

**North Coast Unified
Air Quality Management District**

707 L Street, Eureka, CA 95501
(707) 443-3093

www.ncuaqmd.org



**Meeting of the
North Coast Unified Air Quality Management District
Governing Board of Directors**

Thursday, April 15, 2021 at 10:30 a.m.,
Via Internet Teleconference – Zoom Video Conferencing

Join Zoom Meeting
<https://us02web.zoom.us/j/81279724664>

Meeting ID: 812 7972 4664
Call in option: (669) 900-6833

PUBLIC ADVISORY: The District Office will not be open to the public due to COVID-19 concerns. Consistent with Executive Orders N-25-20 and N-29-20 from the Executive Department of the State of California and the Humboldt County Public Health Officer's March 19, 2020, Shelter In-Place Order, the meeting location will not be physically open to the public and Board Members will be teleconferencing into the meeting via Zoom Video Teleconference.

How to Observe the Meeting: To maximize public safety while still maintaining transparency and public access, members of the public can observe the meeting at www.zoom.us – Meeting Code **812 7972 4664**

How to Submit Public Comment: Members of the public may provide public comment before and during the meeting by sending comments to the Clerk of the Board by email at esquire@ncuaqmd.org. Such email comments must identify the agenda item number in the subject line of the email. The comments will be read into the record, with a maximum allowance of three minutes (approximately 500 words) per individual comment, subject to the Board Chair's discretion. If a comment is received after the agenda item is heard, but before the close of the meeting, the comment will still be included as a part of the written record of the meeting but will not be read into the record during the meeting.

Americans with Disabilities Act Accommodations: Any member of the public who needs accommodations should email the Clerk of the Board at support@ncuaqmd.org or by calling (707) 443-3093. The Clerk will use their best efforts to provide reasonable accommodations to provide as much accessibility as possible while maintaining public safety.

AGENDA

- | | | |
|----|-----------------------------------|-------------|
| 1. | 10:30 A.M. Call to Order | Board Chair |
| 2. | Roll Call | Clerk |
| 3. | Additions and Deletions to Agenda | Board Chair |

CONSENT AGENDA

- | | | |
|-----|--|-------------|
| 4. | Consider Approving the Consent Agenda, Items for action, 4.1 through 4.3: The Board may approve the Consent Agenda by single motion in whole or in part with or without further discussion.
<u>Action Requested:</u> Approve Consent Agenda Items 4.1 through 4.3. | Board Chair |
| 4.1 | By Consent, Approve Minutes of March 18, 2021 Board Meeting | |
| 4.2 | By Consent, Accept and File District Activity Report | |

REGULAR AGENDA

- | | | |
|----|--|-------------|
| 5. | Public Comment Period (pursuant to Government Code section 54954.3(a)) | Board Chair |
| 6. | Discuss District Pension and Other Post Employment Benefit (OPEB) Liabilities
<u>Action Requested:</u> Accept and File Report | APCO |
| 7. | Reserve Fund Status
<u>Action Requested:</u> Accept and File Report | APCO |
| 8. | Public Hearing: Proposed FY 2020-21 District Budget
<u>Action Requested:</u> Open Public Hearing to Consider Adoption of Proposed FY 2020-21 District Operating Budget | APCO |
| 9. | Closed Session: Conference for Labor Negotiations
a. Personnel Performance Evaluation, APCO - Pursuant to Gov't. Code sec. 54957, and
b. Labor Negotiations, Unrepresented Employee, APCO - Pursuant to Gov't Code sec. 54957.6 | Deputy APCO |

- | | | |
|------------|-----------------------------|--------------------|
| 10. | APCO Report | APCO |
| 11. | Board Member Reports | Board Chair |
| 12. | Adjournment | Board Chair |

*The next Board of Directors meeting is scheduled for Thursday, May 20, 2021 at 10:30 a.m.
Via Internet Teleconference – Zoom Video Conferencing. Accommodations and access to NCUAQMD
meetings for people with special needs must be requested of the Clerk in advance of the meeting.*

Agenda Item: 1

Call to Order

Agenda Item: 2

Roll Call

Agenda Item: 3
Additions and Deletions to
Agenda

Agenda Item: 4

Agenda Item: 4.1

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**Minutes of the Special Meeting of the North Coast
Unified Air Quality Management District Governing
Board of Directors Meeting of
March 18, 2021**

The meeting was called to order by Chair Brett Watson at 10:32 AM via teleconference on Zoom: <https://us02web.zoom.us/j/83556112157>

Meeting ID: 835 5611 2157, Call in option: (669) 900-6833

The meeting location was made available to the public.

MEMBERS PRESENT:

Rex Bohn	Humboldt County Supervisor
Brett Watson	City of Arcata Councilmember
Dan Frasier	Trinity County Supervisor
Chris Howard	Del Norte County Supervisor

MEMBERS ABSENT:

Mike Wilson	Humboldt County Supervisor
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STAFF PRESENT:

Brian Wilson	APCO
Jason Davis	Deputy APCO
Erin Squire	Acting Clerk of the Board
Penny Costa	Financial & Admin Services Manager

OTHERS PRESENT:

Nancy Diamond	District Counsel
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Agenda Item 1: Call to Order

Agenda Item 2: Roll Call

Agenda Item 3: Additions and Deletions to the Agenda

There were no additions or deletions to the Agenda. There was no public comment.

Agenda Item 4: Consider Approving the Consent Agenda

4.1: Approve Minutes of September 17, 2020 Board Meeting

4.2: By Consent, Accept and File District Activity Report

4.3: By Consent, Accept Additional Grant Funding for Air Monitoring Equipment and Authorize Its Expenditure in the FY 2020-21 Budget

A motion offered by Supervisor Howard, duly seconded by Supervisor Frasier to Adopt Consent Agenda Items 4.1-4.3 is hereby APPROVED by the North Coast Unified Air Quality Management District Board of Directors on this 18th day of March, 2021 by the following votes:

UNANIMOUS PASS by the following Roll Call vote:

Supervisor Howard	Aye
Supervisor Bohn	Absent
Supervisor Frasier	Aye
Councilmember Watson	Aye
Supervisor Wilson	Absent

There was no public comment.

Agenda Item 5: Public Comment

There was no public comment.

Agenda Item 6: Increase District X-Factor by Consumer Price Index

The APCO presented the proposed increase to the District's X-Factor found to be necessary through the 2021-22 fiscal year budgeting process. This increase would change the X-Factor from \$142 to \$146 as indicated in Resolution 2021-2.

A motion offered by Supervisor Howard duly seconded by Supervisor Frasier to Approve Resolution 2021-2 is hereby APPROVED by the North Coast Unified Air Quality Management District Board of Directors on this 18th day of March, 2021 by the following votes:

UNANIMOUS PASS by the following Roll Call vote:

Supervisor Howard	Aye
Supervisor Bohn	Absent
Supervisor Frasier	Aye
Councilmember Watson	Aye
Supervisor Wilson	Absent

There was no public comment.

Agenda Item 7: Approve Contract for Financial Audit Services

The APCO presented the outcomes from the Board requested expanded RFP for Financial Auditing Services. The District received one additional proposal from a firm located in the Los Angeles area. One local firm did reply that they were uninterested.

The proposal received originally from Brown Armstrong in February 2021 was less expensive than the proposal received from the firm in Los Angeles. They have also already provided auditing services to a handful of other Air Districts and agencies like ours. Given this information Staff recommends that the proposal from Brown Armstrong be approved.

Supervisor Bohn joined the meeting at 10:39 AM.

A motion offered by Supervisor Howard, duly seconded by Supervisor Bohn to Authorize APCO to Enter into a Professional Service Contract with Brown Armstrong is hereby APPROVED by the North Coast Unified Air Quality Management District Board of Directors on this 18th day of March, 2021 by the following votes:

UNANIMOUS PASS by the following Roll Call vote:

Supervisor Howard	Aye
Supervisor Bohn	Aye
Supervisor Frasier	Aye
Councilmember Watson	Aye
Supervisor Wilson	Absent

There was no public comment.

Agenda Item 8: Modification of Employee Job Descriptions

Each of the three proposed job descriptions, as they stand and with modifications, were provided to the Board for review. As positions become vacant with staff turnover they are reviewed and amended as needed to fit the current needs of the District.

Especially of note is the organizational change moving the Administrative Support and Administrative Assistant, formerly Executive Assistant positions under the supervision of the Financial & Administrative Services Division Manager. A small change was also made to the starting salary range of the Administrative Support position.

All other requested changes reflect job duties and changes to assigned tasks.

Supervisor Howard requested if these changes would have an impact to the budget for the coming fiscal year. The APCO explained that budget forecasting includes salaries for all three of these positions and that none of these positions are new.

Supervisor Bohn requested information as to the current size of the staff, growth over the last six years and the balance of the District's Reserve account currently. The APCO provided background information on staff size noting that District is actually one employee less than six years ago, and briefly touched on the Reserve account.

A motion offered by Supervisor Howard, duly seconded by Supervisor Bohn to Approve Proposed Updated Employee Job Descriptions for Administrative Support, Administrative Assistant, and Financial & Administrative Services Manager is hereby APPROVED by the North Coast Unified Air Quality Management District Board of Directors on this 18th day of March, 2021 by the following votes:

UNANIMOUS PASS by the following Roll Call vote:

Supervisor Howard	Aye
Supervisor Bohn	Aye
Supervisor Frasier	Aye
Councilmember Watson	Aye
Supervisor Wilson	Absent

There was no public comment.

Agenda Item 9: Revise District Administrative Code – Part A

The District's Administrative Code was last updated in 2010 to change bidding procedures to allow for spending up to \$75,000 without Board approval. Staff is requesting that dollar amount be lowered to \$30,000 based on past spending practices.

A motion offered by Supervisor Bohn, duly seconded by Supervisor Wilson to Approve Proposed Revisions to District Administrative Code - Part A is hereby APPROVED by the North Coast Unified Air Quality Management District Board of Directors on this 18th day of March, 2021 by the following votes:

UNANIMOUS PASS by the following Roll Call vote:

Supervisor Howard	Aye
Supervisor Bohn	Aye
Supervisor Frasier	Aye
Councilmember Watson	Aye
Supervisor Wilson	Absent

There was no public comment.

Agenda Item 10: District Hearing Board Vacancies

The APCO discussed our current vacancies on the Hearing Board and the need for a new

primary Medical Professional. Discussion was had about what constitutes a Medical Professional. District Council provided clarity and noted that the Board did have some amount of discretion.

A motion offered by Supervisor Howard, duly seconded by Supervisor Bohn to Provide Direction to APCO Regarding Recruitment of District Hearing Board Positions is hereby APPROVED by the North Coast Unified Air Quality Management District Board of Directors on this 21st day of 18th day of March, 2021 by the following votes:

UNANIMOUS PASS by the following Roll Call vote:

Supervisor Howard	Aye
Supervisor Bohn	Aye
Supervisor Frasier	Aye
Councilmember Watson	Aye
Supervisor Wilson	Absent

There was no public comment.

Agenda Item 11: Discuss CARB's Clean Cars 4 All Program

District staff, Jason Davis, provided the Board a presentation of the Clean Cars 4 All Program and how a program like this could benefit our area. Also provided were implications to District staffing and the number of employees required to take on a program like this.

Clean Cars 4 All provides incentives for low-income residents living in and near disadvantaged communities. Applicants who scrap their older vehicles and purchase new or used hybrid, plug-in hybrid, or Zero Emission Vehicle (ZEV) replacement units are eligible to receive funding. The Clean Cars 4 All Program receives its funds from the Cap-and-Trade Program.

Supervisor Howard had questions regarding the information provided on the District's sources of PM10 emissions and the calculation of those emissions.

Discussion was had regarding the feasibility and scale of the program under its current model. Supervisor Bohn suggested that current funding caps and income limitations may pose an issue with project viability, based on information about the program he had gathered from other Air Districts. Supervisor had the similar concerns about the income requirements and feasibility based on the average household income in Del Norte County.

Supervisor Bohn and Supervisor Howard expressed that they would like to see more information prior to making any moves on the program or moving staff from other tasks. Supervisor Howard suggested looking at the census information for each county to gather information about the number of people who could take advantage of the program.

Continued discussion was had about the sources of PM emissions in our Air District, specifically wildfire emissions and woodstove use, and the desire not to disincentivize burning or incorporate regulations to limit woodstove use.

Supervisor Howard and Supervisor Bohn requested additional information about the targeted population and income requirements. Supervisor Howard would prefer to have this item brought back for discussion, as the perspective of District staff and other Board Members is appreciated.

There was no public comment.

Agenda Item 13: APCO Report

The APCO reported on the following:

- District COVID-19 Impacts
- District Pension & OPEB Liabilities
- Discussion with HCFSC on Standard Burn Permit Hours
- Staff Training

Agenda Item 14: Board Member Reports

There were no Board Member Reports.

Agenda Item 12: Closed Session: Conference for Labor Negotiations

- a. Personnel Performance Evaluation, APCO - Pursuant to Gov't. Code sec. 54957, and
- b. Labor Negotiations, Unrepresented Employee, APCO - Pursuant to Gov't Code sec. 54957.6

The Board adjourned to Closed session at 11:29 AM and reconvened at 11:44 PM. There was no public comment.

Agenda Item 15: Adjournment

The Governing Board Meeting was adjourned at 11:45 am

I hereby attest that this is a true and correct copy of the action taken by the North Coast Unified Air Quality Management District Board of Directors on March 18, 2021.

Chair Date

Clerk of the Board Date

The Next Board Meeting is scheduled for Thursday, April 15, 2021, at 10:30 am via teleconference. Details to be listed in the Agenda.

