Area (SVRA) on high PM levels commonly measured on the Nipomo Mesa.
- Complete the development of a draft rule to address fugitive dust emissions from the SVRA, seek and incorporate public input, and bring to the Board for adoption.
- Continue working with County Public Health and Lucia Mar School District to implement a robust advisory system to notify Nipomo Mesa schools and residents of days when PM levels are expected to reach unhealthy levels.
- Continue expanding the Air Quality Index forecasting and flag program to other areas of the County.
- Complete the research needed to develop CEQA significance thresholds for greenhouse gases, seek and incorporate local agency and public input, and bring recommendations to the Board for adoption.
- Develop and implement a cost-recovery mechanism for APCD staff work on projects subject to CEQA review.
- Perform a comprehensive update to the APCD 5-Year Fiscal Plan and bring to the Board for consideration and adoption.
- Begin work on a comprehensive update the APCD 5-Year Strategic Plan.
- Begin work on development of a multi-pollutant Clean Air Plan to identify strategies and actions needed to protect public health and welfare from the adverse impacts of ozone, fine particulate matter (PM), toxic air contaminants and climate change.
- Continue development of new and revised regulations for Board consideration and adoption to implement Board-approved control strategies to reduce PM emissions countywide to achieve progress toward attainment of the State PM₁₀ standards.
- Assist the County and cities in developing and adopting municipal and community-wide Climate Action Plans based on the completed local and regional greenhouse gas inventories.
- Develop and implement website improvements to enable use of online forms and credit card payments for permits and other applications.

Our anticipated accomplishment and scheduling of these tasks will be based on current staffing and proposed funding levels.

Performance Indicators for FYs 2010-2011 and 2011-2012

Progress in meeting the performance measures approved for FY 2010-2011 is presented in a separate agenda item for today's Board meeting. For FY 2011-2012, as indicated in Attachment 2, District staff will continue to concentrate on presenting indicators that are easily understood and tracked, provide a good measure of operational efficiencies, and are meaningful to our mission and mandate of protecting public health and achieving state and federal air quality standards. These performance measures may be modified as a result of any future updates to the District's Strategic Action Plan, which would be presented to your Board for approval.

Reserves and Designations

The current balance in the District's General Reserve is \$844,153. The District also has six other designated reserves: a reserve for capital equipment replacement (\$63,911), a reserve for large year-to-year fluctuations in County overhead charges to the District (\$79,500), a reserve for District facilities acquisition and improvements (\$191,463), a reserve for unanticipated salary and benefits-related costs (\$280,312), a reserve for the replacement of District pool vehicles (\$125,535) and a reserve for imprest/petty cash (\$250).

We are not proposing any increase to reserves for FY 2011-2012. The current total reserve level of \$1,585,124 represents 38% of the District's proposed annual budget, which will allow us to delay implementation of a county-wide per-capita fee at least one year later than originally planned (FY 2011-2012) in our approved Five Year Fiscal Plan.

General Reserves remain fixed during the course of a fiscal year, but may be changed during budget adoption each year. Designated reserves may be appropriated by Board action for expenditure for their identified purpose during the budget year.

Recommended Uses of Any Additional FBA

The County Auditor-Controller will close the books for FY 2010-2011 for San Luis Obispo County and Special Districts on July 29, 2011. If the District's actual year-end fund balance available (FBA) from FY 2010-2011 proves to be larger than the current projections that are incorporated in the proposed budget, it is recommended that any balance be divided equally and added to the Capital Equipment Designated Reserve and the General Reserve.

Salary, Benefit and Position Changes

Salaries and Benefit costs are expected to increase \$90,234 (+3%) from \$3,005,310 to \$3,095,544 in FY 2011-2012. Costs for District staff salaries and benefits represent 75% of the requested total budget. The APCD staffing level is proposed to remain at a total of 23.50 FTEs (full-time equivalents).

Incorporated in the budgeted salaries and benefit costs are:

- Anticipated promotions and merit increases of approximately \$73,300.
- Cost savings of \$31,600 through deletion of a ½-time Administrative Assistant position added in FY 2010-2011 to support the additional administrative workload associated with the staff separation from the County of San Luis Obispo in December 2010. The additional human resources and payroll administrative tasks have been assigned to the Supervising Administrative Clerk and Fiscal Manager, whose positions will be reclassified to include their new responsibilities.
- Reduced budgeted overtime and on-call costs by \$19,600, to reflect changes implemented for weekend work procedures.
- Minor cost savings from replacement of a ½-time Air Quality Specialist (AQS)-III air monitoring position with a full-time AQS-II air monitoring position, which enables elimination of contracted assistance for particulate filter data collection and other monitoring tasks.
- Increased fringe benefit costs of \$29,200 resulting from contracting with new benefit providers after the staff separation from the County of San Luis Obispo in December 2010; \$24,800 of this amount is due to increased workers' compensation insurance costs after leaving the County's self-insured plan.
- Estimated 1.0% rate increase in the District's pension costs, budgeted at \$18,200, due to the current under-funded condition of the County Pension Trust Fund and increased charges per employee for the

Pension Obligation Bond debt service. County Pension Trust is expected to complete an actuarial report and revise the required contribution rates by Summer 2011.

- Estimated accumulated leave pay-off of \$20,700 for a retiring employee.

District Budget Adoption Process

To meet the requirements of Health and Safety Code Section 40131, a summary of the District Budget Proposal for FY 2011-2012 has been available for public review at the District office and at public libraries throughout the county since April 15, 2011. The proposed changes to the APCD fee schedule, the permit renewal factor, and the hourly reimbursable permit services billing rate are also included with the budget summary at each of those locations. The District published a legal notice and sent letters to all payers of District stationary permit fees, notifying them and the general public that information about the APCD budget, fees and proposed hourly rate changes are available for their review and comment. Additionally, permit holders were invited to a public workshop on the proposed District Rule 302 and 303 changes, held at the APCD office on April 26, 2011.

The District's budget development and adoption process is interactive and intended to encourage the Board, regulated industry and the general public to work closely with District staff to assure appropriate resource dedication and program focus in the coming year. Two public hearings by the APCD Board are required for budget adoption. The first hearing was held on May 18, 2011 in the Board of Supervisors Chambers at the County Government Center, San Luis Obispo, California; today's hearing will complete the budget adoption process. After adoption by your Board, the District's budget will be sent to the County Auditor-Controller for inclusion in the County of San Luis Obispo Special Districts Budget book, to be published in September 2011.

Format of Information Presented

Information in the packet includes the following:

- Single summary page listing overall requested revenue and expenditure appropriations
- Line-Item Request and Justification Detail (9 pages, providing specific detail about new request levels by account)
- Position Allocation List (authorized APCD staff positions)
- Service Program Expenses (costs by APCD Division)
- Detail and Analysis of Reserves and Designations
- Narrative Statement of Purpose and Summary of Service Programs
- Organizational Chart
- Salary Projection


Attachment 1 - Copy of Notice of Availability of Proposed Budget and Changes to District Rule 302 and Rule 303 sent to APCD permit holders

Attachment 2 – Performance Indicators for FY 2011-2012

Attachment 3 – Budget Adjustment Request for Restricted Revenue Fund Interest



TO: APCD Permit Holders and Other Interested Parties

FROM: 
Larry R. Allen, Air Pollution Control Officer

DATE: April 15, 2011

SUBJECT: Notice of Availability of Proposed District Budget for 2011-2012 and Changes to District Rule 302 Schedule of Fees and Rule 303 Hearing Board Fees

Availability of Proposed District Budget for 2011-2012 for Review and Comment

You are invited to provide input on the proposed annual budget for the District for Fiscal Year (FY) 2011-2012. Comments on the budget or suggested changes may be submitted in writing prior to two scheduled public budget hearings or may be made orally at those hearings. The Air Pollution Control District (APCD) Board will hold hearings on May 18, 2011 at 9:00 a.m. and on July 27, 2011 at 9:00 a.m. in the Board of Supervisors Chambers at the County Government Center, San Luis Obispo, California. Formal adoption of the budget and fee schedule by the APCD Board is scheduled for their July 27, 2011 meeting.

The Air Pollution Control District's budget request of \$4,156,766 for Fiscal Year 2011-2012 represents a 10% decrease to the current budget for FY 2010-2011. A summary of the FY 2011-2012 Proposed Budget is scheduled to be available for public review beginning April 15, 2011 on weekdays between 8:00 a.m. and 5:00 p.m. at the Air Pollution Control District office, located at 3433 Roberto Court, San Luis Obispo, California. Copies of the budget summary and the schedule of District fees will also be available for review at the public libraries in Nipomo, Arroyo Grande, San Luis Obispo, Morro Bay, Atascadero and Paso Robles during their normal business hours. The budget information is available to be mailed to permit holders and interested parties on request, and is also available on the District's website at <http://www.slcleanair.org>.

Incorporated with the summary of the proposed budget are supporting documents, including a current schedule of fees charged by the District. Proposed changes to District Rule 302 Schedule of Fees and Rule 303 Hearing Board Fees, are described below.

- The hourly billing rate for reimbursable permit services is proposed to increase from \$110 to \$115 per hour and the permit renewal factor is proposed to increase from \$75.69 to \$80.00. Total fee revenues from permit renewals are expected to increase 5% and new and modified source fees are projected to decrease 23%, maintaining a fiscally conservative outlook that the slow economic recovery will continue to suppress new project proposals into next year.

- A new lower fee structure is proposed for engines of less than 50hp which are used in any operation or production process requiring a permit. Currently, these are assessed at the minimum fee for prime use engines of 50hp or greater, which is 87% higher than the new proposed category (5.6 units versus 3.0 units). A new, lower fee structure is also proposed for small boilers that are exempt from emissions testing (10.3 units versus 24.4 units). These proposed lower rates acknowledge the lower emission impacts of the smaller engines and boilers.
- The agricultural diesel engine registration fee category would be adjusted to result in rounding to the nearest full dollar.
- Petroleum refineries (basic) fee category 44(a) is proposed to increase 8.8% under a long range plan to gradually increase the fee until it matches the category 44(b) amount.
- Annual burn permit fees are proposed to increase by \$25 dollars for typical greenwaste and agricultural permits. Permit fees for larger burn projects will increase by \$25 to \$50, depending upon size. These increases are designed to improve cost recovery for implementing the burn program and were Board-approved under the District's 2009-2013 Fiscal Plan.
- The following proposed changes apply only to new applications or petitions:
 - Filing fee increases from \$170 to \$195
 - Transfer of ownership fee increases from \$85 to \$95
 - Duplicate permit fee increases from \$2.50 to \$10
 - Hearing Board petition filing fee
 - \$450 for a single petitioner
 - \$300 plus \$150 per petitioner, for multiple petitioners

The District is conducting a public workshop to discuss these proposed FY 2011-2012 permit related fees on April 26, 2011 at 3:00 p.m. at the District Office.

If you would like further information about the proposed budget or its hearing and adoption process, please contact Larry Allen, Air Pollution Control Officer, or Kevin Kaizuka, APCD Fiscal Manager. For questions on the proposed fee changes or other rule revisions, please contact Gary Willey, APCD Division Manager. All three can be reached at (805) 781-5912.