The meeting rooms are ADA accessible. Accommodations and access to NCUAQMD meetings for people with special needs must be requested of the Clerk in advance of the meeting.

Agenda Item: 4.2

**North Coast Unified
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707 L Street, Eureka, CA 95501
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TO: North Coast Unified Air Quality Management District Board

FROM: Erin Squire, Acting Clerk of the Boards

SUBJECT: District Activity Report

DATE: April 15, 2021

ACTION REQUESTED: By Consent, Accept and File District Activity Reports

SUMMARY:

Attached is a summary of the major District activities logged during the reporting period.

Air Monitoring Report for April 2021

Air Monitoring Data Summary:

The purpose of this status report is to summarize the ambient air quality data available for the period of January 2021.

- There was one Federal Equivalent Method (FEM) PM₁₀ exceedance of the State Ambient Air Quality Standard recorded during the reported period. This occurred in Eureka and coincided with the demolition of Jacobs Junior High school next door to the monitoring site. The exceedance will be excluded from attainment decisions due to the proximity of demolition activity.
- No new Federal Reference Method (FRM) PM_{2.5} data has been received since the last Board Meeting. Data from the March report is repeated in the information below.
- There were no non-FEM PM_{2.5} 24 Hour exceedances of the State and Federal Ambient Air Quality Standard recorded during the period.
- There were no O₃, SO₂, NO₂, or CO exceedances of the State or Federal Ambient Air Quality Standard recorded during the period.

Particulate Levels in Relation to CA Ambient Air Quality Standards

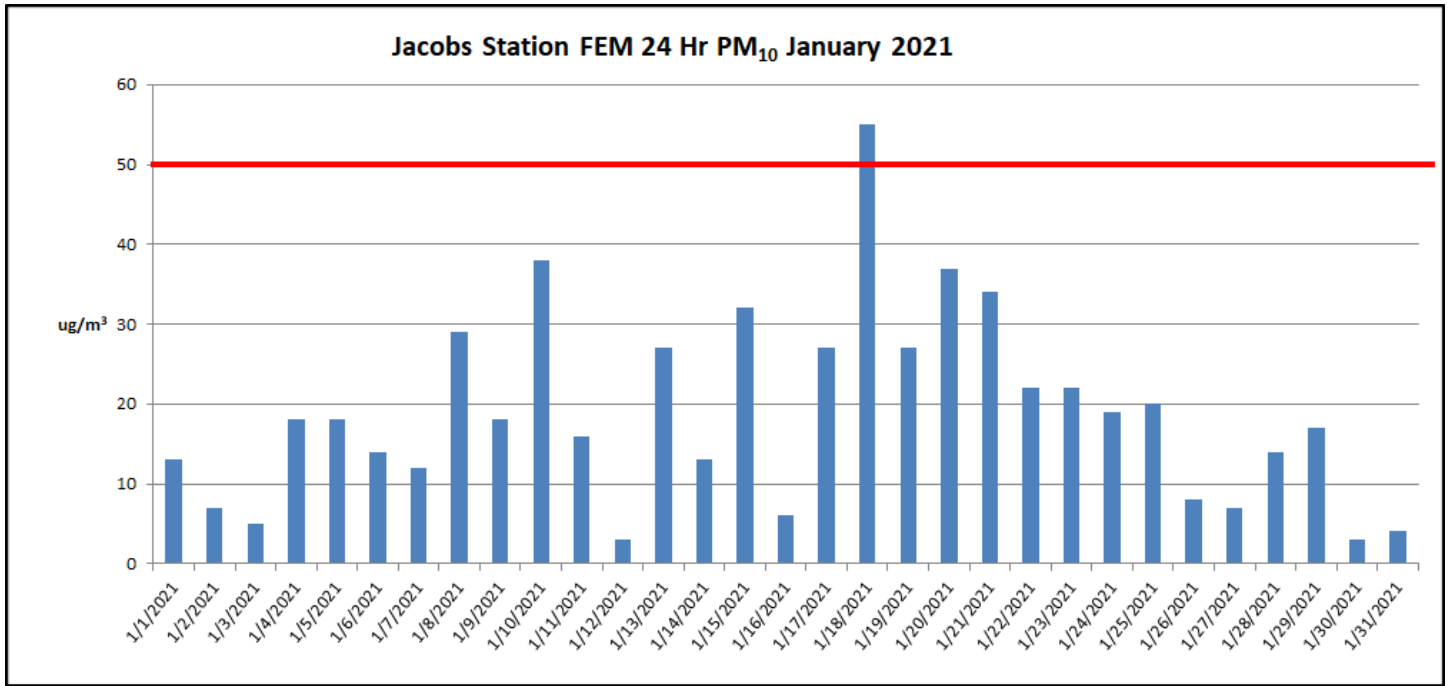
	Jacobs	Crescent City	Weaverville
Max FEM 24-hour PM₁₀ (January 2021)	110%	NA	NA
FEM PM₁₀ Rolling Arithmetic Mean (February 2020-January 2021)	105%	NA	NA
Max FRM 24-hour PM_{2.5} (November-December 2020)	105%	NA	NA
FRM PM_{2.5} Rolling Arithmetic Mean (January 2020 – December 2020)	76%	NA	NA
Max non-FEM 24-hour PM_{2.5} (January 2021)	NA	60%*	91%*
Non-FEM PM_{2.5} Rolling Arithmetic Mean (February 2020- January 2021)	NA	92%*	106%**

- Data unavailable

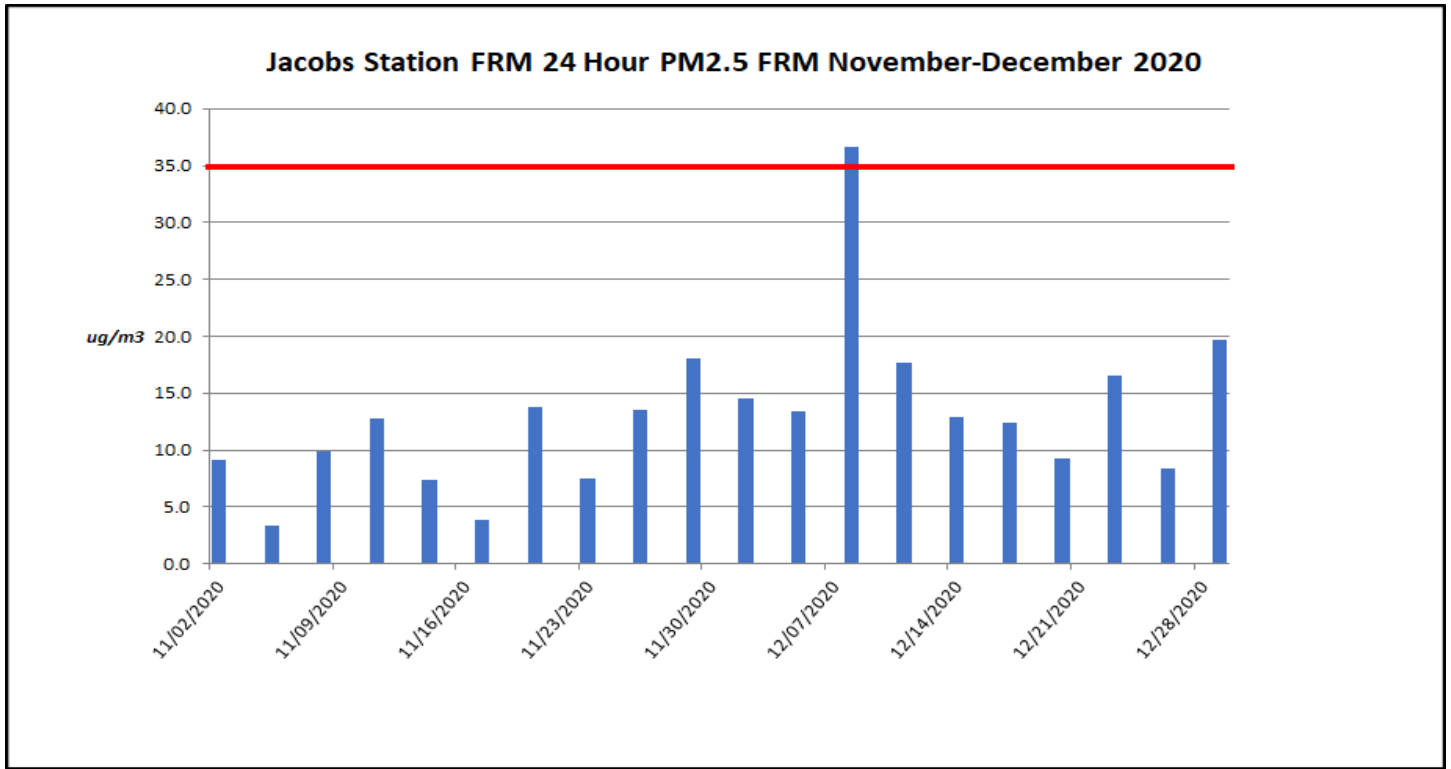
* Instrument not used for Federal Attainment Designation

** Includes wildfire data which is excluded from attainment designation decisions

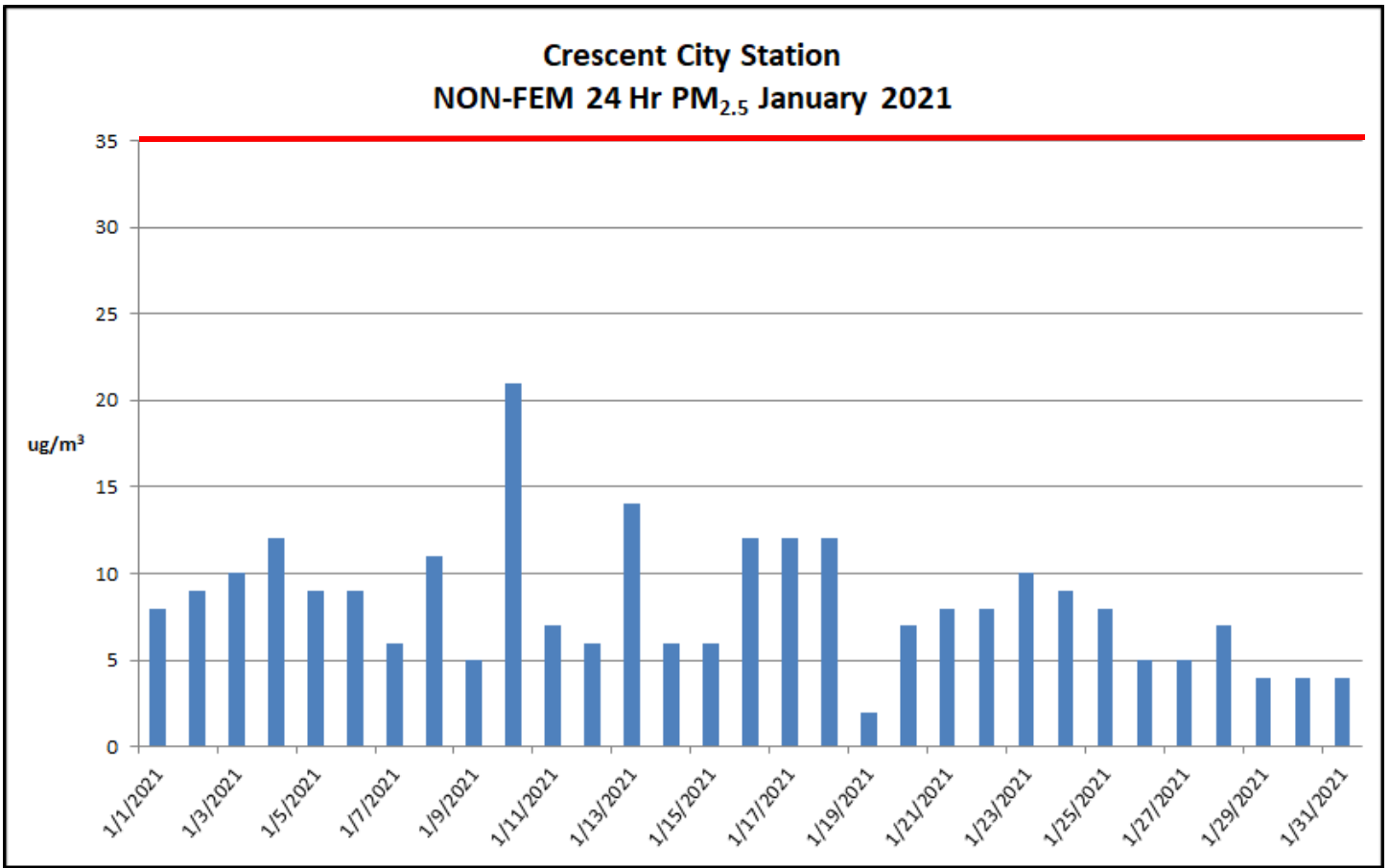
Detailed Graphs:



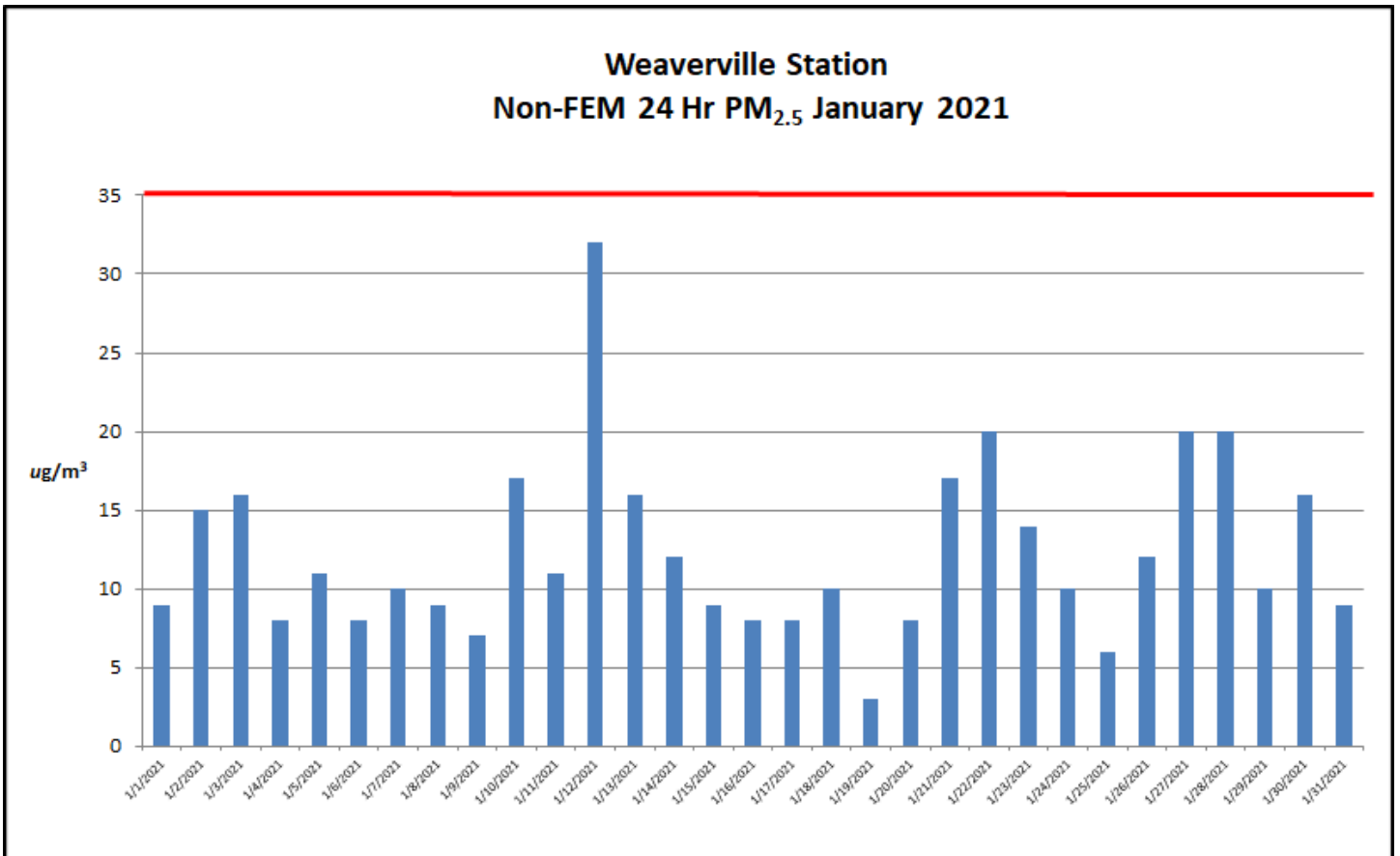
- 24 Hour California AAQS is 50 $\mu\text{g}/\text{m}^3$, Federal AAQS is 150 $\mu\text{g}/\text{m}^3$.
- California Annual Arithmetic Mean AAQS is 20 $\mu\text{g}/\text{m}^3$.
- Humboldt County is classified as non-attainment for this pollutant.



- Federal AAQS is 35 $\mu\text{g}/\text{m}^3$. There is no separate state standard.

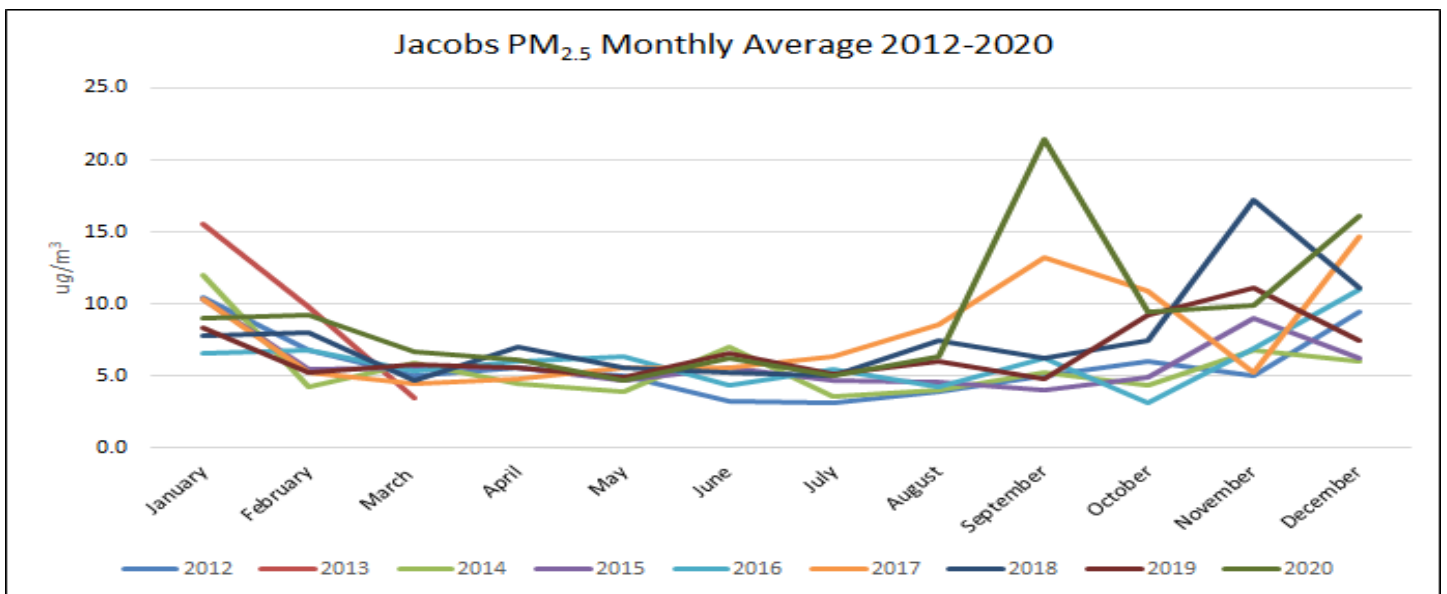
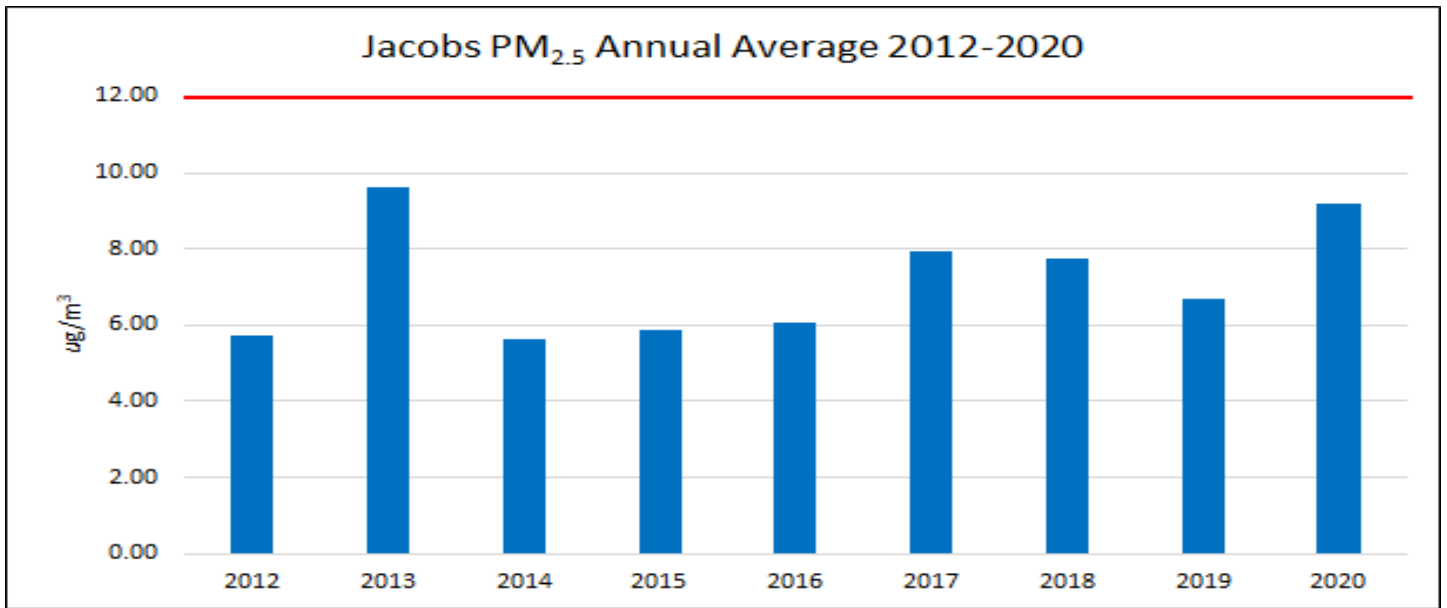
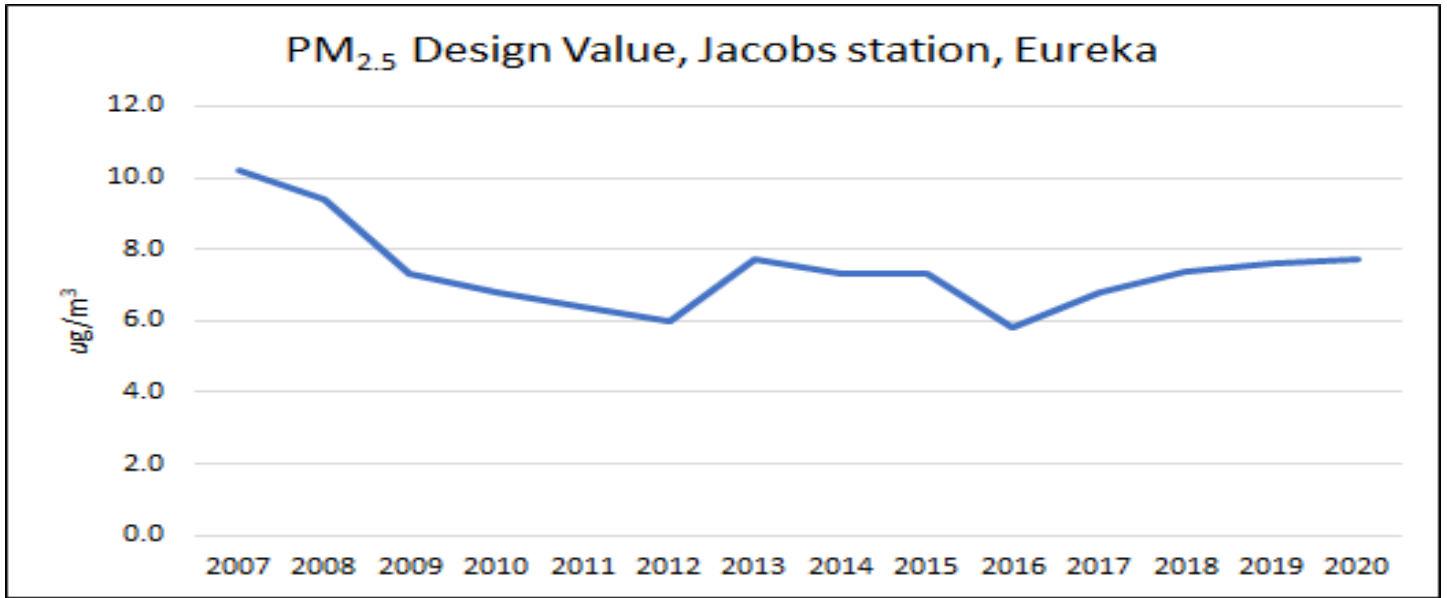


- Federal AAQS is 35 ug/m³. There is no separate state standard.