**AIR POLLUTION
CONTROL DISTRICT**
COUNTY OF SAN LUIS OBISPO

**2011/2012 YEAR FEE REVISION
STAKEHOLDER MEETING**

3:00 pm, Tuesday April 26, 2011
3433 Roberto Court, San Luis Obispo

The San Luis Obispo County Air Pollution Control District (District) is holding a stakeholder meeting on Tuesday, April 26, 2011 to share information on the proposed District budget and take comment. The fees for most permits would increase by either \$25 per year or 5.7% (less than 1.9% yearly average); the District has not increased permit fees since July 2008. Hearing Board petition filing fees are also proposed to increase to \$450; those fees have not been adjusted since inception in 1979.

The increases are proposed to maintain existing service levels according to the APCD Board approved Fiscal Plan. Under that plan, fees are established to obtain 95% cost recovery from permitted sources. State law prohibits Air Districts from using permit fees for non-permit related programs or from collecting more than its costs to operate the permit program.

Although, we continue to receive additional unfunded State mandates every year that must be implemented throughout SLO County, we are committed to continuous improvement of our services.

The first of two public hearings for APCD Board consideration of the proposed permit fee schedule changes will be held on May 18, 2011. The second fee schedule hearing will be held on July 27, 2011. Both hearings are scheduled for 9:00 am in the Board of Supervisors Chambers at the County Government Center, San Luis Obispo, California.

The proposed fee rules and staff report will be available online by April 18th at slocleanair.org.

If you have any questions, please contact Gary Willey at (805).781-5937 or gwilley@co.slo.ca.us.

San Luis Obispo County Air Pollution Control District
Commitment to Excellence
Performance Indicators for 2011/2012

The Air Pollution Control District (APCD or District) promotes and protects public health and welfare in San Luis Obispo County by implementing programs to achieve and maintain state and federal air quality standards, to reduce exposure to and health risks from toxic air contaminants, and to inform and educate county residents on air quality issues and what they can do to help attain and preserve clean air in our region. The District is the main agency responsible for controlling emissions of air pollutants from fixed industrial and commercial facilities. Because vehicles contribute over half of the air pollutants emitted in the county, the APCD is also actively involved in promoting emission reductions from mobile sources of all types.

The District's Strategic Plan identifies several key goals for accomplishing our mission and mandates; performance measures for gauging progress in achieving those goals are listed below. In addition, we have identified a number of operational performance goals to ensure the District continues to provide quality and cost-effective service while meeting the many demands placed on us in implementing state and federal mandates and Board priorities. Thus, the measures described below are split into Mission and Operations; the operational measures are further categorized by organizational division or major program area. Each subtitled paragraph describes a key program or aspect of APCD operations, a means of measuring accomplishment, and a specific commitment to achievement for the coming year. These measures represent only a portion of all District activities and are intended to be used as indicators of District program delivery and staff performance.

ACHIEVING OUR MISSION

- ***Attainment of Air Quality Standards***

Achieving and maintaining ambient air quality within health-based standards is one of our primary responsibilities mandated by law and a key element of the District mission. The District is currently designated as a nonattainment area for the State ozone and PM₁₀ standards. **Measurement Method:** Long term air quality and emissions trends. **Performance Measure:** Ozone precursor and particulate matter emissions show annual reductions, and ambient pollutant concentrations trend downward over a running 10 year period for all monitoring stations below 500 meters elevation (stations above 500 meters elevation are impacted by pollutant transport from other areas). A 10-year ozone and PM trend analysis will be prepared and presented to the Board by November 2011.

- ***Reducing Exposure to Toxic Air Contaminants***

A key focus of the District is to reduce public exposure and health risk from toxic air contaminants. The District implements and enforces federal and state toxic air contaminant standards, evaluates all permit applications from new and modified sources for the need to conduct a risk assessment, and prepares an annual report identifying the sources of air toxic emissions and their associated risk. The District has completed a draft Toxic Risk Management Plan (TRMP) to coordinate the various programs currently being implemented and to identify and guide the adoption of additional control strategies as necessary. The District's previous work on diesel risk management has been incorporated into the draft TRMP as a SAP element. Along with other air districts across California, the APCD is working with local jurisdictions to ensure toxic impacts are fully addressed and minimized before proposed projects are acted on by lead agencies. Both the CAPCOA Health Risk Assessment Land Use document and the APCD's CEQA Air Quality Handbook provide guidance to lead agencies, developers, consultants and the public on how to assess and minimize toxic exposure to land use development. Risk screening tools are available to assist lead agencies and project proponents assess their proposal prior to submittal. **Measurement Method:** Number of applications reviewed for the need to conduct a risk assessment; submittal of annual Air Toxics Hot Spots report to Board; completion and implementation of the TRMP; number of CEQA projects that assess the potential health risk of proposed development and take action to minimize exposure. **Commitment to Performance:** Finalize and present the TRMP for Board consideration in fiscal year 11/12. Perform and/or evaluate risk assessments for all new and

modified sources exceeding District risk screening thresholds. Participate in the review process for all Airborne Toxic Control Measures developed by the State and begin implementation within mandated timeframes. Present annual report to Board in July 2011. Provide guidance and screening assessment tools to lead agencies and project proponents on projects with potential to increase exposure to toxic emissions. Work with lead agencies to define long-range options for land use areas in close proximity to toxic sources.

- ***Minimizing Air Quality Impacts from Development***

New industrial, commercial and residential development projects are reviewed for their potential impacts on local air quality. The evaluation includes assessment of ozone precursors, particulate matter, exposure to toxics and greenhouse gas emissions. Recommended mitigation measures typically involve implementation of smart growth principles (such as compact growth), installation of infrastructure to support alternative transportation, increased energy efficiency improvements, installation of particulate traps on construction equipment and other measures to reduce project emissions. Project applicants are responsible for implementing these measures. The 2009 CEQA Air Quality Handbook provides information for all stakeholders on the evaluation, quantification and mitigation of air quality impacts associated with development. Through passage of SB 375, the APCD will continue working with SLOCOG on the inclusion and implementation of a Sustainable Community Strategies to better link the connection between vehicle miles traveled and greenhouse gas emissions. APCD Board adoption of greenhouse gas (GHG) significance thresholds for projects (residential, commercial and industrial) subject to CEQA will assist in the evaluation and mitigation of emissions from new development.

Measurement Method: Work with County and cities to verify mitigation implementation and tracking of new residential developments that occur inside urban and village reserve lines versus remote rural areas; board adoption of GHG significance threshold for CEQA; number of completed outreach activities on the long-term air quality benefits of implementing Smart Growth principles to reduce dependence on the automobile. **Commitment to Performance:** District staff will annually inspect at least 10% of all new development projects with air quality mitigation requirements to audit implementation of approved mitigation measures. Finalize and present the GHG CEQA threshold for Board consideration in fiscal year 11/12. Staff will work with regional agencies to evaluate the development trends and compare the number of residential units and commercial units approved outside city limits, URLs or VRLs vs. those approved inside such boundaries countywide and calculate new vehicle trips generated in each area. Staff will work with City and County Planning, SLOCOG and CalTrans through long-range planning discussions on the inter-relations between land use and circulation strategies, reliance on automobile travel and impacts to air quality.

- ***Minimizing Local Contributions to Climate Change***

The Board adopted a Climate Protection Program in 2005 designed to minimize local generation of greenhouse gases (GHGs) through measures implemented by the District and expansion of public outreach on the issue. Major elements of the Plan include developing a countywide inventory of GHG emissions; targeting a portion of mitigation grant funds for GHG reduction projects; quantifying the GHG reduction benefits from existing district programs; developing public education & outreach programs; encouraging local governments to sign the U.S. Mayors Climate Protection Agreement and/or join the International Cities for Climate Protection Program; developing a strategic partnership with Cal Poly to assess GHG impacts and aid with outreach efforts; and joining the Climate Registry. All cities and the county have completed their GHG emissions inventories, and a few have begun in the development of GHG reduction plans. The APCD is currently working on its fourth GHG inventory; once complete, it will be verified and submitted to the Climate Registry. **Measurement Method:** Secure adequate funding to support the development and completion of GHG Climate Action Plans for all cities; implement the existing GHG grant program and secure additional funds to expand scope of grant; increased awareness of APCD programs that identify personal actions to reduce GHG emissions (i.e., Food Miles and SLO Car Free); expansion of the science based climate change curriculum to

schools throughout SLO County; facilitation of GHG stakeholder forums with local jurisdictions to develop action plans; continuation of the partnership with Cal Poly; completion of APCD's annual GHG inventory and action plan through the Climate Action Registry. **Commitment to Performance:** Secure grant funding to assist cities in the development and implementation of Climate Action Plans to be used as a CEQA streamlining tool; work with student interns from Cal Poly and Cuesta College to reach out to schools with the Clean Air Ambassador program to expand science based curriculum on climate change; Staff to conduct quarterly meetings with the City/County GHG stakeholder group; implementation of the Public Outreach Plan will continue through this fiscal year with an update presented to your Board by January 2011.

- ***Ensure Adequate Fiscal and Staffing Resources to Accomplish Mission***

A detailed, balanced District budget is prepared annually for adoption by the Board. Revenues and expenditures are periodically forecasted for future years to gauge the long-term financial well-being of the District, determine progress on the District's Fiscal Plan goals, and ensure that adequate staffing and other resources will be available to accomplish the District's Mission. An updated five-year Fiscal Plan approved by the Board in November 2008 is being implemented and will be reviewed and updated periodically. This includes exploring new revenue sources as well as considering operational efficiencies. **Measurement Method:** Completion of an annual balanced budget, periodic revenue and expenditure forecasting, and implementation of Fiscal Plan measures and updates. **Commitment to Performance:** A draft budget proposal for FY 2012/2013 will be completed and presented for public and Board review in May 2012, with the final budget presented for public review and Board approval in July 2012. New trend analyses of five-year fiscal indicators will be prepared and reviewed, with an update to the District's Fiscal Plan scheduled to begin in September 2011 for review and approval by the Board in January 2012.

- ***Building an Informed Public***

The cumulative everyday actions of private citizens can positively or negatively affect air quality and climate change, particularly through motor vehicle use, residential and backyard burning, consumer choices and energy consumption. The APCD implements a variety of public awareness and education programs including: media outreach, Latino outreach, publications (i.e., brochures, press releases and flyers), website, presentations to classes and groups, and community events. Public education and outreach is also critical to the successful implementation of District rules and programs. **Measurement Method:** Implementation of a comprehensive 5-year public outreach plan designed to increase public awareness on the impacts our everyday lifestyles have on air quality and climate change. Local air quality issues are adequately covered by local media outlets; increased number of individuals who rely on the APCD website to retrieve air quality information; development and utilization of public surveys to gauge public knowledge; and, commitment to personal action. **Commitment to Performance:** Staff will continue with the implementation of the 2011 – 2016 Public Outreach Plan that outlines strategies and allocation of resources for the upcoming calendar year. The APCD will support and participate in public events around the county. Outreach to schools and service groups will be performed. Informational outreach materials will be prepared as needed. Media placement (e.g. press releases, articles and interviews on local air quality) will be secured on a quarterly basis. The APCD website will be updated regularly and utilized as a primary means to disseminate information on air quality.