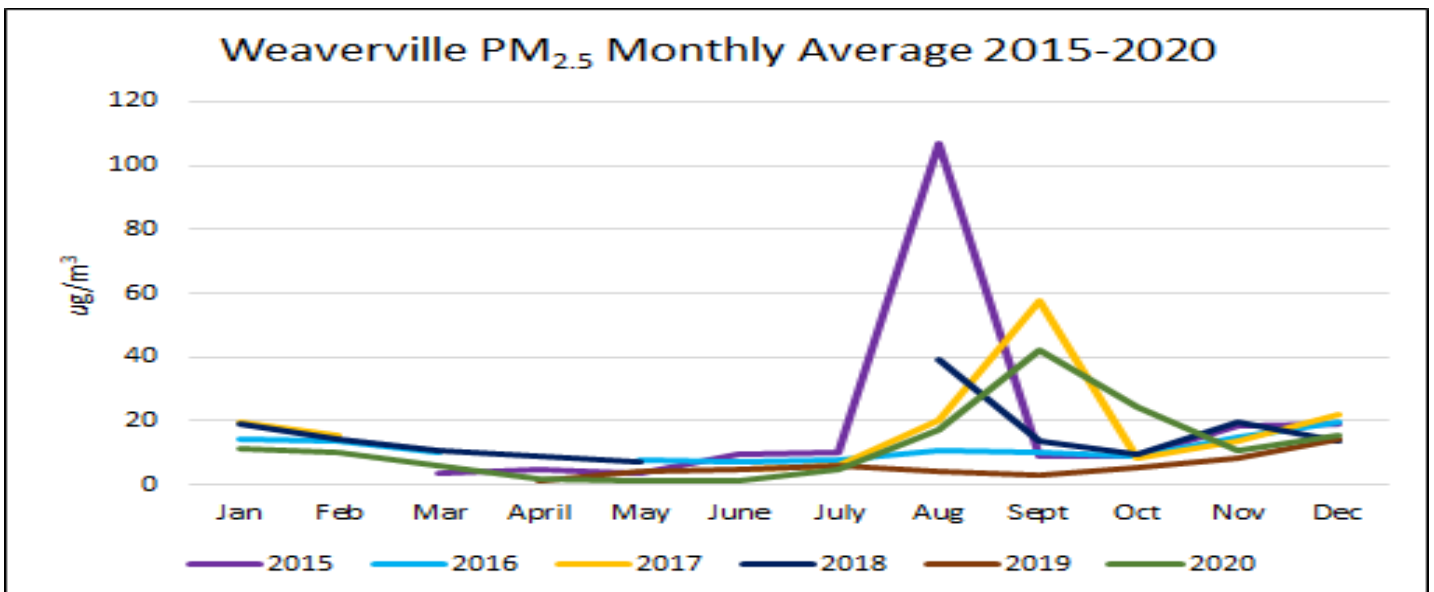
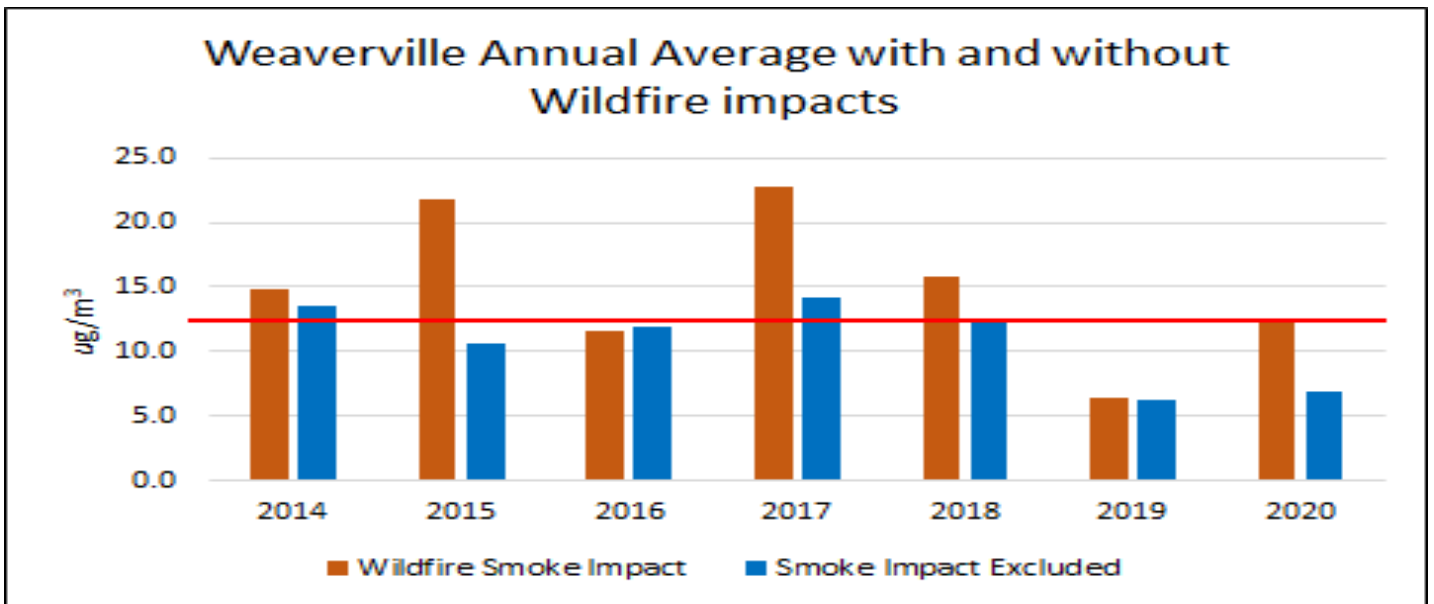
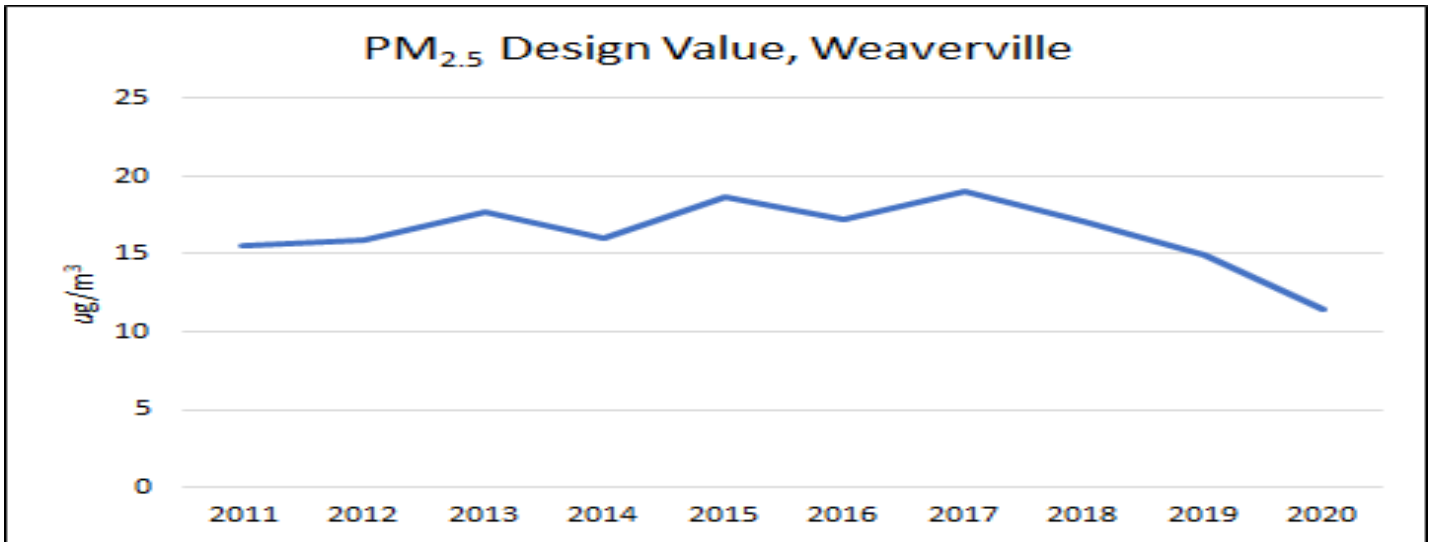


- Federal AAQS is 35 ug/m³. There is no separate state standard.

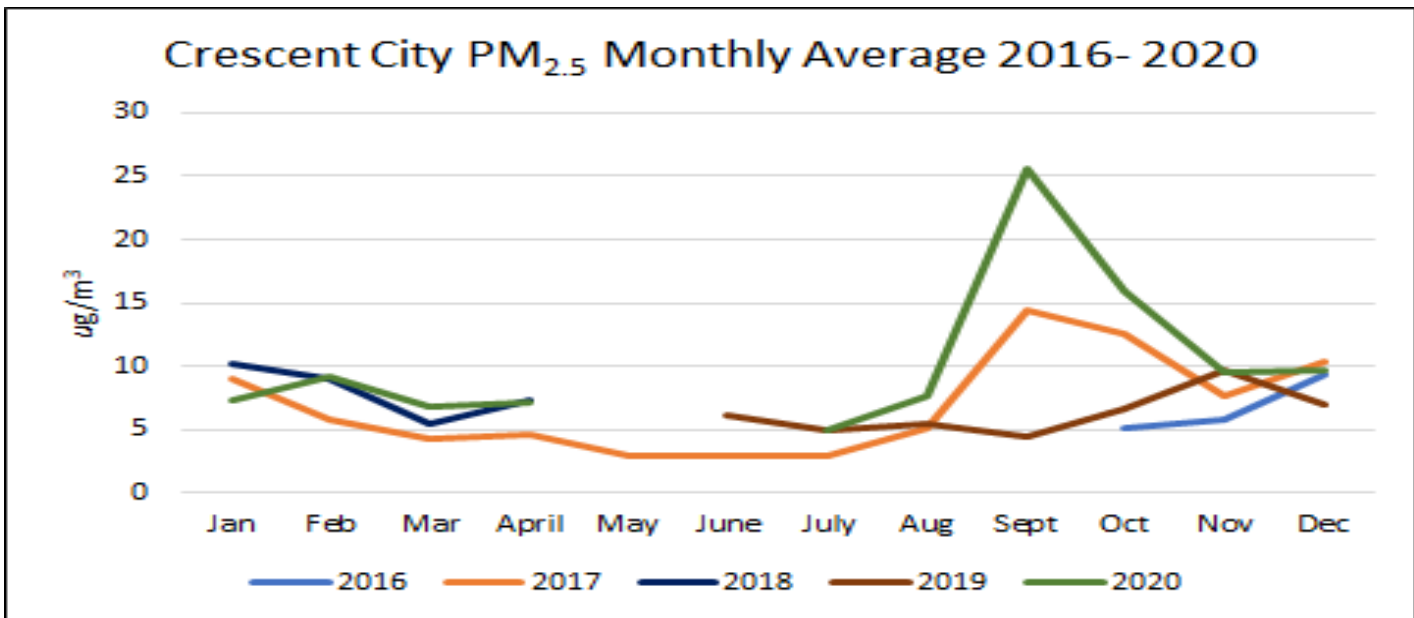
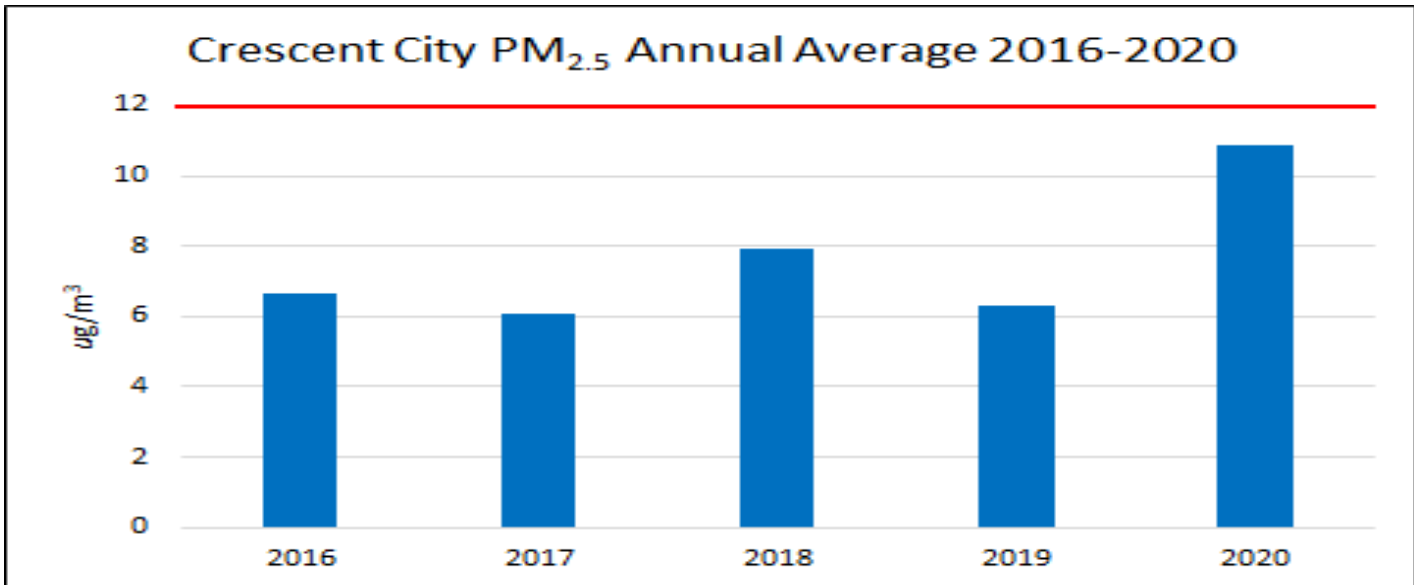
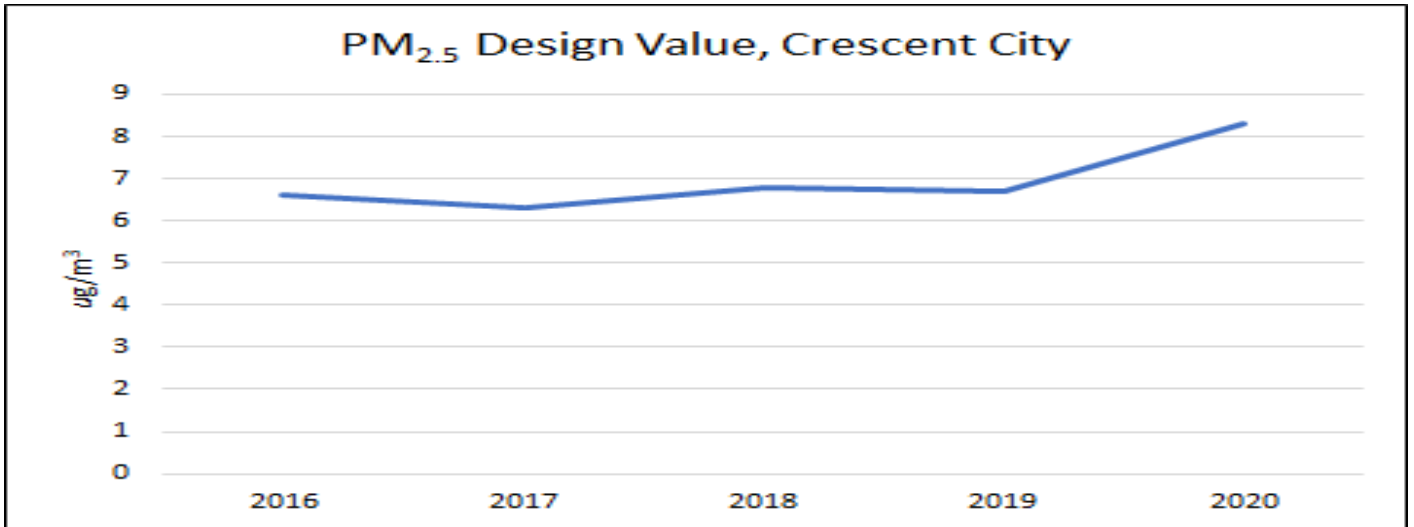
Eureka PM_{2.5} Trends



Weaverville PM_{2.5} Trends



Crescent City PM_{2.5} Trends



Agenda Item: 5

Agenda Item: 6

**North Coast Unified
Air Quality Management District**
707 L Street, Eureka, CA 95501
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TO: North Coast Unified Air Quality Management District Board

FROM: Brian Wilson, APCO

SUBJECT: Discuss District Pension and Other Post Employment Benefit (OPEB) Liabilities

DATE: April 15, 2021

ACTION REQUESTED: Accept and File Report

SUMMARY:

GovInvest Inc. was contracted by the District to provide actuarial review of District Pension and OPEB Liabilities. GovInvest provides services to governments with analytical tools to better determine how to best manage these liabilities and what are the best approaches for the entity. Representative(s) from GovInvest Inc. are scheduled to provide a presentation on Pension and Other Post Employment Benefits (OPEB) liabilities, including recent actuarial information for the District, and to answer questions and discuss options.

A key role of the Reserve has also been to act as a trust account for the District's OPEB liability and serve to reduce CalPERS pension debt obligations. For the period ending June 30, 2019, the balance of the OPEB Liability was \$3,317,748 and the most recent GASB 68 calculation of net pension liability was \$916,768.

Currently, the unencumbered Reserve Funds are estimated to be about \$2 million. Since 2018, the Reserve has been increasing above \$1 million, with the eventual goal of applying these funds toward the growing pension and OPEB liabilities. Once these actuarials were performed and the liabilities were calculated, the Board would then best manage these liabilities through a Liability Funding Policy.

The District's OPEB liability stem from providing full medical benefits to retirees from the date of retirement from the District until they are eligible for Medicare, at which time the District's insurance is no longer the primary insurance. After this, the District continues to pay the premium as secondary insurance. In the initial District Reserve Fund Policy and Guidelines document in 2010, the Board initially earmarked \$300,000 separately as funds set directly aside for the District's growing liability related to OPEB retiree medical

benefits and/or to be applied towards programs such as the CalPERS OPEB Trust Fund (CERBT - California Employers' Retiree Benefit Trust Fund).

The District continues to move forward with determining and managing its pension liability and Other Post Employment (OPEB) liabilities as mentioned at the last financial audit. The District has engaged the services of Total Compensation Services and GovInvest Inc. for actuarial services and calculate these liabilities.

CalPERS also offers the California Employers' Retiree Benefit Trust (CERBT) Fund and the California Employers' Pension Prefunding Trust (CEPPT) Fund financial instruments. The Public Agency Retirement Services (PARS) Trust is an alternative to the CalPERS option.

District staff intends to continue to engage the Board to discuss these liabilities and to suggest options that will involve use of the Reserve funding to mitigate these liabilities. Now that the actuarials have been performed and the liabilities calculated, the Board can best manage these liabilities through a Liability Funding Policy and discussion about how best to appropriate available unencumbered funds.

Agenda Item: 7

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TO: North Coast Unified Air Quality Management District Board

FROM: Brian Wilson, APCO

SUBJECT: Reserve Fund Status

DATE: April 15, 2021

ACTION REQUESTED: Accept and File

SUMMARY:

Annually it is prudent to discuss the status of the District's Reserve Fund. The "Reserve Fund" is not actually a separate account or distinct fund apart from the District's financial accounts, but rather at any given time the Reserve Funds are essentially whatever is remaining unencumbered in either of two financial accounts and can fluctuate considerably.

The District is one of only a few "unified" air districts that are not separate County departments, but rather a stand-alone special district that does not receive any county support or tax revenue. For an entity such as the District, it is necessary and prudent to have funds in reserve for economic uncertainties and/or unforeseen emergencies. A key role of the Reserve has also been to act as a trust account for the District's OPEB liability and serve to reduce CalPERS pension debt obligations. For the period ending June 30, 2019, the balance of the Other Post-Employment Benefits (OPEB) Liability was \$3,317,748 and the most recent GASB 68 calculation of net pension liability was \$916,768.

Previously back in 2014, the Board took action to address the potential depletion of the \$400,000 Reserve Fund, by adopting two source fee increases so programs could receive the correct income to stop the depletion of Reserve Funds.

At the April 2015 Governing Board meeting, the Board received and adopted the *District Reserve Fund Policy and Guidelines* (attached). The adopted policy and guidelines set a goal of maintaining a minimum unencumbered reserve of \$500,000, with a target of \$700,000 to \$1 million.

Through fiscal responsibility and hard work the District has seen the Reserve achieving levels above \$1 million. Several factors and circumstances contributed to getting the Reserve Fund back to an acceptable level – prudent financial budgeting (underspent

budgets), participation in additional District revenue generating activities (GHG Verifications, Administering the RSBPP Grant, FARMER, etc.), and some specific compliance civil settlements. In the last five years the key increases to the Reserve funds have come from: sale of the District building (\$260,000), TIMBER Admin funds (\$158,000), various compliance settlements (\$475,000), and increasingly RSBPP Admin funds (\$572,00).

Since 2018, the Reserve has been increasing above \$1 million, with the eventual goal of applying these funds toward its growing pension and OPEB liabilities. Currently unencumbered Reserve Funds are estimated to be about \$2 million. Once these actuarials were performed and the liabilities were calculated, the Board would then best manage these liabilities through a Liability Funding Policy.

The current amount of the Reserve is a rough estimation on what are unencumbered funds in active District accounts, and may change once expenditures are finalized for the fiscal year and any changes from the pending audits of the last three fiscal years.

Having an adequate financial Reserve is critical to a successful and stable budget and the short and long-term operation of the District. An adequate Reserve ensures that the District will at all times have sufficient funding available to meet its operating and capital needs, as well as any unfunded mandates. The ability of the District to maintain Reserve Funds is a critical factor in providing reliable service, mitigating fee increases, and ensuring overall financial strength.

There are a variety of uses and benefits of the District's Reserve Funds. A primary reason for the reserve is for economic uncertainties – funds can be used to mitigate annual revenue shortfalls (actual revenues less than projected revenues) due to slowdowns in general economic conditions as well as reductions in revenues by State and federal government actions. For example, the District receives about \$635,000 from Mobile Source DMV AB2766 funds that could be vulnerable to State disbursement problems. Using funds from the Reserve also avoids the need for service-level reductions within the fiscal year. Using the Reserve in this manner is only as a temporary revenue source while an orderly financial plan for cost-reduction or revenue enhancement is developed.

Another purpose of the financial reserve is to accumulate sufficient assets to pay known future liabilities or expenditures associated with special programs and/or equipment outlays. This can include but are not limited to: a) equipment replacement and/or upgrades; b) infrastructure maintenance; c) employee separation pay-offs; and d) liability for Other Post-Employment Benefits (OPEB) and CalPERS pension debt obligations. For example, the purchase of the District building was achieved through use of about \$300,000 in funds from the Reserve. Funds for unexpected major purchases such as vehicle replacement or costly equipment for an air monitoring station(s) would come from the Reserve Fund once Board approval is obtained.

In the past few years, the amount the District has in reserve has become even more important because of the way CARB has been transitioning grant funding from advance payment to reimbursement (State Woodsmoke Grant, Prescribed Fire Grant, Oil & Gas

Grant, and the AB197 Emission Inventory Grant). This requires the District to use its existing funds and request reimbursement on a quarterly or annual basis.

The District's OPEB liability stem from providing full medical benefits to retirees from the date of retirement from the District until they are eligible for Medicare, at which time the District's insurance is no longer the primary insurance. After this, the District continues to pay the premium as secondary insurance. In the initial *District Reserve Fund Policy and Guidelines* document in 2010, the Board initially earmarked \$300,000 separately as funds set directly aside for the District's growing liability related to OPEB retiree medical benefits and/or to be applied towards programs such as the CalPERS OPEB Trust Fund (CERBT - California Employers' Retiree Benefit Trust Fund).

The District continues to move forward with determining and managing its pension liability and Other Post Employment (OPEB) liabilities as mentioned at the last financial audit. The District has engaged the services of Total Compensation Services and GovInvest Inc. to perform actuarials and calculate these liabilities. GovInvest provides services to governments with analytical tools to better determine how to best manage the these liabilities and what is the best approach for our situation.

District staff has also attended CalPERS Prefunding Programs Workshops for the California Employers' Retiree Benefit Trust (CERBT) Fund and the California Employers' Pension Prefunding Trust (CEPPT) Fund financial instruments. District Staff has also had a presentation by Public Agency Retirement Services (PARS) Trust team, an alternative to CalPERS' options.

District staff intends to continue to engage the Board to discuss these liabilities and to suggest options that will involve use of the Reserve funding to mitigate these liabilities. Now that the actuarials have been performed and the liabilities calculated, the Board can best manage these liabilities through a Liability Funding Policy and discussion about how best to appropriate available unencumbered funds.

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<http://www.ncuaqmd.org>



TO: North Coast Unified Air Quality Management District Board
FROM: Brian Wilson, APCO
SUBJECT: District Reserve Fund Policy and Guidelines
DATE: May 14, 2015

The current Board-approved goal of the District is to maintain a minimum unencumbered Reserve Fund of \$500,000 with a target of \$700,000. In addition to these funds are the previously Board-approved set aside of \$300,000 that is earmarked for the District's Other Post-Employment Benefits (OPEB) liability. This policy's goals and amount of the Reserve Fund will be evaluated from time to time by the Governing Board and changes will be made accordingly.

In general, the "Reserve Fund" is not actually a separate account or distinct fund apart from the District's financial accounts. But rather at any given time, the Reserve Funds are essentially whatever is remaining unencumbered in either of two financial accounts.

Having an adequate financial Reserve is critical to a successful and stable, short and long-term operation of the District. An adequate Reserve ensures that the District will at all times have sufficient funding available to meet its operating and capital needs, as well as any unfunded mandates. The ability of the District to maintain Reserve Funds is a critical factor in providing reliable service, mitigating fee increases, and ensuring overall financial strength.

There are a variety of uses and benefits of the District's Reserve Funds. A primary reason for the reserve is for economic uncertainties – funds can be used to mitigate annual revenue shortfalls (actual revenues less than projected revenues) due to slowdowns in general economic conditions as well as reductions in revenues by State and federal government actions. Using funds from the Reserve also avoids the need for service-level reductions within the fiscal year (however, using the Reserve in this manner is only as a temporary revenue source to be used while an orderly financial plan for cost-reduction or revenue enhancement is developed).

Another purpose of the financial reserve is to accumulate sufficient assets to pay known future liabilities or expenditures associated with special programs and/or equipment

outlays. This can include but are not limited to: a) equipment replacement and/or upgrades; b) infrastructure maintenance; c) employee separation pay-offs; and d) a trust account toward the liability for Other Post-Employment Benefits (OPEB). Funds for unexpected major purchases such as vehicle replacement or costly equipment for an air monitoring station would come from the Reserve Fund once Board approval is obtained.

Funds considered part of the Reserve are the result of a variety of circumstances such as:

- Funds from civil settlements (e.g. fines/penalties resulting from enforcement actions and Settlement Agreements). Funds greater than the projected/budgeted amount are considered part of the Reserve.
- Annual revenue from burn permits or source permits is greater than what was forecast in the budget. This is not a result of overcharging, but rather the quantity of permits issued is greater than that forecasted from previous years. In most years, the amounts of closed permits roughly equate to the amount of new permits. Any considerable overage would be considered part of the Reserve.
- Deliberate Board-approved set-asides that might be done on a yearly basis (e.g. saving \$20,000/year toward a \$60,000 equipment purchase), would be considered part of the Reserve.

Agenda Item: 8

**North Coast Unified
Air Quality Management District**

707 L Street, Eureka, CA 95501

(707) 443-3093

www.ncuaqmd.org



TO: North Coast Unified Air Quality Management District Board

FROM: Brian Wilson, APCO


SUBJECT: Proposed FY 2021-22 District Budget

DATE: April 15, 2021

ACTION REQUESTED: Open Public Hearing to Consider Adoption of Proposed
FY 2021-22 District Operating Budget


SUMMARY:

Attached is the draft Proposed FY 2021-22 District budget. Staff will discuss the presentation during the meeting and answer any questions. The Board is requested to open the Public Hearing in regards to the District budget, which will be continued until the next Board meeting for final action.



NCUAQMD Proposed Draft FY 2021-22 Budget


April 15, 2021



FY 2021-22 Proposed Budget Background Information

Prior FY (2020-21) budget review:

- Approved with a slight surplus due to grant admin received in FY
- No increase beyond CPI was made.
- No major mid-year adjustments were needed.
- Direct reimbursement of admin funds from administering the state-wide Rural School Bus Pilot Program were received



FY 2021-22 Proposed Budget Background Information

- ✓ Noticed per California Health & Safety Code, Section 40131.
- ✓ 30-day public comment period - began March 15, 2021.
- ✓ Initial public hearing - noticed – April 15, 2021.
- ✓ Public comment period ends at next scheduled Board meeting when final budget proposed/adopted.
- ✓ Proposed Draft Budget has been available for public review in the District office and on the website.
- ✓ No public comments have been received.