- ***Providing Quality, Cost Effective and Knowledgeable Service***

The District works with a variety of government agencies, industry, businesses and the public to preserve and enhance local air quality. A key element of the District's mission is to "provide quality and cost-effective service" to all sectors with which we interact. Ensuring staff are informed and knowledgeable is essential to meeting that goal. **Measurement Method:** Periodic stakeholder surveys to evaluate customer perception of APCD operations and identify program areas that may need improvement. Tracking visits to and comments on the APCD website. Amount of appropriate training

and literature review accomplished by staff each year, **Commitment to Performance:** Compliance Section customer satisfaction surveys will be distributed and reviewed on an ongoing basis; this survey is also available on our website for stakeholder convenience. The Engineering Division customer satisfaction survey will be distributed to a representative sample of permit holders in 2012 and every three years after. Appropriate action will be taken on any negative comments or areas of suggested improvement received through the surveys, with a goal to achieve an 85% or greater positive response rate. Website use and comments or inquiries to the District posted from the website will be tracked and evaluated annually. By September 2011, each division will be surveyed for specific training needs and a training implementation schedule will be developed; each staff member will complete at least one training event (workshop, seminar, conference) in FY 11/12, with the County Employee University utilized whenever possible. All staff will be encouraged to perform at least one hour per week of literature review during the year to stay current on emerging issues.

OPERATIONAL PERFORMANCE

ENGINEERING

- **Rules and Regulations**

To control emissions which cause air quality problems, APCD rules are evaluated for appropriateness and effectiveness. When changes are needed, workshops are held with affected parties, and new or changed rules are brought to the APCD Board for adoption at public hearings. APCD rules are similar to those in effect elsewhere around the state and nation. **Measurement Method:** Rate and timing of rule adoption actions. **Commitment to Performance:** Particulate control measures will be adopted on the schedule established in conjunction with State Senate Bill 656. A new Clean Air Plan with associated rule schedule will be developed in accordance with the District's future ozone attainment status for both the State and Federal standards. Additional Rules will be reviewed and revised as necessary to keep them current with state and federal law.

- **Issuance of Permits and Authorities to Construct**

Operating permits are issued to most stationary sources affected by APCD rules, both to assure continuing compliance and to provide businesses with confirmation that they have met all APCD requirements. An Authority to Construct allows a facility or device to be installed before its emissions can be tested in actual operation. **Measurement Method:** Time required to complete an Authority to Construct. **Commitment to Performance:** Following receipt of a complete application, an Authority to Construct will be issued in 30 days for minor, 60 days for medium and 120 days for major sources.

- **Emissions Inventory**

Tracking emissions from sources in San Luis Obispo County is used to develop attainment plans and show progress toward meeting air quality goals. APCD staff annually updates the emissions inventory. Approximately every three years, the District conducts a more detailed inventory analysis to be used in plan updates and/or formation of new state Air Quality Plans. Greenhouse gases were added to the inventory for permitted sources starting in 2009. **Measurement Method:** Completion of annual emissions inventory and submittal to the Air Resources Board through their electronic submittal system. **Commitment to Performance:** Past year inventories will be completed prior to December 31st annually.

COMPLIANCE AND MONITORING

- **Permit Renewal and Compliance Inspections**

Permits to Operate are renewed on an annual, biennial or triennial basis, depending on the type and size of the source. The permit renewal process assures that sources continue to comply after approval of an

operating permit. APCD staff regularly inspects emission sources under permit, and other sources not under permit that are subject to APCD rules. Inspections allow compliance with APCD rules to be verified, and are also performed when Permits to Operate are periodically renewed. **Measurement Method:** Turn-around time on permit renewal actions and total number of compliance inspections completed. **Commitment to Performance:** Permits will be renewed within an average of 45 days from the end of the renewal month, with none exceeding 90 days. All facility and compliance inspections, projected to exceed 2,454 for FY 2010/2011, will be completed in that fiscal year. When complaint and asbestos investigations are added to this number, District staff will inspect and investigate over 2,700 sources of air pollution this year, an average of over 775 inspections and investigations for each inspector.

- ***Enforcement and Legal Actions***

Violations of APCD regulations are addressed through legal action as needed, including recovery of any costs of enforcement resulting from investigations and subsequent mutual settlement, Hearing Board or civil court actions. **Measurement Method:** Turn-around time to resolve Notices of Violation. **Commitment to Performance:** Mutual settlement of minor violations will average 90 days or less. Settlement times for major violations will average six months or less.

- ***Complaint Response***

Public complaints about any air quality problems are investigated and documented. In the course of investigation, many problems warranting complaints are resolved. The goal is to ensure responsiveness to and resolution of air quality complaints. Development and implementation of streamlining measures has resulted in more timely and efficient responses to private nuisances and dust complaints, updated computer tracking procedures, and updated assignment procedures. **Measurement Method:** Average time to investigate, resolve and document all complaints received. **Commitment to Performance:** Turn-around will be minimized, with no more than one day for each complaint response and 10 days to complete related investigations, final actions and reports. Approximately 200 complaints are expected to be received and investigated in FY 2011/2012.

- ***Asbestos Program***

Federal laws regarding the assessment, removal and disposal of materials containing asbestos are enforced by APCD staff. **Measurement Method:** Timely completion and reporting of asbestos actions which arise in FY 2011/2012. **Commitment to Performance:** Federal law sets the legally allowed task completion deadlines for asbestos actions. All District tasks will be completed expeditiously and in compliance with the federal deadlines; reports will be made to EPA quarterly, as required.

- ***AIRS Program Facility Data Compiled, Evaluated and Reported***

Facility compliance data are sent to state and federal databases. Data are compiled and evaluated by the APCD, and are kept on file for any future public or private use. Comprehensive reports based on this and similar data from other areas are prepared by the state and EPA. Enhanced recordkeeping and reporting is required by EPA under the current Compliance Monitoring Strategy. **Measurement Method:** Due dates met for submission of data to other agencies. **Commitment to Performance:** Data will be provided monthly, bi-monthly and annually and on time as required by ARB and EPA.

- ***Ambient Air Monitoring***

Fixed air monitoring stations, each containing analyzers and support equipment, are operated by the APCD in key locations around the county. The APCD coordinates with the Air Resources Board and private companies that also do monitoring, to ensure the best overall assessment of local air quality. Thorough quality assurance practices are implemented to ensure valid air monitoring results. Special monitoring studies are performed as needed and as resources permit. **Measurement Method:** The total number of monitoring stations that are operated in the county. Implementation of special study on PM

impacts of offroad vehicle use at Oceano Dunes. **Commitment to Performance:** For FY 2011/2012, the APCD will operate at least six District monitoring stations for a full 12-month year, as well as the Grover Beach meteorological station. The APCD will continue to operate the Mesa 2 station for ConocoPhillips. The APCD will support and coordinate the operation of at least two more stations by the Air Resources Board.

- ***Air Quality Data Compiled, Evaluated and Reported***

Air quality data from APCD stations are sent to state and federal databases. Data from all monitoring in the county are compiled and evaluated by staff and kept on file for future public and private use. All violations of state and federal standards are counted, and trends are evaluated. Reports describing trends and air quality status are prepared for public distribution. **Measurement Method:** Total number of data channels reporting data and the percent of valid data recovery rate. **Commitment to Performance:** For FY 2011/2012, all pollutant and meteorology data channels measured in the county at APCD and other monitoring stations will be acquired, evaluated, and archived. Pollutant data channels will be reported in regular annual and special District reports to the media and public. District monitoring stations will achieve at least a 95% valid data recovery rate.

PLANNING

- ***Planning and Control Strategy Development***

Monitoring data are evaluated to identify where and for what pollutants air quality improvement is needed to protect public health and welfare. Control strategies are developed to promote changes in emission levels. These strategies may result in revisions to APCD rules and regulations, changes in mitigation required of CEQA projects or changes in permitting or compliance policies. Staff will also address local implications that result from SLO County's non-attainment designation for California's 8-hour ozone standard and the pending new Federal 8-hour ozone standard. Through the development of a multi-pollutant Clean Air Plan, staff will conduct an analysis of SLO County air quality trends and develop control strategies to reduce emissions and achieve health-based air quality standards for ozone precursors, particulate matter and toxics, as well as reduce greenhouse gas emissions to comply with AB 32, California's Climate Solutions Act. **Measurement Method:** Timely analysis and development of control strategies mandated by State or federal law or directed by the APCD Board. **Commitment to Performance:** For FY2011/2012, staff will conduct research and analysis for the development of a Multi-Pollutant Clean Air Plan targeted for Board consideration and approval in FY13/14. This effort will include a review of control strategy effectiveness (including cost-effectiveness and feasibility), stakeholder participation and the necessary environmental review of any proposed control strategies. Staff will continue to work with ARB and EPA to define the designation and classification for US EPA's pending new 8-hr ozone standard.

- ***Project Review and Land Use Planning***

District staff review from 70 - 150 new industrial, commercial and residential development projects each year for their potential impacts on local air quality and recommend mitigation measures to reduce any potentially significant impacts. Coordination with lead agencies is essential to streamline our review and comment on development projects. Increased awareness among decision makers, governmental agencies, developers and residents is critical to assure successful implementation of sustainable land use policies. **Measurement Method:** The average time required to review and respond to projects referred to the District. Development of streamlining tools to maximize APCD resources while assuring air quality mitigation is adequately addressed in projects countywide. Implementing a cost-recovery mechanism for staff time required to review and comment on these projects. **Commitment to Performance:** Review and response for smaller more routine projects will be completed within 7 days of receipt; moderate size projects within 21 days of receipt; and large projects/EIRs within 30 days of receipt. Approximately 100 projects are expected to be received and

reviewed in FY 11/12. Staff will continue to develop streamlining tools to better utilize APCD resources while increasing coordination with the lead governmental agency. A mechanism for achieving cost recovery for project review will be brought to the Board for consideration and approval in FY 11/12.

- **Transportation and Mobile Sources**

Staff works with local agencies, schools and businesses on methods to reduce employee and student commute trips; enhance public transit, bicycle and pedestrian facilities; and promote teleworking. Staff works with the Central Coast Clean Cities Coalition (C5) to promote the use of clean burning alternative fuel vehicles and infrastructure and secure state and federal funds to support these projects throughout the Central Coast. Through the development of the SLO Car Free program, the District partners with local businesses and organizations to promote car free tourism to our region. In addition, staff works with local jurisdictions to promote land use and circulation policies which reduce reliance on automobile travel. **Measurement Method:** a reduction of VMT; an increase in average vehicle ridership (AVR) and transit users; increase in the number of low emission vehicle technologies throughout our County; an increase in the number of alternative fueled vehicles and necessary infrastructure; increased grant funds secured to expand alternative fuel projects; baseline number of registrants and participating businesses in the SLO Car Free Program. **Commitment to Performance:** Staff will work with transportation alternative partners (i.e., C5, Rideshare, Ride On, SLO Bicycle Coalition, and transit providers) to conduct public outreach campaigns to increase awareness on commute options. Staff will work with C5 to implement elements of its Program Plan and compile surveys to determine the amount of alternative fuel vehicles operating in SLO County; staff will also work to secure funding from the U.S. Department of Energy and California Air Resources Board to support the coalition's mission. Staff will work with SLO Car Free coalition partners to secure program funding to expand awareness to area visitors.

- **Grants and Incentive Programs**

The Carl Moyer Grant Program, SB 923 (DMV funds) Grant Program, Low Emission School Bus Program and various mitigation fee sponsored grants are administered by the District. These include competitive as well as first-come, first-serve grant programs that solicit and fund community-based projects designed to reduce emissions from a variety of sources. District administration of grant funds includes: development of grant programs, securing Board approval for grant fund allocations, development and distribution of Requests for Proposals (RFPs), review of project proposals, development and implementation of contracts with grantees, tracking fund disbursement and use, and audits of grant projects and overall program management. **Measurement Method:** Development and Board adoption of Carl Moyer, SB 923 funds and mitigation fund grant programs. Time required for RFP distribution, project evaluation, Board approval, contract finalization, project funding, implementation and project monitoring, and quantification of emissions reduced. Allocation of grant funds and timely reporting as required by ARB for the Carl Moyer and SB 923 grant program funds. **Commitment to Performance:** Mitigation fund grant programs and recommended funding allocations will be presented to the Board when funds become available. For grant programs using an RFP process, staff will prepare the RFP for Board review and approval, distribute the RFP and begin accepting applications within 3 months of Board approval. Project screening, evaluation, ranking, and project contracting shall be completed within State-required timeframes, with extensions allowed on a case by case basis by the State. In August of every year, staff will prepare and submit State mandated grant progress reports (Moyer, AB923) On an ongoing basis, all grant contracts will be maintained, projects monitored, usage reports reviewed and periodic audits conducted; invoices will be paid within 30 days of submittal. A summary of total grant funds awarded and projects funded during the prior fiscal year will be presented to the board at their September meeting.

ADMINISTRATION AND OPERATIONS

- ***APCD Financial Management***

Revenues received and expenditures incurred are reviewed and tracked on an ongoing basis throughout the fiscal year to ensure consistency with the approved budget and compliance with governmental accounting standards. Invoices are prepared and revenues are tracked for permits issued, civil penalties assessed, and other fees for District-provided services. Grant funding, distribution, and reporting is coordinated with State and Federal agencies. Applicable contracts and purchase orders for supplies, professional services, and fixed asset acquisitions are engaged as necessary throughout the year. Revenues are deposited daily and payments for goods and services are generally processed within one week of invoice receipt. Annual financial reports are prepared and submitted to State and local agencies to comply with funding and other legal reporting requirements. An annual financial statement and internal controls audit of the District is conducted each year by an independent accounting firm.

Measurement Method: Financial monitoring, reporting, and compliance with all applicable governmental regulations and requirements. **Commitment to Performance:** District revenues and expenses will be closely monitored during the fiscal year to ensure consistency with the Board-approved budget as well as governmental accounting standards. Financial status reports will be submitted to the Board at each bi-monthly meeting. Annual financial reports will be prepared and submitted to State and local agencies by required due dates, to comply with funding and other legal reporting requirements. An audit of the District's FY 2010/2011 financial statements and internal controls will be completed by an independent accounting firm and presented to your Board no later than Spring 2012.

- ***Improve Cost Recovery for Services***

As described in the Board-adopted Fiscal Plan, District staff should routinely review levels of service provided to permit holders and other stakeholders, and assure that cost recovery properly compensates for the cost of those services, without unfairly burdening other fee payers. Specific cost recovery goals are detailed in the Fiscal Plan. **Measurement Method:** Biennial evaluation of cost recovery effectiveness in all program areas. **Commitment to Performance:** Cost recovery improvements and potential new revenue strategies were proposed and approved by your Board in the November 2008 update to the District's 5-Year Fiscal Plan. Some of the strategies developed, like improved cost recovery for significant work on large CEQA projects and new fees for reviewing asbestos plan revisions, have been implemented. Another strategy, increased fees for burning permits, has been incorporated into the FY 2011/2012 budget. Finally, a county-wide per capita fee will be brought back to your Board for consideration and adoption in future budgets. We will continue to evaluate the effectiveness of these measures and report the results to your Board in the next Fiscal Plan update, currently scheduled for January 2012.

- ***Improve Response to Emerging Issues***

New air quality issues emerge steadily as knowledge about different air pollutants and their public health impact grows. This new information leads to improvements in air management strategies, such as more protective air quality standards, better monitoring methods, and new ways to educate the public about air pollution. To best protect public health in this county, the APCD must remain responsive to new information and developing issues, while still maintaining a strong focus on core responsibilities and objectives. **Measurement Method:** Level of participation in state, regional and local issue-based committees, and level of review performed on proposed and newly enacted air quality legislation. **Commitment to Performance:** Staff will coordinate with the National Association of Clean Air Agencies (NACAA) to track EPA efforts to adopt and implement a new federal ozone standard. Staff will track emerging statewide issues through the CAPCOA Board and committees and through the Basin Control Council quarterly meetings, and will track local issues through participation in local committees, forums and other activities. Emerging issues will be agendaized and discussed at least

monthly in management and division staff meetings and will be summarized by the APCO at Board meetings.

- **Legislation Tracking and Guidance**

Proposed state and federal legislation affecting air quality is evaluated both for impacts on air quality and effects on the county's businesses and citizens. Input is provided to encourage passage of the most effective and practical legislation. **Measurement Method:** Timely tracking and response to legislation affecting district operations and mandates, and annual adoption of a legislative platform by the Board. **Commitment to Performance:** Staff will perform monthly review and analysis of pertinent legislation and provide updates to the District Board at scheduled meetings as needed. A legislative platform will be prepared and brought to the Board for consideration and adoption in January 2012.

- **Computer Operations and Data Processing**

The most cost-effective and successful utilization of computer and office automation resources by all APCD staff is supported and implemented. This includes acquiring, configuring and operating computer equipment and software systems. It also includes instructing all staff to facilitate full and efficient use of those resources. **Measurement Method:** Availability for use and state-of-the-art functionality of workstations and software applications routinely used for APCD business and office automation tasks. **Commitment to Performance:** In FY 2011/2012, except for possible brief interruptions from minor equipment malfunctions, each temporary or permanent APCD staff member will have a fully functional and current workstation, with needed software applications, available during work. Having completed a major rewrite of our Office Information Software (OIS) database in FY 2010/2011, nearly 20% under project budget, we plan to complete a smaller-scale rewrite of our accounts receivable data structure and data tables in FY 2011/2012.

STAKEHOLDER RELATIONS

- **Business and Compliance Assistance**

Information about interacting with the APCD and other government agencies, suggestions for practical compliance with regulations, tips on best emission controls and practices, and other assistance are made available to businesses by APCD staff. **Measurement Method:** Program activities and staff efforts dedicated to business and compliance assistance during the year. **Commitment to Performance:** APCD inspection staff will coordinate with local businesses on training opportunities and distribution of compliance assistance information. APCD staff will coordinate permitting and pre-construction activities with other government agencies to streamline these processes whenever possible. In addition, each permit action will be screened for applicability of a small business fee waiver.

- **Pollution Prevention Program**

Businesses, agencies and the public are advised about ways to minimize pollution which would otherwise need to be controlled, including reducing nonessential use of materials and energy. Creative use of pollution prevention (P2) practices is encouraged. P2 is fully incorporated into the Compliance and Engineering programs and emission reduction opportunities are explored on an on-going basis. **Measurement Method:** Annual goals established by staff and approved by the Board; expansion of a countywide Pollution Prevention School Challenge program in coordination with an interagency/organization stakeholder group. **Commitment to Performance:** District inspection staff will distribute appropriate pollution prevention information to businesses during renewal inspections. The number of Pollution Prevention Program contacts will be tracked for reporting during FY 11/12. Staff will work with the SLO County Office of Education, and other stakeholders who promote green schools throughout the county to promote student-led initiatives to develop campus specific projects to reduce air pollution. The Pollution Prevention School Challenge winners will be recognized before your Board and throughout the local media.

- **Coordination with Other Agencies**

The District interacts with many local, regional, state and federal agencies in implementing its various programs and through participation on related committees and work groups. Local issues and special needs of county citizens are communicated to state and federal air quality agencies. Regulations or actions by those agencies are explained to the public by staff. The most practical implementation of state and federal regulations, considering local needs, is arranged. Efficient and effective service is provided with a minimum of overlap and duplication through coordination with local and regional agencies. **Measurement Method:** Continued coordination with other agencies and organizations on District programs and continued participation on local, regional and state committees. **Commitment to Performance:** The APCD will coordinate program responsibilities with other agencies having similar or related responsibilities, and will seek out opportunities to streamline related operations between agencies. During FY 2011/2012 District staff will coordinate with local planning and transportation agencies to promote smart growth through outreach and development review; coordinate with fire and waste management agencies and the Agricultural Commissioner in implementing burning regulations; coordinate with RWQCB, Environmental Health and affected jurisdictions in oversight of soil remediation projects; coordinate with ARB, EPA and other APCDs in implementing new state and federal mandates; participate on local, regional and statewide committees on issues affecting or related to air quality and climate change in SLO county; participate in quarterly Basin Control Council meetings with the Santa Barbara and Ventura air districts; and other coordination opportunities as they arise.

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AIR POLLUTION CONTROL DISTRICT
County of San Luis Obispo
BUDGET ADJUSTMENT REQUEST

ACCOUNT DESCRIPTION	DEPARTMENT OR PROJECT TITLE	FUND	COST CENTER	COMMIT ITEM	AMOUNT
<u>FINANCING SOURCES</u>					
Interest Revenue	FY 2011-2012 mitigation fund interest	4301000000	7220000000	4150000	\$ 3,000
TOTAL FINANCING SOURCES					\$ 3,000
<u>FINANCING USES</u>					
Operating Transfers-Out	Transfer to APCD District Operations for grant admin	4301000000	7220000000	6010000	\$ 3,000
TOTAL FINANCING USES					\$ 3,000

JUSTIFICATION: (attach letter if required)

To transfer interest earned from eligible mitigation funds into APCD District operating budget for grant administration costs. See attached Board letter and APCO Budget Message dated July 27, 2011.

REQUESTED BY:

7-11-11

Date


 Division Manager

REVIEWED BY:

7/12/2011

Date


 Auditor-Controller

REVIEWED BY:

7-11-11

Date


 Air Pollution Control Officer

PASSED AND ADOPTED by the Board of Directors, Air Pollution Control District, County of San Luis Obispo, State of California, this _____ day of _____, 2011. Agenda Item No. _____

BOARD OF DIRECTORS
AIR POLLUTION CONTROL DISTRICT
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

_____ day _____, 2011

RESOLUTION NO. _____

RESOLUTION OF THE AIR POLLUTION CONTROL BOARD
ADOPTING THE AIR POLLUTION CONTROL DISTRICT BUDGET
FOR FISCAL YEAR 2011-2012

The following resolution is hereby offered and read:

WHEREAS, a Proposed Budget was compiled, approved, advertised and published, pursuant to Sections 40130 and 40131 of the California Health and Safety Code; and

WHEREAS, the Board has properly noticed and conducted a previous, separate public hearing on the Proposed Budget on May 18, 2011; and

WHEREAS, the Proposed Budget and all revisions developed in the public hearing on the budget as reflected in the Clerk's minutes and documents filed with the Clerk during that hearing, properly constitute each of the objects of expenditure to satisfy the budget requirements as determined by the Board, and are hereby summarized for the entire budget as follows:

1. Salaries and Employee Benefits	\$3,095,544
2. Services and Supplies	871,213
3. Other Charges	5,000
4. Fixed Assets	45,000
5. Provisions for Contingencies	120,503
6. Provisions for New Reserves/Designations	<u>0</u>
TOTAL AIR POLLUTION CONTROL DISTRICT BUDGET	<u>\$4,137,260</u> and

WHEREAS, the balance in the Air Pollution Control District's General Reserve and Designated Reserves is a total of \$1,585,124 at the end of Fiscal Year 2010-2011;

NOW, THEREFORE BE IT RESOLVED AND ORDERED by the Air Pollution Control Board of the San Luis Obispo County Air Pollution Control District that:

1. Adoption by Reference - The Proposed Budget for Fiscal Year 2011-2012 on file with the Clerk, as revised and finally determined by the Board, is hereby adopted by reference as the Final Budget.