FY 2021-22 Proposed Budget Key Aspects

- Revenue items can vary greatly (permits, applications, major source (Title V) fees on production/usage, fees based on emissions, grant admin, etc.).
- Expense items can vary greatly (wildfire response unfunded, Group Insurance rate increases, air monitoring station equipment repairs, grant admin, etc.).
- Reimbursement income from grants may not match grant amount allocated under agreement.
- Grant Administration funds may be received in a prior FY and spent from the Reserve Fund in another FY.
- Growing Debt obligations: OPEB \$3.3million, Pension \$916k



FY 2021-22 Proposed Budget Key Highlights

- Overall Proposed Budget is very similar to last adopted FY budget.
- A \$2.3 million dollar Operating Budget, that includes management of \$45.7 million dollars in grant programs.
- The Proposed Budget includes CPI as approved.
- District operating expenses about the same except for outside support costs to determine OPEB & Pension debts.



FY 2021-22 Proposed Budget Key Highlights

Income similar to last FY except for:

- Less revenue anticipated again due to waiving Burn Program fees for NS burn permits and smoke management plans for prescribed fire [#43050 and #43125].
- Uncertain revenue (~\$60k) from closure of 2 Major/Title V sources [#43150].
- No increases to fee tables for permitted sources in 6 years.
- Actual revenue for the FY from grant reimbursements varies despite grant amount accepted.



FY 2021-22 Proposed Budget Key Highlights

Income similar to last FY except for: (continued)

- Predicting less direct reimbursement admin income from RSBPP for YR2, YR3, YR4 grant years [#47331-3]
- Uncertain COVID-19 impacts
 - Pending substantial pension obligation increases from CalPERS fund losses



FY 2021-22 Proposed Budget Items That Affect The Budget

Expense items:

- Outside contract employee is support for RSBPP grant program and directly reimbursed [Line item#60100].
- Pension debt (CalPERS) increased by \$20k (and pending larger increases due to pension fund losses) [Line item #60150].
- Part of Professional & Special Services [#60450] moved to Office Services [#65350]
Maintenance PC/Programs [#60550]
- Purchase of new air monitoring equipment (PM2.5 device)[#66105]



FY 2021-22 Proposed Budget Key Highlights (cont.)

- Despite slight decrease in revenue, and increase in expenses due to debt, the overall bottom line slight deficit due most likely to growing pension debt payments (Retirement – CalPERS) [#60150]
- Grant admin income for some grants has emerged as only method to address every increasing OPEB & Pension debt.
- No expense line items yet to address debt - difficult to have a true balanced budget until this is addressed.



Proposed Draft FY 2021-22 Budget

Discussion/Questions



North Coast Unified Air Quality Management District - Draft FY 2021-22 Budget

ACCOUNT NUMBER	ACCOUNT NAME	FY 2020-21 ADOPTED	FY 2021-22 DRAFT	DESCRIPTION AND DETAILS OF ACCOUNTS
REGULAR INCOME				
PERMITS				
43050	Non-Standard Burn Permits	120,000	120,000	The Burn Program under District Reg II locally implements CCR Title 17 requirements for open burning. The larger permit is a "Non-Standard" Burn Permit (and may allow other types of burning such as property development, hazard reduction, prescribed burns, etc.). Current fees are tiered for the size of the burn and vary from \$40 (burns<1 acre mtl), \$80 (1-10 acres), \$500 (100-300 acres), \$1,250 (burns>300 acres).
43100	Standard Burn Permits	60,000	60,000	The Burn Program under District Reg II local implements CCR Title 17 requirements for open burning. The smaller permit is a "Standard" Burn Permit that is typically for most residential properties. Current fee is \$20.
43125	Smoke Management Plans (SMPs)	-	-	SMP's are required in conjunction with some Non-Standard Burn Permits when burning could impact a sensitive receptor (school, hospital, centers, homes, etc.) and/or the amount of material to be burned exceeds that outlined in District rules. SMP's are each reviewed and approved, and burning must be done within prescription with a Burn Authorization on a Burn Day. Current Fee is \$65.
43150	Title V Permits	286,522	290,000	The 1990 Amendments to the Federal Clean Air Act (CAA) include a comprehensive operating permit program in Title V (40 CFR Part 70). The Title V permit combines, in a single document, all Federal CAA requirements that apply to these "Major" sources. The District has identified four facilities that are considered Major sources and are subject to the Title V permit program requirement: DG Fairhaven, Pacific Gas & Electric, Humboldt Sawmill Company, and Blue Lake Power.
43160	Synthetic Minor Permits	3,973	4,000	Synthetic Minor Sources are not considered a Major (Title V) source because permit conditions restrict operation so that its potential to emit emissions are below that for a Major source.
43200	Permits to Operate (PTOs)	188,853	200,000	Annual renewal permit fees for Minor stationary source(s) of emissions and mobile equipment under existing PTOs, such as diesel engines, hot mix asphalt plants, crematories, etc. District fees established pursuant to H&SC Section 42311.
43250	Authority To Construct (ATC) Permits	10,000	15,000	Initial construction permit fees for stationary source and mobile equipment, such as diesel engines, hot mix asphalt plants, crematories, GDFs, etc. Applications received can vary depending on economy, construction activity, etc.
43300	Vapor Recovery Permits	84,532	86,900	Vapor recovery permits are required by District regulations for gas stations (Gasoline Dispensing Facilities-GDFs), bulk terminals, and for Soil Vapor Extractions (SVE).
TOTAL		753,880	775,900	
FEES				
44025	District share State-wide PERP Fees	20,000	20,000	Under state law, owners or operators of portable diesel engines and certain other types of equipment can register their units under ARB's statewide Portable Equipment Registration Program (PERP) in order to operate their equipment throughout California. These funds represent the District's share of inspection fees for registrations.
44050	Emission Reduction Fees	-	-	Pursuant to federal, state, and local laws, voluntary, unrequired emission reductions initiated by stationary sources which are real, permanent and validated may be banked and used for offset credit toward non-attainment pollutants.
44150	Application Fees	1,500	2,000	Application fees for permits such as ATCs, existing permit revisions, and existing equipment not under permit (PTOs). Applications received can vary depending on economy, construction activity, etc.
44200	ATCM Regulation(s) Fees	275	250	Fees associated with State Air Toxic Control Measures (ATCMs) including Naturally Occurring Asbestos (NOA) mitigation plans.
44250	Asbestos NESHAP Fees	20,000	20,000	The EPA minimizes asbestos emission exposure through the National Emission Standards for Hazardous Air Pollutants (NESHAP) pursuant to 40 CFR Part 61. The Asbestos NESHAP provisions require notification and inspection prior to building demolition activity. Fees cover the review and approval of applicators and the issuance of asbestos abatement permits. Applications received can vary depending on economy, construction activity, etc.
44350	GHG Fees	126,987	135,000	Applies to sources which have potential to emit Greenhouse Gases (GHGs) such as stationary sources and those affected by the state refrigerant management program. This covers tracking, permitting, inspecting, and emission inventory management.
44400	Hearing Board & Excess Emission Fees	-	-	Under limited conditions, stationary sources may apply for a variance from District regulations by submitting a petition to the District Hearing Board. This account tracks Hearing Board petition fees and Excess Emission Fees.
44510	Hot Spots Emission Inventory	-	2,500	On a quadrennial basis, the District bills stationary sources in accordance with Regulation IV, Rule 407(3.2) for cancerous and non-cancerous health effects. The billing covers the cost of updating emissions inventory per AB2588, Hot Spots.
44600	Air Monitoring Funds (Designated)	90,652	93,200	All permitted sources (PTOs, Vapor Recovery, etc.) pay an air monitoring fee that is designated toward support of the District's Air Monitoring network and activities.
44900	Other Fees	-	-	Miscellaneous fees that do not fall into other fee accounts such as expedite fees, outside contract engineering, permit modifications,
TOTAL		259,414	272,950	
PENALTIES				
46050	Settlements, Civil	20,000	20,000	Revenue collected from the District's Civil Penalty Fee Program established pursuant to H&SC Section 42402.5 and 42403. The amount Notice of Violations (NOVs) varies each year. This amount can vary quite a bit, but generally there are always payments associated with NOVs each year.
46100	Late Payments	-	-	Assessment of late payments on past due invoices.
TOTAL		20,000	20,000	

North Coast Unified Air Quality Management District - Draft FY 2021-22 Budget

ACCOUNT NUMBER	ACCOUNT NAME	FY 2020-21 ADOPTED	FY 2021-22 DRAFT	DESCRIPTION AND DETAILS OF ACCOUNTS
STATE FUNDS				
47050	Subvention, Base	103,200	103,200	Air districts received State Subvention funds because the Legislature recognized that the districts face a number of program mandates under state law that cannot be fully funded (or in some cases, funded at all) through fees on stationary sources or with motor vehicle registration surcharge funds. There are specific requirements and limits for which this money can be used. Under H&SC Section 39802, Base Subvention funding is provided/subvened at a rate of up to \$0.23 per capita but not less than \$34,000 (\$18,000 each county).
47055	Subvention, Supplemental	32,150	30,000	Supplemental Subvention funding received under H&SC 39810 are for programs or expenditures that have been allocated per the District's yearly application and approved by the State. Funds could be targeted for activities such as staff training, rule/SIP revisions, public outreach, unrecovered enforcement costs, supplemental air monitoring equipment and supplies, etc.
47060	CARB AB 617 Community Air Protection Grant Agreement Funding	-	-	Direct reimbursement funding under grant agreement for AB 617 Community Air Protection Program activities such as source evaluations, plan preparation, monitoring, community meetings, reduction plans, emissions reporting, and BARCT implementation. Grant agreement may be amended in future years. YR1 \$29,325 (FY18/19), YR2 22,659 (FY19/20). No state funding for YR3 (FY20/21), and remaining amount to be allocated to Woodsmoke Grant after any AB617 reimbursement expenditures.
47065	CARB AB 197 Emission Inventory Grant Agreement Funding	9,500	9,500	Direct reimbursement funding under grant agreement for AB 197 Emission Inventory activities to review and update emission inventory data in the California Emissions Inventory Development and Reporting System (CEIDARS) database. Annual funding tentatively \$8,500/yr, and grant agreement may be amended in future years. Anticipate annual requests for reimbursement of activities.
47070	CARB Oil & Gas Regulation Grant Agreement Funding	1,000	1,000	Direct reimbursement funding under grant agreement for implementation and enforcement of facilities subject to the CARB Oil & Gas Regulations. The District currently only has one facility that meets the applicability. Anticipate annual requests for reimbursement of activities.
47315	CARB Prescribed Burn Grant Program	100,000	100,000	Direct reimbursement funding under grant agreement for activities that support statewide increase in prescribed fire as envisioned in SB1260/SB960 with CAL FIRE. Under contract with CARB, CAPCOA implements pass through funding to districts via MOA requirements. Each CARB FY grant agreement is for two years implementation. The District uses these funds to offset fee waivers for Non-Standard Burn Permits and Smoke Management Plans (SMPs) associated with prescribed fire projects.
TOTAL		245,850	243,700	
47110	EPA 103 Grant - Air Monitoring PM2.5	9,100	32,418	EPA PM2.5 Grant funds that directly fund District PM2.5 air monitoring efforts (labor, equipment, monitor, etc.)
TOTAL		9,100	32,418	
GRANT ADMINISTRATION FUNDS				
48150	AB923 DMV Surcharge - Admin	17,000	17,000	Administration portion of the AB923 DMV Surcharge (\$2 per vehicle). Administration limited to 6.25% of grant funding.
47331	RSBPP Grant Admin (YR 2)	150,000	25,000	Admin income from direct reimbursement of costs incurred with the administration of the Rural School Bus Pilot Program (RSBPP) for YR 2
47332	RSBPP Grant Admin (YR 3)	150,000	50,000	Admin income from direct reimbursement of costs incurred with the administration of the Rural School Bus Pilot Program (RSBPP) for YR 3
47333	RSBPP Grant Admin (YR 4)	40,000	25,000	Admin income from direct reimbursement of costs incurred with the administration of the Rural School Bus Pilot Program (RSBPP) for YR 4
47215	State Woodsmoke Reduction Grant Admin (YR 2)	17,647	-	Admin income from the CARB Woodsmoke Reduction Grant (YR 2) which provides 9.5% for administrative expenses (0.5% for CAPCOA oversight).
47301	DERA Grant Admin	5,000	-	Admin income from administering CARB's allocation of EPA DERA Grant funds which are spent in conjunction with the RSBPP grant funds.
TOTAL		379,647	117,000	
AB2766 DMV SURCHARGE FUNDING				
48000	AB2766 DMV Surcharge Funding	635,000	635,000	AB2766 Surcharge Funding pursuant to H&SC Sections 44223 and 44225, which authorizes the District to collect up to \$4 per vehicle registered within the District's jurisdiction.
TOTAL		635,000	635,000	
MISCELLANEOUS FUNDS				
49350	Other Miscellaneous Income	2,500	2,500	Miscellaneous items not covered by other accounts such fees received for public records requests, District credit card rebates, refund of electricity used for onsite charging stations, etc.
TOTAL		2,500	2,500	

North Coast Unified Air Quality Management District - Draft FY 2021-22 Budget

ACCOUNT NUMBER	ACCOUNT NAME	FY 2020-21 ADOPTED	FY 2021-22 DRAFT	DESCRIPTION AND DETAILS OF ACCOUNTS
INTEREST				
80050	Interest, General Account	15,000	15,000	Interest earned on funds held by the Humboldt County Treasurer.
TOTAL		15,000	15,000	
	TOTAL REGULAR INCOME	2,320,391	2,114,468	
REGULAR EXPENSE				
APPROPRIATION FOR CONTINGENCIES				
58000	Appropriation for Contingencies	25,000	25,000	Contingency funds are used to address unanticipated fiscal liabilities and changes in the operational activities of the District, which may occur in the course of the year. Contingency funds represent the District's budgeted non-obligated fund. Many of the District's activities require advance funding to receive direct reimbursement.
TOTAL		25,000	25,000	
SALARIES & WAGES				
60050	Salaries & Wages	1,008,415	1,010,000	Projected annual base salary and wages for 13 1/2 permanent employees, including any COLA or merit increases.
60100	Outside contract employee(s)	-	30,000	Costs for temporary and part time employees as outside contractor/support who are not eligible for standard employee benefits.
60125	Overtime	1,000	1,000	Wages paid for overtime work.
60150	Retirement - CalPERS	252,285	272,500	The District pays a percentage (employee 7% share and employer ~12% share) of gross wages and an annual lump sum amount for the Annual Unfunded Accrued Liability (AUAL). PERS rates and AUAL are established through an actuarial valuation. Costs increase due to the District's pension obligation/debt - this year the AUAL amount represents almost 30% of the total payment to CalPERS.
60175	Employees' Group Insurance	336,500	336,500	District employees are covered under PERS Choice insurance (California Public Employees Retirement System's health insurance plan).
60184	Retirees' Group Insurance	35,335	35,335	This account reflects the cost for retirees' health insurance coverage. This is considered part of the District's Other Post Employment Benefits (OPEB) debt obligation.
60186	SDRMA Dental, Vision, Life Insurance	17,655	17,655	This account reflects the cost of the Special District Risk management Authority (SDRMA) ancillary benefits (which include Dental, Vision and Basic Life insurance for employees).
60190	Workers' Compensation Insurance	12,000	12,000	Workers' compensation insurance is paid yearly and is determined based on a combination of State rates and claims experience.
TOTAL		1,663,190	1,714,990	
PAYROLL TAXES				
60225	Medicare & Social Security Tax	14,625	15,080	The Medicare tax rate is 1.45% of taxable wages, with no wage limit.
60250	CA Taxes, Unemployment Insurance & ETT	2,730	2,450	These taxes are calculated by applying the 2021 contribution rates of 1.5% for State Unemployment Insurance (SUI) and 1% for Employment Training Tax (ETT) to the first \$7,000 wages per employee per calendar year period.
TOTAL		17,355	17,530	
INSURANCE				
60350	General Liability, E&O	16,000	25,000	Premiums for public liability, property damage including fire, burglary, and vehicle coverage, errors and omissions coverage, boiler and money insurance coverage. This expense also includes a rider for various air monitoring stations.
TOTAL		16,000	25,000	
PROFESSIONAL SERVICES				
60450	Professional & Special Services	170,000	125,000	Professional and specialized services including financial and auditing services, legal services, outside consulting/support, etc.
TOTAL		170,000	125,000	
REPAIRS & MAINTENANCE				
60550	Maintenance, Computers & Programs	1,000	26,000	General maintenance costs for computers, software, licenses, and proprietary programs (IT costs, Smartsheet, DocuSign, Zoom, QuickBooks, Google/Gmail, payroll, server, website support, software licences, etc.)
60575	Maintenance, Building	5,000	5,000	Building maintenance and repair costs to building.
60580	Maintenance, Equipment & Miscellaneous	8,000	8,000	Maintenance activity for equipment not specified in other maintenance accounts (landscape maintenance, etc.).

North Coast Unified Air Quality Management District - Draft FY 2021-22 Budget

ACCOUNT NUMBER	ACCOUNT NAME	FY 2020-21 ADOPTED	FY 2021-22 DRAFT	DESCRIPTION AND DETAILS OF ACCOUNTS
60590	Maintenance, Equip.& Misc.-Air Monitoring	15,000	15,000	Repairs and maintenance of air monitoring stations. Also costs for laboratory supplies.
60585	Household & Janitorial	6,700	6,700	General janitorial costs for office and garbage pick-up service.
TOTAL		35,700	60,700	
SAFETY EQUIPMENT & SUPPLIES				
60855	Safety Equipment	1,000	1,000	Safety equipment such as safety shoes and/or gear for inspections. Includes COVID-19 supplies.
TOTAL		1,000	1,000	
TRANSPORTATION & TRAVEL				
60950	Vehicles - Gas, Maintenance & Repairs	10,000	10,000	Costs of vehicles' gas, maintenance and repairs including fuel, auto detailings, annual safety checks, oil changes, and car washes.
61050	Transportation & Travel - Staff	8,000	8,000	Costs of all transportation including the reimbursement to staff for the costs of meals and lodging, commercial transportation, allowance for use of private vehicles and other travel costs.
61060	Transportation & Travel - APCO	4,000	4,000	Costs of all transportation associated with the APCO including the reimbursement of the costs of meals and lodging, commercial transportation, allowance for use of private vehicles and other travel costs.
61075	Transportation & Travel - Board of Directors	4,000	4,000	Travel expenses for governing and hearing board members and District counsel, such as mileage and lodging reimbursements.
TOTAL		26,000	26,000	
COMMUNICATIONS				
62050	Communications - General Office	16,000	16,000	Cost of communications services, including monthly telephone at the office and cell phone costs.
62060	Communications - Internet	3,000	3,000	Cost of internet communications at various district sites.
TOTAL		19,000	19,000	
UTILITIES				
63050	Utilities - Electric & Gas	9,500	9,500	Gas and electric service to the office & various air monitoring stations.
63100	Water & Sewer	1,000	1,000	Water and sewer service to the office.
TOTAL		10,500	10,500	
SPECIAL DISTRICT EXPENSE				
64050	Special District Expense - General	8,000	8,000	Other District expenses in this category include payments to Board members at \$100 per meeting (H&SC 40154), etc.
64075	Training	4,500	4,500	Employee education and training expenses (registration and class fees).
64100	Memberships & Subscriptions	20,000	10,000	Costs of necessary memberships, subscriptions, and/or licenses (CAPCOA membership, CSDA, etc.).
64150	Public Education	1,000	1,000	Various public education programs and outreach not included in other programs' outreach or expense accounts (i.e. funding provided directly by the District).
TOTAL		33,500	23,500	
OFFICE EXPENSE				
65050	Postage	7,000	7,000	Stamps, metered mail and bulk mail postage.
65100	Office Supplies	7,000	7,000	Office supplies include expendable items such as pens, pencils, ink & toner cartridges, copy paper, binders, envelopes, etc.
65200	Publications & Legal Notices	5,000	5,000	District costs of publications legally required for reports and notices, and includes costs of public notices.
65225	Printing Costs	2,000	2,000	Printing costs such as printing permit forms and other District publications.
65250	Rents & Leases - Building	1,860	1,900	Rental expense for storage unit at an estimated \$155 per month.
65255	Rents & Leases, Building - Air Monitoring	600	600	Eureka (Alice Birney) Air Monitoring Station monthly rent at \$50 per month.
65300	Rents & Leases - Equipment	4,000	4,500	Rent and lease of equipment, including postage meter and copier leases.
65350	Office Services	-	6,000	Other misc office expense for services (Office/building security system, office printing/copier services, grant outreach/advertising, etc.).
TOTAL		27,460	34,000	

North Coast Unified Air Quality Management District - Draft FY 2021-22 Budget

ACCOUNT NUMBER	ACCOUNT NAME	FY 2020-21 ADOPTED	FY 2021-22 DRAFT	DESCRIPTION AND DETAILS OF ACCOUNTS
CAPITAL OUTLAY				
66075	Equipment <\$5,000	10,000	10,000	Small tools, computer-related and office equipment.
66080	Air Monitoring Equipment <\$5,000	10,000	10,000	Small tools and equipment associated with air monitoring.
66100	Fixed Assets >\$5,000	35,000	-	Major modifications to real property, replacement of vehicles, or purchase of other assets.
66105	Fixed Assets - Air Monitoring >\$5,000	-	23,318	Purchase of new equipment for air monitoring stations.
TOTAL		55,000	43,318	
GRANT ADMINISTRATION EXPENSE				
67601	RSBPP Grant Admin (YR 2) - Expense	41,500	10,000	Admin income expensed from direct reimbursement of costs incurred with the administration of the Rural School Bus Pilot Program (RSBPP) for YR 2
67602	RSBPP Grant Admin (YR 3) - Expense	5,000	30,000	Admin income expensed from direct reimbursement of costs incurred with the administration of the Rural School Bus Pilot Program (RSBPP) for YR 3
67603	RSBPP Grant Admin (YR 4) - Expense	10,000	10,000	Admin income expensed from direct reimbursement of costs incurred with the administration of the Rural School Bus Pilot Program (RSBPP) for YR 4
67625	State Woodsmoke Reduction Grant Admin (YR 2) - Expense	2,000	-	Admin income expensed from direct reimbursement of costs incurred with the administration of the State Woodsmoke Reduction Grant (YR 2)
67610	DERA Grant Admin - Expense	5,000	-	Admin income expensed from administering CARB's allocation of EPA DERA Grant funds which are spent in conjunction with the RSBPP grant funds.
67630	CARB Prescribed Burn Grant Program - Expense	10,000	10,000	Admin income expensed from direct reimbursement costs incurred with the administration of CARB Prescribed Burn Program Grant.
TOTAL		73,500	60,000	
FUNDS TO OTHER AGENCIES				
68200	CARB Air Toxic "Hot Spots" Program	1,500	1,500	Fees collected by the District and passed through to CARB for CARB's Air Toxic "Hot Spots" Program.
68290	Burn Permit Fees to Fire Agencies	12,000	12,000	The District provides \$3 for every Standard Burn Permit issued to each local fire agency.
68410	CARB AB 617 Community Air Protection Grant Agreement Funding	51,984	-	Unused AB 617 reimbursement funding from YR1 \$29,325 (FY18/19) and YR2 22,659 (FY19/20) are planned to be allocated to the State Woodsmoke Grant as wood stove changeout grants.
TOTAL		65,484	13,500	
MISCELLANEOUS EXPENSE				
69100	Uncategorized Expenses	-	-	
69150	Bad Debt/Unpaid Fees/Write-offs	-	-	Unpaid invoices and deductions in fees due to the District.
TOTAL		-	-	
BANK FEES & INTEREST EXPENSE				
70125	Bank Fees & Charges	1,500	1,500	Regular banking fees associated with checking accounts.
70130	Credit Card Expense	6,500	6,500	Bank fees associated with credit card transactions.
70150	Late Fees	-	-	
TOTAL		8,000	8,000	
	TOTAL REGULAR EXPENSE	2,246,689	2,207,038	

2,114,468	Total FY 21/22 Income
2,207,038	Total FY 21/22 Expense
-92,570	
76,587	Contribution of FY 21/22 Grant Programs which have a fixed admin % (does not include direct/reimbursement grant admin)
-15,983	

North Coast Unified Air Quality Management District - Draft FY 2021-22 Budget

ACCOUNT NUMBER	ACCOUNT NAME	FY 2020-21 ADOPTED	FY 2021-22 DRAFT	DESCRIPTION AND DETAILS OF ACCOUNTS
GRANTS & SPECIAL INCOME				
CARL MOYER GRANT INCOME				
47100	Carl Moyer Program Grant (Yr 23)	299,984	290,508	The CARB Carl Moyer Program Grant provides grant incentives for purchasing lower-emission heavy-duty diesel engines. Funding typically covers the cost difference between a new heavy-duty diesel engine and an alternative, clean fuel or lower-emission model.
47100	Carl Moyer Program Grant carryover	184,606	-	Carl Moyer Grant program funds carryover from previous fiscal year.
47105	Carl Moyer Program Admin (Yr 23)	42,855	40,501	The Carl Moyer Grant provides 12.5% for grant admin/expenses (held in District Reserve), which are allocated over several years (typically allocate 80% initial year)
47105A	Carl Moyer Program Grant Admin carryover from previous year	7,912	8,571	The Carl Moyer Grant provides 12.5% for grant admin/expenses (held in District Reserve), which are allocated over several years (typically allocate and carryover 20% for second year)
80150	Interest, Carl Moyer Program Grant	1,000	1,000	Estimated interest earned on all Carl Moyer Program Grant funds while held in the Moyer bank account. All interest earned must be available for disbursement to qualified projects.
TOTAL		536,357	340,580	
STATE RESERVE (MULTI-DISTRICT) GRANT INCOME				
47350	State Reserve (Multi-District) Grant	175,000	50,000	CARB grant funding from the unallocated 5% within the Carl Moyer Program, referred to as State Reserve (Multi-District). Supports state priorities in partnership with air districts. Initially funding went to the TIMBER Program with new funds presently going toward VIP off-road, non-Ag and Ag projects.
47350	State Reserve (Multi-District) Grant carryover	115,104	175,000	The State Reserve Grant program funds carryover from previous fiscal year.
47355	State Reserve (Multi-District) Admin	25,000	6,250	The State Reserve Grant provides 12.5% for grant admin/expenses (held in District Reserve), which are allocated over several years (typically allocate 80% initial year)
47355	State Reserve (Multi-District) Admin carryover	2,903	5,000	The State Reserve Grant provides 12.5% for grant admin/expenses (held in District Reserve), which are allocated over several years (typically allocate 20% for second year).
TOTAL		318,007	236,250	
CARB VOLUNTARY NOx REMEDIATION MEASURE (NRM) GRANT INCOME				
47040	CARB Voluntary NOx Remediation Measure Grant	-	-	Grant incentive funding from CARB's Air Pollution Control Fund for eligible NOx reduction projects which are to be implemented according to the Carl Moyer Program guidelines.
47041	CARB Voluntary NOx Remediation Measure Admin	-	-	The Voluntary Nox Remediation Measure Grant provides 6% for grant admin/expenses.
TOTAL		-	-	
AB923 DMV SURCHARGE INCOME				
48100	AB923 DMV Surcharge Funds	325,000	325,000	State provided AB923 DMV Surcharge Funds for grant projects pursuant to H&SC 44229, which authorizes the District to receive an additional \$2 per vehicle in the District's jurisdiction.
48100	AB923 DMV Surcharge Funds carryover	1,247,160	1,247,160	AB923 DMV Surcharge Funds Carryover from previous fiscal year.
80200	Interest, AB923 DMV Surcharge Funds	2,000	2,000	Estimated interest earned on AB923 DMV Surcharge Funds.
TOTAL		1,574,160	1,574,160	
RURAL SCHOOL BUS PILOT PROGRAM (YR 2) INCOME				
47326	Rural School Bus Pilot Program (YR 2)	-	-	Through a CARB Grant Agreement, the District administers the state-wide Rural School Bus Pilot Program (RSBPP) Year 2 grant for school buses for rural school districts.
47326	Rural School Bus Pilot Program (YR 2) carryover	23,800,000	5,000,000	RSBPP (YR 2) carryover from previous fiscal year and held in the RSBPP (YR 2) financial account.
80215	Interest, RSBPP (YR 2) Grant Program	50,000	5,000	Estimated interest earned on RSBPP (YR 2) Grant funds while held in the RSBPP (YR 2) financial account. All interest earned must be available for disbursement to qualified projects.
TOTAL		23,850,000	5,005,000	