2. Appropriation of Funds - The various amounts of appropriations for Salaries and Employee Benefits, Services and Supplies, Other Charges and Fixed Assets are hereby appropriated as they are shown in the aforesaid Final Budget for Fiscal Year 2011-2012. The amounts appropriated therein are the total amounts of obligations and expenditures authorized for the period July 1, 2011 through June 30, 2012.

3. Allocated Positions - Employees shall be appointed at class levels shown for allocated permanent positions as indicated by the said Final Budget, and as listed in the Position Allocation List.

4. Contingencies - Contingencies for all Air Pollution Control District Funds for Fiscal Year 2011-2012 are appropriated in the amount of \$120,503.

5. Fiscal Year 2010-2011 Fund Balance and General Reserves and Designations - An estimated amount of \$462,345 in remaining available District Fund Balance from Fiscal Year 2010-2011 shall be appropriated to supplement the District's operating budget for Fiscal Year 2011-2012. If the actual final District available Fund Balance at the end of Fiscal Year 2010-2011 proves to be different than the current estimate of \$462,345, then the additional or lesser Fund Balance shall be utilized as follows:

Any Fund Balance amount which exceeds \$462,345 shall be divided equally and added to the Capital Equipment Designated Reserve and the General Reserve.

If the actual final District Fund Balance is less than the \$462,345 estimate but greater than or equal to \$412,345, then the amount of that difference shall be reduced from the requested appropriation of \$120,503 for Contingencies, reflecting a reduction of up to \$50,000 in that appropriation. If the actual final District Fund Balance is less than \$412,345, the reduced appropriation to Contingencies stated above shall be made, and the Air Pollution Control Officer shall advise the Air Pollution Control Board of such shortfall at the next regularly scheduled Board meeting, so that the Board may make further budget adjustments or take any other such actions as the Board finds necessary.

6. Publication of the Final Budget - The Auditor-Controller shall be requested to publish the Final Budget of the Air Pollution Control District in the *County of San Luis Obispo Special Districts & Debt Service Requirements Final Budget* book for Fiscal Year 2011-2012.

On motion of Director _____, seconded by
Director _____, and passed and adopted on the following roll call
vote:
Ayes:
Noes:
Absent:
Abstaining:

Chair, Air Pollution Control District Board
San Luis Obispo County

Attest:

Clerk, Air Pollution Control District Board

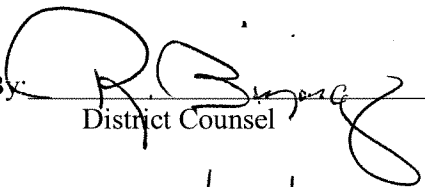
By: _____
Deputy Clerk

I, _____,
County Clerk and ex-officio Clerk of the Board of the Air
Pollution Control District, in and for the County of San
Luis Obispo, State of California, do hereby certify the
foregoing to be a full, true and correct copy of an order
made by the Board of the Air Pollution Control District, as
the same appears spread upon their minute book.

WITNESS my hand and seal of said Board,
affixed this _____ day of _____, 2011.

JULIE RODEWALD
County Clerk and Ex-Officio Clerk of the
Board of the Air Pollution Control District

Approved as to Form and Legal Effect:

By: 
District Counsel

By: _____
Deputy Clerk

Date: 7/15/11

AIR POLLUTION CONTROL DISTRICT - FUND #4300000000
COUNTY OF SAN LUIS OBISPO
SUMMARY BUDGET REQUEST - FY 2011-2012

07/27/11

	BUDGET 2010-11	ESTIMATED 2010-11	REQUESTED 2011-12
REVENUES			
Property Taxes	\$ 282,875	\$ 277,391	\$ 285,398
Operating & Authority to Construct Permits	1,980,000	2,030,487	2,043,000
Other District Fees (Asbestos, Environ Assess, Burn Fees)	125,185	151,563	179,269
Mutual Settlements	25,461	53,780	25,461
Interest	20,766	9,470	9,000
DMV Air Fees	981,903	978,202	978,202
State & Federal Aid	204,113	234,820	151,585
Other Govt Aid	25,000	25,000	0
Other Sales & Miscellaneous Revenues	377,183	284,013	3,000
Cancelled Reserves & Designations	0	0	0
Fund Balance From Prior Year	556,067	556,067	462,345
Encumbrance Reserve From Prior Year	30,414	30,414	0
TOTAL FINANCING	\$ 4,608,967	\$ 4,631,207	\$ 4,137,260
EXPENDITURES			
Salaries & Benefits	\$ 3,005,310	\$ 2,977,798	\$ 3,095,544
Communications - Phones, Radios, Mail	32,809	22,948	32,912
Computers, Software & Computer Support	101,378	92,036	87,197
County Services (excluding Computer Support)	124,772	118,618	113,405
Insurance	33,179	32,062	33,025
Leases & Rents	1,000	710	1,000
Maintenance - Equipment & Facilities	45,687	34,336	52,687
Office Supplies & Copies	20,157	18,210	24,196
Outreach & Other Special Department Expenses	48,885	53,896	76,975
Professional & Special Services	870,001	648,646	375,920
Training & Travel	55,559	24,339	40,716
Utilities	12,517	12,130	12,517
Vehicles - Maintenance & Fuel	20,663	21,989	20,663
Subtotal - Services & Supplies	1,366,607	1,079,920	871,213
Other Charges / Contributions to Other Agencies	15,000	10,000	5,000
Fixed Assets	66,862	66,861	45,000
Contingencies	120,905	0	120,503
Increased Reserves & Designations	34,283	34,283	0
TOTAL EXPENDITURES	4,608,967	4,168,862	4,137,260
Net District Cost	\$ -	\$ (462,345)	\$ -

LINE ITEM REQUEST AND JUSTIFICATION

Air Pollution Control District

07/27/11

Acct #	Account Title	2010-11 Approp.	2011-12 Request	\$ Amount Difference	Request Detail/Justification	Item Cost
Revenue Accounts						
4000005	Property Taxes - Current Secured	284,219	286,939	2,720	Tax projection by Auditor-Controller's Office. Projected FY 10/11 valuations - 2.6% Prop.8 reductions + 1.6% unitary increase - 2.5% RDA pass-through decrease.	286,939
4000010	Supplemental - Curr. Secured	2,639	1,674	(965)	Projected FY 10/11 revenue: est. 49% decrease from FY 09/10 actuals.	1,674
4000015	Redevelopment Agency Taxes	(12,377)	(11,552)	825	Tax projection by Auditor-Controller's Office.	(11,552)
4000025	Property Taxes - Curr. Unsecured	6,156	6,053	(103)	Tax projection by Auditor-Controller's Office.	6,053
4050050	Air Pollution Construction Permits	150,000	115,000	(35,000)	Projection per Engineering Division. Proposed 4.5% increase to hourly billing rates combined with forecasted reduced activity.	115,000
4050055	Air Pollution Renewal Permits	1,830,000	1,928,000	98,000	Projection per Engineering Division. Proposed 5.7% increase to permit renewal factors.	1,928,000
4050060	Air Pollution Asbestos Fees	32,405	32,405	0	Budget to remain at FY 10/11 level.	32,405
4050135	Agricultural Burn Permits	10,560	21,000	10,440	Budget at projected FY 10/11 revenues + FY 11/12 fee increase.	21,000
4050140	Backyard Burn Permits	30,220	66,064	35,844	Budget at projected FY 10/11 revenues + FY 11/12 fee increase.	66,064
4100240	Mutual Settlements	25,461	25,461	0	Mutual Settlement Penalties. Budget to remain at FY 10/11 level.	25,461
4150000	Interest Revenue	20,766	9,000	(11,766)	Earnings continue to decline in FY 10/11; projected to be down approx. 57% from FY 09/10. Budget at projected FY 10/11 revenues.	9,000
4200065	State Aid-Nuclear Planning	33,479	13,719	(19,760)	Reimbursement for participation in training/drills related to Diablo Canyon emergency preparedness. FY 10/11 included special project funding.	13,719
4200075	Homeowner's Property Tax Relief	2,238	2,284	46	Estimate by Auditor-Controller's Office.	2,284
4200117	DMV Air Fees - \$4.00	981,903	978,202	(3,701)	DMV registration revenues applied to APCD operations. Budget at projected FY 10/11 revenues; no add'l growth is expected.	978,202

Acct #	Account Title	2010-11 Approp.	2011-12 Request	\$ Amount Difference	Request Detail/Justification	Item Cost
4200170	State Aid-Other (Subvention, AB923 admin 5%, Moyer admin 10%).	135,534	130,766	(4,768)	CARB subvention @ FY 10/11 actuals (\$73,766) + AB923 admin 5% (\$25,000), + Carl Moyer Year 13 grant admin 10% (\$32,000).	130,766
4250105	Federal Aid - Other	35,100	7,100	(28,000)	EPA PM2.5 pass-thru funding for monitoring station support. FY 10/11 included grant funding for an equipment purchase.	7,100
4300005	Other Governmental Aid	25,000	0	(25,000)	No contributions from non-State/Federal agencies planned.	0
4350480	Environmental Assessment Fees	52,000	59,800	7,800	Reimbursement from ConocoPhillips for operating the Mesa2 air quality monitoring station @ \$2,900/mth x 12 mths. Reimbursement for CEQA reviews of development projects.	34,800 25,000
4550065	Other Reimbursements	368,183	0	(368,183)	Reimbursement from ConocoPhillips for through-put increase CEQA review project will be budget-restored by Auditor's Office in FY 11/12, along w/the corresponding remaining contract encumbrance at FY 10/11 year-end.	0
6000000	Operating Transfers In	9,000	3,000	(6,000)	Interest revenue from restricted rev funds applied to APCD Ops for grant admin. Earnings estimated to decrease approx 67% due to lower balances & continued reduction in interest rates.	3,000
TOTAL REVENUES:		<u>4,022,486</u>	<u>3,674,915</u>	<u>(347,571)</u>		
	Cancelled reserves and designations	0	0	0	None proposed.	0
	Prior Year Fund Balance Available	556,067	462,345	(93,722)		
	Prior Year Encumbrance Reserve	30,414		(30,414)		
	GRAND TOTAL - FINANCING:	<u>4,608,967</u>	<u>4,137,260</u>	<u>(471,707)</u>		
Salary and Benefits Accounts						
5001210	Allocated Positions	2,933,679	3,022,403	88,724	Base salary/fringe projection for 23.50 FTEs (\$2,974,988), estimated 1% pension cost increase (+\$18,198); plus increased workers comp, disability & insurance costs resulting from staff separation from County (+\$29,217).	3,022,403
5001220	Overtime	20,400	9,200	(11,200)	Budget at projected FY 10/11 actuals (including comp time).	9,200
5001240	On-Call Standby	9,431	1,000	(8,431)	Reflects continued reduction in weekend on-call/call-back activity for FY 11/12.	1,000
5001287	Termination Payoff-Vacation Leave	0	4,660	4,660	* Estimated payoff of accumulated leave balances for retiring employee.	4,660