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ACCOUNT NUMBER	ACCOUNT NAME	FY 2020-21 ADOPTED	FY 2021-22 DRAFT	DESCRIPTION AND DETAILS OF ACCOUNTS
RURAL SCHOOL BUS PILOT PROGRAM (YR 3) INCOME				
47327	Rural School Bus Pilot Program (YR 3)	-	-	Through a CARB Grant Agreement, the District administers the state-wide Rural School Bus Pilot Program (RSBPP) Year 3 grant for school buses for rural school districts (allocation was increased beyond initial amount to \$18,550,00, which includes CARB's state match project funds for DERA grant applied to RSBPP).
47327	Rural School Bus Pilot Program (YR 3) carryover	18,550,000	18,550,000	RSBPP (YR 3) carryover from previous fiscal year and held in the RSBPP (YR 3) financial account.
80216	Interest, RSBPP (YR 3) Grant Program	15,000	5,000	Estimated interest earned on RSBPP (YR 3) Grant funds while held in the RSBPP (YR 3) financial account. All interest earned must be available for disbursement to qualified projects.
TOTAL		18,565,000	18,555,000	
RURAL SCHOOL BUS PILOT PROGRAM (YR 4) INCOME				
47328	Rural School Bus Pilot Program (YR 4)	4,350,000	4,350,000	Through a CARB Grant Agreement, the District administers the state-wide Rural School Bus Pilot Program (RSBPP) Year 4 grant for school buses for rural school districts.
47328	Rural School Bus Pilot Program (YR 4) carryover	-	-	RSBPP (YR 4) carryover from previous fiscal year and held in the RSBPP (YR 4) financial account.
80217	Interest, RSBPP (YR 4) Grant Program	-	5,000	Estimated interest earned on RSBPP (YR 4) Grant funds while held in the RSBPP (YR 4) financial account. All interest earned must be available for disbursement to qualified projects.
TOTAL		4,350,000	4,355,000	
DERA FEDERAL GRANT INCOME				
47324	DERA Grant	486,361	986,361	Through a Grant Agreement, the District administers all of CARB's Diesel Emissions Reduction Act (DERA) allocated by the EPA to CARB for all of California. CARB receives between \$400-500,000 each year annually for the allocation for California. Under agreement, the DERA funds will be spent toward the RSBPP grant program, typically funding about 5 additional school buses.
47324	DERA Grant carryover	-	-	
TOTAL		486,361	986,361	
WOODSTOVE CHANGEOUT PROGRAM INCOME				
N/A-Reserve	Woodstove Changeout Grant Program	-	-	District Woodstove Grant Program is typically funded by funds from compliance settlement agreement(s). The current funds were received in FY 16/17 and are provided through the Reserve Fund.
N/A-Reserve	Woodstove Changeout Grant Program carryover	275,000	275,000	District Woodstove Grant funds carryover from previous fiscal year and held in the District Reserve.
TOTAL		275,000	275,000	
STATE WOODSMOKE REDUCTION PROGRAM INCOME				
47210	State Woodsmoke Reduction Grant Program	-	-	State Woodsmoke Reduction Rrant Program is implemented by CARB and administered by air districts in coordination with CAPCOA. Implemented by California Climate Investments with GGRF funds. Initial allocation to District and also air basin. Estimated 2 year pilot with future funding.
47210	State Woodsmoke Reduction Grant Program carryover	185,000	5,000	State Woodsmoke Grant program funds carryover from previous fiscal year and held in the State Woodsmoke account.
80210	Interest, Woodsmoke Grant Program	500	-	Estimated interest earned on Woodsmoke Reduction Program funds while held in the Woodsmoke financial account. All interest earned must be available for disbursement to qualified projects.
TOTAL		185,500	5,000	
FARMER PROGRAM INCOME				
47200	FARMER Grant Program	363,656	300,000	CARB's Funding Agricultural Replacement Measures for Emission Reductions (FARMER) grant program. A statewide agricultural equipment replacement program similar to the Carl Moyer Program with additional project types. Initially allocates \$5.5 million split among 18 air districts with 9% administration. Funded by GGRF, Air Quality Improvement Funds, Alternative and Renewable Fuel and Vehicle Technology Funds.
47200	FARMER Grant Program carryover	-	5,000	The FARMER Grant program funds carryover from previous fiscal year and held in the FARMER account.
47205	FARMER Grant Program Admin	32,730	28,500	The FARMER Grant provides 9% for administrative expenses.
47205	FARMER Grant Program Admin carryover from previous year	22,050	16,365	The FARMER Grant provides 50% admin carryover from previous fiscal year, held in District Reserve, to be expensed this fiscal year.
80205	Interest, FARMER Grant Program	100	100	Estimated interest earned on FARMER Grant Program funds while held in the FARMER Program financial account. All interest earned must be available for disbursement to qualified projects.
TOTAL		418,536	349,965	
TOTAL GRANTS & SPECIAL INCOME		50,558,921	31,682,316	

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ACCOUNT NUMBER	ACCOUNT NAME	FY 2020-21 ADOPTED	FY 2021-22 DRAFT	DESCRIPTION AND DETAILS OF ACCOUNTS
GRANTS & SPECIAL EXPENSE				
CARL MOYER GRANT EXPENSE				
68100	Carl Moyer Program Grant	485,590	291,508	Carl Moyer Program Grant incentives/project funds provided under contract to recipients.
68100	Carl Moyer Program Grant carryover	-	-	Carl Moyer Program Grant funds carryover to next fiscal year and held in Carl Moyer financial account.
68100A	Carl Moyer Program Grant Admin	34,284	32,401	The Carl Moyer Grant provides 12.5% for grant admin/expenses (held in District Reserve), which are allocated over several years (typically 80% initial year, 20% second year) to roughly cover minor admin expenses during grant term (5-10yrs). This expense is reflected in the operating budget in various accounts (e.g. Salaries & Benefits and Office Expense).
68100A	Carl Moyer Program Grant Admin carryover from previous year	7,912	8,571	Carl Moyer Grant admin of 20% carryover from previous fiscal year, held in District Reserve, to be expensed in this fiscal year.
68100A	Carl Moyer Program Grant Admin carryover to next year	8,571	8,100	Carl Moyer Grant admin of 20% carryover to next year, held in District Reserve, to be expensed next fiscal year.
TOTAL		536,357	340,580	
STATE RESERVE (MULTI-DISTRICT) GRANT EXPENSE				
68350	State Reserve (Multi-District) Grant	290,104	225,000	State Reserve Grant incentives/project funds provided under contract to recipients.
68350	State Reserve (Multi-District) Grant carryover	-	-	State Reserve program funds carryover to next fiscal year and held in Carl Moyer financial account.
68350A	State Reserve (Multi-District) Admin	22,903	5,000	State Reserve Admin provides 12.5% for grant admin/expenses, where 80% is expensed initial year when funds received. This expense is reflected the operating budget in various accounts (e.g. Salaries & Benefits and Office Expense).
68350A	State Reserve (Multi-District) Admin carryover from previous year		5,000	State Reserve admin of 20% carryover from previous fiscal year, held in District Reserve, to be expensed in this fiscal year.
68350A	State Reserve (Multi-District) Admin carryover to next year	5,000	1,250	State Reserve admin of 20% carryover to next year and held in District Reserve, to be expensed next fiscal year.
TOTAL		318,007	236,250	
CARB VOLUNTARY NOx REMEDIATION MEASURE (NRM) GRANT EXPENSE				
68400	CARB Voluntary NOx Remediation Measure Grant	-	-	Voluntary NOx Remediation Measure (VNRM) Grant incentives/project funds provided under contract to recipients.
68400A	CARB Voluntary NOx Remediation Measure Grant Admin	-	-	VNRM provides 6% for grant admin/expenses where all is expensed in first year of receiving funds.
TOTAL		-	-	
AB923 DMV SURCHARGE FUNDS EXPENSE				
68055	AB923 DMV Surcharge Funds	350,000	350,000	AB923 DMV Surcharge Grant incentives/project funds provided to recipients; AB923 DMV Surcharge Funds also provide yearly match funds for the Carl Moyer Program Grant Program.
68055	AB923 DMV Surcharge Funds carryover	1,224,160	1,224,160	AB923 Grant funds carryover to next fiscal year and held in AB923 financial account.
TOTAL		1,574,160	1,574,160	
RURAL SCHOOL BUS PILOT PROGRAM (YR 2) EXPENSE				
68326	Rural School Bus Pilot Program (YR 2)	23,850,000	5,005,000	RSBPP (YR 2) Grant incentives/project funds provided under contract to recipients.
68326	Rural School Bus Pilot Program (YR 2) carryover	-	-	RSBPP (YR 2) Grant funds carryover to next fiscal year and held in RSBPP (YR 2) financial account.
TOTAL		23,850,000	5,005,000	
RURAL SCHOOL BUS PILOT PROGRAM (YR 3) EXPENSE				
68327	Rural School Bus Pilot Program (YR 3)	18,565,000	18,555,000	RSBPP (YR 3) Grant incentives/project funds provided under contract to recipients.
68327	Rural School Bus Pilot Program (YR 3) carryover	-	-	RSBPP (YR 3) Grant funds carryover to next fiscal year and held in RSBPP (YR 3) financial account.
TOTAL		18,565,000	18,555,000	

North Coast Unified Air Quality Management District - Draft FY 2021-22 Budget

ACCOUNT NUMBER	ACCOUNT NAME	FY 2020-21 ADOPTED	FY 2021-22 DRAFT	DESCRIPTION AND DETAILS OF ACCOUNTS
RURAL SCHOOL BUS PILOT PROGRAM (YR 4) EXPENSE				
68328	Rural School Bus Pilot Program (YR4)	4,350,000	4,355,000	RSBPP (YR 4) Grant incentives/project funds provided under contract to recipients.
68328	Rural School Bus Pilot Program (YR 4) carryover	-	-	RSBPP (YR 4) Grant funds carryover to next fiscal year and held in RSBPP (YR 4) financial account.
TOTAL		4,350,000	4,355,000	
DERA FEDERAL GRANT				
68340	DERA Grant	486,361	986,361	DERA Grant funding is spent within the RSBPP Grant according to the grant agreement along with RSBPP YR3 funds.
68340	DERA Grant carryover	-	-	
TOTAL		486,361	986,361	
WOODSTOVE CHANGEOUT PROGRAM EXPENSE				
68075	Woodstove Changeout Program	10,000	100,000	District Woodstove Grant incentives provided under agreement to recipients.
68075	Woodstove Changeout Program carryover	265,000	175,000	District Woodstove Changeout Program funds carryover and held in District Reserve.
TOTAL		275,000	275,000	
STATE WOODSMOKE REDUCTION PROGRAM EXPENSE				
68080	State Woodsmoke Reduction Program	185,500	5,000	State Woodsmoke Grant incentives provided under agreement to recipients.
68080	State Woodsmoke Reducton Program carryover	-	-	State Woodsmoke Grant funds carryover to next fiscal year and held in State Woodsmoke financial account.
TOTAL		185,500	5,000	
FARMER PROGRAM EXPENSE				
68040	FARMER Program	363,756	300,100	FARMER Grant incentives/project funds provided under contract to recipients.
68040	FARMER Program carryover	-	5,000	FARMER Grant funds carryover to next fiscal year and held in FARMER Grant Program financial account.
68040A	FARMER Admin	16,365	14,250	FARMER Grant program provides 9% for admin/expenses, where 50% admin expensed in first year when funds received. This expense is reflected the operating budget in various accounts (e.g. Salaries & Benefits and Office Expense).
68040A	FARMER Admin carryover from previous year	22,050	16,365	FARMER Grant admin of 50% carryover from previous fiscal year, held in District Reserve, to be expensed in this fiscal year.
68040A	FARMER Admin carryover to next year	16,365	14,250	FARMER Grant admin of 50% carryover to next fiscal year and held in District Reserve.
TOTAL		418,536	349,965	
TOTAL GRANTS & SPECIAL EXPENSE		50,558,921	31,682,316	

31,682,316	Total FY 21/22 Grant Income
31,682,316	Total FY 21/22 Grant Expense
0	

Agenda Item: 9

Agenda Item: 10

Agenda Item: 11

Agenda Item: 12