Acct #	Account Title	2010-11 Approp.	2011-12 Request	\$ Amount Difference	Request Detail/Justification	Item Cost
5001288	Termination Payoff-Sick Leave	0	16,031	16,031	* Estimated payoff of accumulated leave balances for retiring employee.	16,031
5001310	Temporary Help	34,000	34,000	0	Estimate of Engineering, Planning, & Admin temp help (Equipment permitting/inspections, transit alternatives, & other misc as needed). Budget at FY 10/11 level.	34,000
5001598	Deferred Comp-Employer Match	7,800	8,250	450	APCO Deferred Compensation match, per APCO's 12/1/10 Board-approved contract.	8,250
	Total: Salaries and Benefits	3,005,310	3,095,544	90,234		
Services and Supplies Accounts						
5050035	Auto Allowance & Taxable Reimbursement	5,400	5,400	0	APCO automobile allowance @ \$450/month, per APCO's 12/1/10 Board-approved contract.	5,400
5050040	Car Rentals	1,312	1,312	0	Rental car expense during business trips. Budget at FY 10/11 level.	1,312
5050045	Cellular Phone Charges	3,132	3,132	0	Use of 4 Compliance, 3 General, & 1 APCO cellular phones. Cellular broadband services (District laptop & PM study monitor).	2,132 1,000
5050065	Common Carrier Charges	8,800	4,800	(4,000)	Airfare travel by staff for CAPCOA meetings. (45% decrease)	4,800
5050070	Computer Software	51,820	23,470	(28,350)	Agilaire monitoring station software - Annual license. APCD CLEANAIR.ORG website hosting. APCD SLOCARFREE.ORG website hosting. * Constantcontact.com & Surveymonkey.com fees. ESRI ArcGIS software - Annual license. ESRI ArcView software - Annual license. * GoToMeeting software - Annual license. IBM EasySynch PDA software - Annual license. * Klynas Engineering Streets - Annual license. Lakes Environ CalRoads View software - Annual license. Lakes Environ ISC-AERMOD View software - Annual license. MS operating system software upgrades. MS SQL server & CAL software licenses. SLO County GIS parcel map data - Annual project contribution.	10,300 600 250 400 500 450 2,000 520 250 200 300 2,100 4,100 1,500
5050085	Copying-Printing	9,595	5,595	(4,000)	Burn permit printing. Budget at FY 10/11 levels. * Outreach printing costs (\$4,000) moved to Acct #5050362.	5,595 0

Acct #	Account Title	2010-11 Approp.	2011-12 Request	\$ Amount Difference	Request Detail/Justification	Item Cost
5050250	Laboratory Supplies	7,600	7,600	0	Air monitoring stations - replacement calibration gas cylinders. Air monitoring stations - misc. expendable supplies. Asbestos inspection/lab supplies Enerac gas tester - replacement calibration gas cylinders. Enerac gas tester - replacement combustion analyzer cells. Teflon sampling filters for air monitors.	600 1,000 500 1,700 1,700 2,100
5050255	Memberships	7,335	8,605	1,270	Air & Waste Management Assoc (AWMA) dues. C-5 membership & event participation. California Air Pollution Control Officers Assoc (CAPCOA) dues. Calif Climate Action Registry membership & emission inventory cert. Calif Hazardous Materials Investigators Assoc (CHMIA) dues. * Calif Special Districts Assoc (CSDA) dues. Local Governments Commission membership. SLO CEO Roundtable membership. SLO Chamber of Commerce membership. SLO County Bicycle Coalition dues. SLO County Fire Chiefs Association dues.	250 1,500 4,000 750 50 800 75 300 700 150 30
5050260	Mileage Reimb - District Employees	3,890	3,112	(778)	Budget at FY 10/11 level less 20%.	3,112
5050265	Mileage Reimb - Non-employees	3,893	3,686	(207)	Reimbursements to Hearing Board. Budget at FY 10/11 level less 20%. Reimbursements to Compliance contractor for inspections.	830 2,856
5050275	Modular Office Furniture	0	3,000	3,000	Office chair replacements.	3,000
5050280	Office Expense	10,686	10,686	0	Misc common office supplies, including computer media, printer supplies, & other expendables. Budget at FY 10/11 level.	10,686
5050335	Postage - Direct	3,586	3,586	0	Budget at FY 10/11 level.	3,586
5050340	Professional & Special Services	870,001	375,920	(494,081)	APCD Hearing Board meetings (5 members: \$50/ea x 6 meetings). APCD Board per diem (City members: \$100/ea x 7 members x 6 mtgs). APCD Basin Control Council member per diem (\$100/ea x 3 mtgs). Sample analyses by outside labs (sulfur, paint volatility, asbestos, special investigations, etc.) related to Compliance inspections. Health screenings & physicals for Compliance staff (annual). Health screenings & physicals for Engineering staff (annual). Independent fiscal audit: agreed-to fee. Retainer for District Counsel (20% increase; last increase was FY 08/09).	1,500 4,200 300 4,000 750 750 10,000 37,800

Acct #	Account Title	2010-11 Approp.	2011-12 Request	\$ Amount Difference	Request Detail/Justification	Item Cost
5050100	Data Communications	3,000	3,000	0	SLO County WAN data line charges (TW Telecom).	3,000
5050105	Subscriptions	1,155	1,155	0	Subscriptions to technical & general periodicals. Budget at projected FY 10/11 level.	1,155
5050140	Fuel - miscellaneous	8,263	8,263	0	Fuel costs for APCD pool vehicles. Budget at FY 10/11 level.	8,263
5050150	Household Expense	8,295	8,295	0	Janitorial & household supplies for APCD office facility. Budget at FY 10/11 levels. Janitorial service for APCD office facility - All Ways Clean. Monthly (\$407/mth + 10%) + annual carpet cleaning (\$350). Trash service for APCD office - San Luis Garbage Co (\$64/mth + 10%).	1,728 5,722 845
5050160	Insurance	33,179	33,025	(154)	Liability & property insurance. Budget at FY 10/11 actuals + 3%. (Last 2 yrs average increase = 2.3%)	33,025
5050190	Maintenance Contracts	500	500	0	Typewriter maintenance contract - B&B Technical Services. APCD office fire alarm service - Alpha Fire & Security (\$100/qtr x 4).	100 400
5050210	Maintenance of Equipment	16,722	16,722	0	Air monitoring stations equipment parts & maintenance items as needed. Budget at projected FY 10/11 actuals. Air monitoring equipment annual calibration/recertifications. Misc minor maintenance supplies for office LAN/workstations. Office & air monitoring station fire extinguishers annual inspections. SCBA equipment repairs and annual recertification.	14,027 1,230 1,000 200 265
5050220	Maintenance - Structures, Improvements & Grounds	11,520	18,520	7,000	APCD office facility landscape maintenance. APCD office facility pest/disease spray. APCD office facility HVAC filters replacement. * APCD office facility HVAC system repairs. APCD office facility unanticipated repairs/maintenance @ 1% of building + improvement value (1% x \$730,000 est). Misc. minor monitoring station facility repairs/maintenance (plus add'l \$2,000 planned maint to Morro Bay & Nipomo stations in FY 11/12).	1,320 500 400 5,000 7,300 4,000

Acct #	Account Title	2010-11 Approp.	2011-12 Request	\$ Amount Difference	Request Detail/Justification	Item Cost
					Spanish translation services.	700
					OIS - annual system maintenance by Pacific Computing (\$2,000/mo x 12 + \$1,000 contingency). Same as FY 10/11 level.	25,000
					OIS - general software enhancements.	10,000
					* OIS - redesign accounting data structures & rewrite data tables.	18,000
					Contractor to assist w/Compliance inspections (6% increase).	17,160
					Contractor to assist w/grant mgt & records maintenance (15% increase).	45,760
					Contractor to verify APCD's greenhouse gas inventory.	1,000
					* Contractor to assist w/CEQA implementation (GHG, EIR for handbook).	50,000
					Contractor to assist w/Clean Air Plan modeling assistance & control strategies development (FY 10/11 carryover).	100,000
					* Contractor to assist w/climate action plan development.	30,000
					* Contractor to assist w/online permit forms design & implementation.	15,000
					* Contractor to assist w/training new air monitoring staff.	4,000
					* Outreach artwork, booth upgrades, brochures, climate change materials, newsletter, poster costs & website enhancements (\$22,500) moved to Acct #5050362.	0
5050360	Publications & Legal Notices	10,300	1,800	(8,500)	General District ads & legal notifications (rules & hearings). * General & Latino Outreach ads (\$8,500) moved to Acct #5050362.	1,800 0
5050362	Public Outreach & Education	0	56,500	56,500	* Expenses previously budgeted under Accts #5050085/5050340/5050360/5050430: * Air Quality Index (AQI) flags for SLO County schools. APCD website enhancements. Booth supplies for events. General Outreach advertisements (New Times, Mustang Daily, etc.). Latino Outreach media advertisements. Outreach brochure/newsletter artwork & layout. Outreach Climate Change materials (brochure, flyers, ads). Outreach exhibit booth upgrades & maintenance. Outreach materials printing. Outreach posters artwork & layout design. PM Outreach (woodstoves, PM Study, etc). Public event sponsorships & fees (Rideshare Week, Bike Month Earth Day, Car Free Day, Mid-State Fair, SEA Change).	3,000 5,000 4,000 6,000 2,500 6,000 8,000 2,000 4,000 1,500 2,000 12,500
5050370	Registrations, Seminars, Training Fees	17,700	12,300	(5,400)	General classes, team-building/communication training (all staff). IT/network admin courses/seminars for Systems Administrator. Hazwoper, First Aid & Confined Space safety trng for Compliance staff. Software training (Dreamweaver/Illustrator) for Planning.	8,300 1,000 2,700 300

Acct #	Account Title	2010-11 Approp.	2011-12 Request	\$ Amount Difference	Request Detail/Justification	Item Cost
5050400	Rents & Leases- Equipment	4,000	4,000	0	APCD office copier leases, budgeted at FY 10/11 levels.	4,000
5050405	Rents & Leases- Structures, Improvements & Grounds	1,000	1,000	0	Morro Bay air monitoring site rent (\$50/qtr x 4). Nipomo Regional Park air monitoring site rent (\$200/yr). Red Hills air monitoring site rent (\$150/qtr x 4).	200 200 600
5050410	Safety Equipment	0	1,000	1,000 *	Safety equipment for Compliance & Engineering staff. (Previously budgeted under Acct #5050430.)	1,000
5050415	Significant Value Purchases	8,000	12,000	4,000	Replacement of LAN workstations (5 annually @ \$1,400/each). Replacement of failed PC & printer equipment, as necessary. * Anemometer (wind) sensor upgrade for monitoring station.	7,000 2,000 3,000
5050420	Small Tools & Instruments	1,050	1,050	0	Miscellaneous tools for air monitoring station maintenance.	1,050
5050430	Special Department Expense	20,500	2,120	(18,380) *	* Air Resources Board AB2588 Air Toxics "Hot Spots" Assessment. * CalPERS administration fees. Resource materials - texts and references as needed. * Booth supplies, PM outreach & public event sponsorships (\$18,500) moved to Acct #5050362. * Safety equipment (\$1,000) moved to Acct #5050410.	420 700 1,000 0 0
5050440	Telephone - direct billed	1,332	1,332	0	Air monitoring stations' modem lines. Budget at FY 10/11 level.	1,332
5050450	Travel Expenses	19,964	15,506	(4,458)	Meals, lodging, shuttles, parking for overnight business trips. Budget @ FY 10/11 level less 20%. Meals & parking for single-day business trips. Budget @ FY 10/11 level less 20%. IRS rates for lodging & per diem remain unchanged for CY 2011.	11,880 3,626
5050475	Utilities	12,517	12,517	0	Budget at FY 10/11 level.	12,517
5050485	Wellness Program	0	1,200	1,200 *	Exempt-status staff Wellness Benefit (6 x \$200). Not a new benefit, but was previously paid by County Risk Management.	1,200

Acct #	Account Title	2010-11 Approp.	2011-12 Request	\$ Amount Difference	Request Detail/Justification	Item Cost
5100010	General Services: Admin Support	2,000	2,000	0	General Services miscellaneous support as needed.	2,000
5100040	Auditor: Prop Tax Admin SB 2557	7,072	7,135	63	Auditor-Controller's property tax administration fee.	7,135
5100060	County-wide Overhead	83,301	0	(83,301) *	County-wide overhead (\$56,554) moved to Acct #5109090.	0
5100080	ITD: Network Services	22,707	26,181	3,474	ITD network services estimate per FY 10/11 County Budget matrix.	26,181
5100100	Inter-Dept Charges-General Svcs	1,996	1,996	0	GSA purchasing services. Budget at same level as FY 10/11.	1,996
5100140	ITD: Enterprise Services	15,851	22,546	6,695	ITD enterprise services estimate per FY 11/12 County Budget matrix.	22,546
5100160	Human Resources	5,000	0	(5,000) *	HR services direct-billed (\$5,000) & amount billed via County-wide Overhead (\$22,550) consolidated in Acct #5109030.	0
5100200	ITD: Radio Communications	290	282	(8)	ITD emergency radio support: FY 11/12 hourly rate \$141 x 2 hrs.	282
5100299	Inter-Dept Charges-Other Depts	5,403	6,170	767	County Clerk services for APCD Board meetings, per Clerk's estimate.	6,170
5102010	ITD: Voice/Telephone Support	14,028	14,028	0	ITD telephone support. Budget at same level as FY 10/11.	14,028
5102020	Reprographics: Copying	5,471	5,510	39	GSA reprographics services per FY 11/12 County Budget matrix.	5,510
5102030	General Services: Postage	10,441	10,552	111	GSA mailroom services estimate per FY 11/12 County Budget matrix.	10,552
5102040	Garage: Vehicle Maintenance	7,000	7,000	0	Pool vehicle maintenance by County Garage (time & materials). Budget at same level as FY 10/11.	7,000
5109010	Auditor: Payroll Services	20,000	12,000	(8,000)	County Auditor-Controller payroll services + contingency for add'l system configuration changes, as necessary.	12,000
5109030	Human Resources	0	27,550	27,550 *	County HR services. Budget at same level as FY 10/11. (Previously budgeted under Accts #5100060 & 5100160.)	27,550
5109090	County-Wide Overhead	0	56,554	56,554 *	SLO County-wide overhead, per Auditor-Controller's FY 11/12 analysis. (Previously budgeted under Acct #5100060.)	56,554
Total: Services and Supplies		1,366,607	871,213	(495,394)		

* = new line item for FY 2011-12

Acct #	Account Title	2010-11 Approp.	2011-12 Request	\$ Amount Difference	Request Detail/Justification	Item Cost
Other Charges Accounts						
5172015	Contributions to Other Agencies	15,000	5,000	(10,000)	* Contribution to South Coast AQMD for CalEEMod project development.	5,000
	Total: Other Charges	15,000	5,000	(10,000)		
Fixed Assets Accounts						
5500030	Equipment	66,862	45,000	(21,862)	* Teledyne-API Model #700E dynamic dilution calibrator.	20,000
	Total: Fixed Assets	66,862	45,000	(21,862)	* Replacement pool car for Compliance Division.	25,000
	TOTAL EXPENSES:	<u>4,453,779</u>	<u>4,016,757</u>	<u>(437,022)</u>		
Contingencies						
7000000	Contingencies	120,905	120,503	(402)	General contingencies. Budget at 3.0% of total expenses	120,503
	Reserve increases	0	0	0	Increase General Reserve (Acct 33000000)	0
	Designation Increases	34,283	0	(34,283)	Increase Capital Equipment Reserve (Acct 3250075). Increase County Overhead Reserve (Acct 3250097).	0
					Increase Facilities Designated Reserve (Acct 3250115).	0
					Increase Salary & Benefits Designated Reserve (Acct 3250365).	0
					Increase Vehicle Replacement Designated Reserve (Acct 3250420).	0
	GRAND TOTAL - COSTS:	<u>4,608,967</u>	<u>4,137,260</u>	<u>(471,707)</u>		
	TOTAL FINANCING LESS TOTAL COSTS:	<u>0</u>	<u>0</u>	<u>0</u>		

**AIR POLLUTION CONTROL DISTRICT
COUNTY OF SAN LUIS OBISPO
FY 2011-2012 PROPOSED BUDGET**

POSITION ALLOCATION LIST

<u>Job Class</u>	<u>Title</u>	<u>Part Time</u>	<u>Current Alloc.</u>	<u>2011-2012 Request</u>	<u>Change</u>
0839	Air Quality Specialist I/II/III*		9.00	10.00	+1.00
0839	Air Quality Specialist I/II/III*	½	0.50	0.00	-0.50
0841	Air Pollution Control Engineer I/II/III*		4.00	4.00	0.00
3100	APCD Administrative Assistant I/II/III*		2.00	2.00	0.00
3100	APCD Administrative Assistant I/II/III*	½	1.00	0.50	-0.50
3103	APCD Systems Administrator I/II/III*		1.00	1.00	0.00
3093	Air Pollution Control Officer		1.00	1.00	0.00
3094	APCD Fiscal/Admin Services Manager		1.00	1.00	0.00
3095	APCD Supervising Admin. Clerk I/II*		1.00	1.00	0.00
3096	APCD Division Manager		<u>3.00</u>	<u>3.00</u>	<u>0.00</u>
	TOTAL:		<u>23.50</u>	<u>23.50</u>	<u>0.00</u>

* Each of these positions is a career series, and vacancies may be filled at the I, II or III level.

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**AIR POLLUTION CONTROL DISTRICT
COUNTY OF SAN LUIS OBISPO
FY 2011-2012 PROPOSED BUDGET**

SERVICE PROGRAM EXPENSES

	Admin	Engineer	Comp/Monit	Planning	Totals
Salaries & Benefits	\$501,631	\$828,415	\$997,851	\$767,647	\$3,095,544
Services & Supplies	136,806	136,050	232,867	365,490	871,213
Other Charges	0	0	0	5,000	5,000
Fixed Assets	<u>0</u>	<u>0</u>	<u>45,000</u>	<u>0</u>	<u>45,000</u>
Subtotal	\$638,437	\$964,465	\$1,275,718	\$1,138,137	\$4,016,757
Contingencies	19,153	28,934	38,272	34,144	120,503
Reserve Increases	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Program Totals	<u>\$657,590</u>	<u>\$993,399</u>	<u>\$1,313,990</u>	<u>\$1,172,281</u>	<u>\$4,137,260</u>
 Staffing					
by Org. Chart	6.50	5.00	7.00	5.00	23.50
by Actual Program Time	2.75	6.30	8.20	6.25	23.50

**AIR POLLUTION CONTROL DISTRICT
COUNTY OF SAN LUIS OBISPO
FUND 4300000000**

Detail and Analysis of 2011-2012 Reserves and Designations

	Estimated RESERVES/ DESIGNATIONS BALANCE as of <u>June 30, 2011</u>	AMOUNT MADE AVAILABLE FOR FINANCING <u>BY CANCELLATION</u>		INCREASE OR NEW RESERVES/DESIGNATIONS <u>TO BE PROVIDED IN FY</u>		TOTAL RESERVES/ DESIGNATIONS For Fiscal Year <u>2011-2012</u>
		<u>PROPOSED</u>	<u>ADOPTED BY BOARD</u>	<u>PROPOSED</u>	<u>ADOPTED BY BOARD</u>	
General Reserve	\$ 844,153	\$ 0		\$ 0		\$ 844,153
DESIGNATIONS						
Capital Equipment	63,911	0		0		63,911
Facilities	191,463	0		0		191,463
Salary and Benefits	280,312	0		0		280,312
Vehicle Replacement	125,535	0		0		125,535
County Overhead	79,500	0		0		79,500
Burn Alternatives	0	0		0		0
Imprest Cash	250	0		0		250
TOTAL	\$ 1,585,124	\$ 0		\$ 0		\$ 1,585,124

**AIR POLLUTION CONTROL DISTRICT
COUNTY OF SAN LUIS OBISPO
FISCAL YEAR 2011-2012**

STATEMENT OF PURPOSE

The San Luis Obispo County Air Pollution Control District protects public health and welfare from the impacts of air pollution, provides protection from air pollution damage to property and agricultural and nursery crops, and protects atmospheric visibility through the control of air pollution at its source. The District is responsible for ensuring that Federal and State air quality standards are achieved and maintained and that deterioration of air quality does not take place where the standards are not now exceeded. The District is also committed to protect the public from exposure to known and suspected airborne toxins. This is accomplished by monitoring and evaluation of local air quality, implementation of the Clean Air Plan for San Luis Obispo County, and the enforcement of District Rules and Regulations through the service programs described below.

SUMMARY OF SERVICE PROGRAMS

Program Administration and Management - Service Program #1

Provides management, direction and support for all District programs, including: strategic planning; fiscal management, including budgeting and accounting control; personnel management; payroll oversight and fringe benefits administration; purchasing and contracting activities; interagency coordination of programs; public information and education; and representation on various County, Regional, and State committees. Additionally, develops District policies and procedures; presents proposed actions to the Air Pollution Control Board; and acts as staff support to the Basin Control Council. Lastly, manages District computer resources and network facilities; determines computer equipment needs and coordinates acquisitions; leads internal software development to provide integrated information management of District data from all service programs; research, design, and develops other software applications as needed to support District needs; and provides technical support to District staff. Staffing: Air Pollution Control Officer, APCD Fiscal/Administrative Services Manager, APCD Systems Administrator, and a management team which includes the APCO, APCD Fiscal/Administrative Services Manager, the three Division Managers from the following programs, and the APCD Supervising Administrative Clerk.

Engineering Services - Service Program #2

Evaluates applications for permits on proposed new and existing sources to determine compliance with control strategies and impacts on general air quality; manages emissions testing program, including scheduling, protocol development, observing and reviewing results of tests at facilities; prepares annual countywide inventories of criteria emissions from sources within the County to determine overall progress of air quality management programs; responsible for preparation, revision and implementation of stationary source related District Rules and

Regulations; conducts industrial surveys and special studies; develops, schedules and assists in preparation of cases for Hearing Board; responsible for administration of District Emission Reduction Credit Program (Emissions Bank); manages airborne toxics and hazardous emission program, including risk assessment and risk management analyses as part of engineering evaluations and implementation of the Air Toxics Hot Spots Information and Assessment Act (AB2588); implements the Federal regulations concerning sources on the Outer Continental Shelf; implements the Federal Clean Air Act Amendment Title V Permit Program, Title IV Acid Rain Program, and Title III Hazardous Air Pollutant Program; implements Federal New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants; assists in negotiating emission mitigations; and issues Authorities to Construct and Permits to Operate. Staffing: One Division Manager and four Air Pollution Control Engineers.

Compliance and Monitoring - Service Program #3

The Compliance Program is responsible for determining the compliance of sources of air pollution with District Rules and Regulations, as well as enforcing all applicable Federal and State laws, including mandated and delegated programs from the Federal Clean Air Act and the California Clean Air Act (CCAA). Staff conduct inspections of regulated sources, including open burning; assist in scheduling and conducting source tests; administer the District's mutual settlement program; direct the preparation of permit renewals, including fee calculations and permit condition review; coordinate with County Public Works, County Planning and District Planning on tracking and enforcement of construction mitigation requirements; educate source operators on the intent and purpose of District Rules; conduct field surveillance and investigate citizen complaints. Other duties include issuing Notices of Violation, Notices to Apply and Notices to Comply; preparation for office and District Attorney hearings, APCD Hearing Board cases and court actions; and enforcement of Federal National Emission Standards, Prevention of Significant Deterioration and New Source Review. Lastly, staff act as a liaison between the District, industry, other government agencies and the public; maintain records and reports on all Compliance activities, complete reporting requirements to the State Air Resources Board (ARB) and Environmental Protection Agency (EPA); and assist in implementation of AB2588.

Monitoring staff is responsible for the collection of ambient air quality and related meteorological parameters, as mandated by provisions of the CCAA, at seven permanent District monitoring stations in the county. This includes performing siting and assisting with equipment purchases for monitoring stations; installing and maintaining air monitoring equipment and computerized data collection systems; developing monitoring protocols and implementing the quality assurance program for District and contractor air monitoring; collecting, analyzing, and evaluating emissions data obtained from District, State and private industry monitoring stations to determine the county's status with respect to State and Federal air quality standards; preparing quarterly and annual air quality reports and reporting data to ARB and EPA; analyzing air quality trends and providing guidance in the design of control strategies; maintaining archive of ambient monitoring and related data; participating in special air quality studies; providing technical assistance to other agencies, groups and private industry; and maintaining the District's property inventory. Staffing: One Division Manager and six Air Quality Specialists.

Air Quality Planning & Outreach - Service Program #4

Responsible for District implementation of the CCAA, including the development, implementation and updating of the District's Clean Air Plan for attaining the health-based ozone standard in San Luis Obispo County. Senate Bill 656 requires the development of a Particulate Matter (PM) Plan and rule implementation schedule to achieve compliance with the State PM standard at the earliest possible date. Development of a Multi-Pollutant Clean Air Plan (ozone, PM, toxics and greenhouse gases) requires predictions of future air pollutant levels by analyzing air quality, emissions and population trends; participation in development of an annual emissions inventory; examination of all potential emission reduction measures; and recommending the most reasonable and cost-effective strategies for maintaining current and future air quality within health standards. The CCAA mandates the development and implementation of control programs to reduce emissions from transportation and urban development. Thus, staff develop and implement rules, assist employers and schools in developing and implementing voluntary trip reduction programs, administer competitive grant programs to fund local projects designed to reduce vehicle emissions, prepare, direct preparation of, and evaluate air quality impact analyses for urban and industrial projects through CEQA; recommend and monitor implementation of mitigation on proposed urban development, work with local jurisdictions to incorporate air quality provisions in local general plans, support the Central Coast Clean Cities Coalition to promote alternative fueled vehicles, support the Strategic Energy Alliance for Change to promote renewable energy solutions, and support the formation of Sustainable Community Strategies to be included in the Regional Transportation Plan. The CCAA also requires implementation of public information and education programs. This is accomplished by providing presentations to stakeholders throughout the community (APCD Board, Advisory Committees, schools, service groups, etc.), preparing air quality information for various communication channels (website, print media, radio/tv, public events), and developing and implementing key outreach programs to support the District's mission and core programs (air quality studies and data, grant outreach, rule development, etc.). Lastly, the Division is responsible for implementation of the SLO County Climate Change Action Plan to support AB 32, which involves the quantification of greenhouse gas (GHG) emissions countywide, targeting grant funds for GHG reductions, assisting local jurisdictions with their efforts to inventory and develop Climate Action Plans to reduce GHG emissions, developing public education and outreach campaigns, and participating in the Climate Registry. Interagency coordination is a key responsibility for both Planning and Outreach specific duties. Staffing: One Division Manager and four Air Quality Specialists.

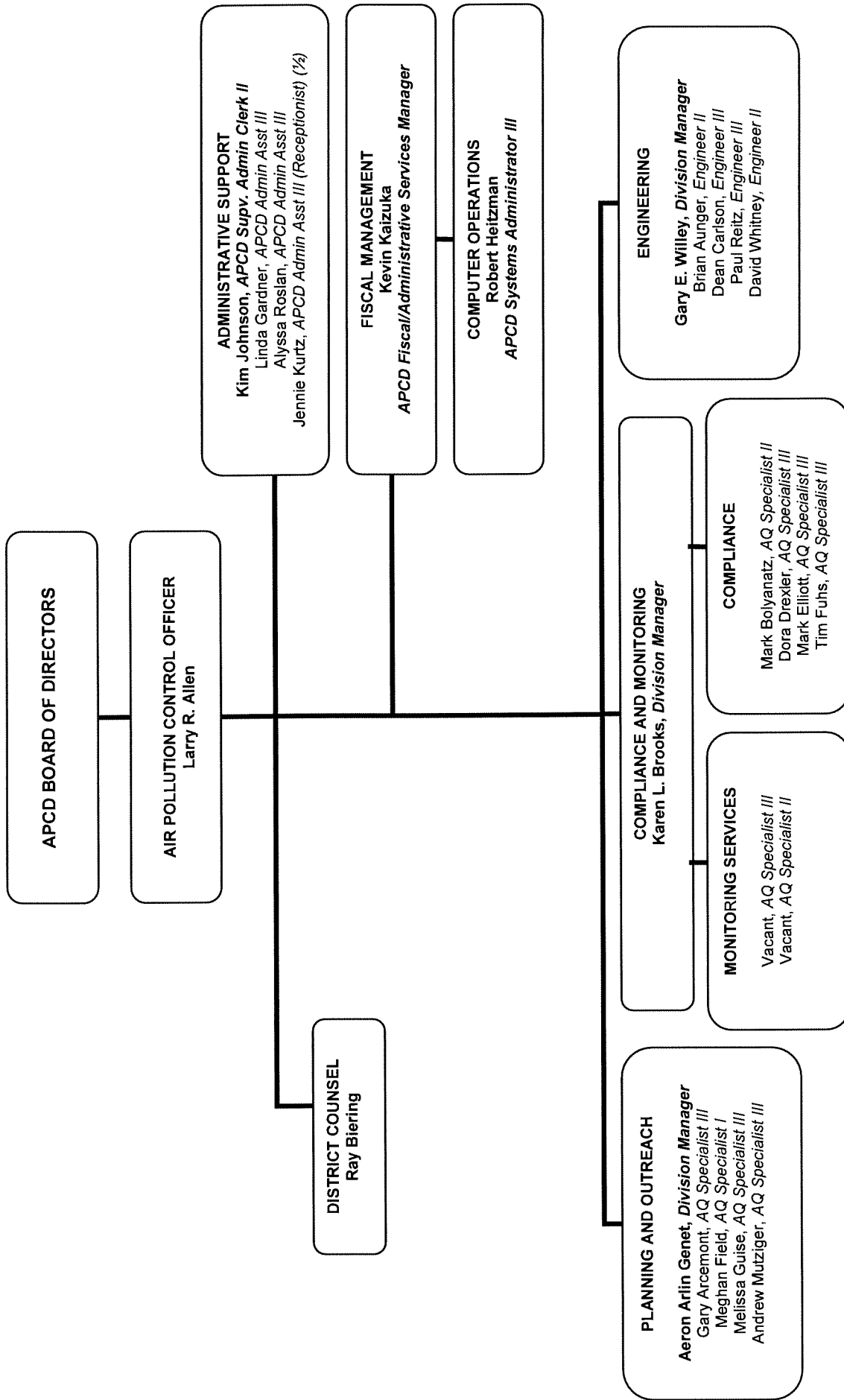
Administrative Support

Administrative Support provides receptionist service and clerical support for the four programs described above, including: word processing and other applications; preparing reports; preparing and maintaining records for all permits and facilities; preparing mutual settlement program correspondence; billing and accounts receivable; payment and accounting for all mitigation grant funds; maintaining District library and files; recording committee meeting notes and minutes; assisting with preparation of APCD Hearing Board and court case materials; preparing District Board meeting agenda materials including resolutions; maintaining databases for asbestos

notification, burn permits, and land use projects; handling cash sales and deposits; petty cash fund maintenance; purchasing and accounts payable tasks; and human resources administration. Staffing: One APCD Supervising Administrative Clerk, two full-time and one half-time APCD Administrative Assistants.

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AIR POLLUTION CONTROL DISTRICT ORGANIZATIONAL CHART



**AIR POLLUTION CONTROL DISTRICT
SALARY PROJECTION
FISCAL YEAR 2011-2012**

<u>Job ID</u>	<u>Position Title</u>	<u>BU</u>	<u>FTE</u>	<u>Step</u>	<u>Salary</u>	<u>Fixed</u>	<u>Variable</u>	<u>Total</u>
0835	Air Quality Specialist I	98	1.00	4-5	60,819	9,996	24,857	95,672
0836	Air Quality Specialist II	98	1.00	5-5	72,030	10,021	29,439	111,490
		98	1.00	2-5	62,213	10,021	25,426	97,660
0839	Air Quality Specialist III	98	1.00	5-5	82,950	10,036	33,902	126,888
		98	1.00	5-5	82,950	10,021	33,902	126,873
		98	1.00	5-5	82,950	10,036	33,902	126,888
		98	1.00	5-5	82,950	10,036	33,902	126,888
		98	1.00	5-5	82,950	10,036	33,902	126,888
		98	1.00	5-5	82,950	10,009	33,902	126,861
		98	1.00	4-5	78,998	10,068	32,286	121,352
0829	Air Pollution Control Engineer II	98	1.00	5-5	81,702	10,036	33,392	125,130
		98	1.00	5-5	81,702	10,021	33,392	125,115
0841	Air Pollution Control Engineer III	98	1.00	5-5	88,691	10,036	36,248	134,975
		98	1.00	5-5	88,691	10,141	36,248	135,080
3100	Administrative Assistant III	98	1.00	5-5	41,621	10,068	16,573	68,262
		98	1.00	5-5	41,621	9,997	16,573	68,191
		98	0.50	2-5	17,982	5,667	7,160	30,809
3103	Systems Administrator III	99	1.00	5-5	90,854	11,613	41,462	143,929
3093	Air Pollution Control Officer	99	1.00	5-5	145,730	11,936	82,453	240,119
3094	Fiscal/Admin Services Manager	99	1.00	5-5	104,874	11,565	47,860	164,299
3095	Supervising Administrative Clerk II	98	1.00	5-5	68,682	10,036	27,349	106,067
3096	Division Manager - Compliance/Monitoring	99	1.00	5-5	104,874	11,623	47,860	164,357
3096	Division Manager - Engineering	99	1.00	5-5	104,874	11,577	47,860	164,311
3096	Division Manager - Planning	99	1.00	5-5	104,874	11,565	47,860	164,299
			23.50		\$1,938,532	246,161	837,710	3,022,403
TOTAL SALARY PROJECTION:								\$ 3,022,403