

**BOARD OF DIRECTORS  
MEETING**

Board of Supervisors Chambers  
700 H Street - Suite 1450  
Sacramento, California



**AGENDA**

**Thursday**

**May 23, 2024**

**9:00 AM**

**DIRECTORS**

**Chair**  
Patrick Kennedy

**Vice-Chair**  
Sarah Aquino

Bret Daniels  
Rich Desmond  
Sue Frost  
Eric Guerra

Patrick Hume  
Caity Maple  
Kevin Papineau  
Sergio Robles

Phil Serna  
Donald Terry  
Shoun Thao  
Mai Vang

**ANNOUNCEMENTS**

Members of the public may participate in the meeting in-person, by video conference via Zoom, conference line, and by submitting written comments electronically by email at [boardclerk@airquality.org](mailto:boardclerk@airquality.org).

Comments submitted will be delivered to the Board of Directors by staff. Public comments regarding matters under the jurisdiction of the Board of Directors will be acknowledged by the Chairperson during the meeting. Public comments will be accepted live until the adjournment of the meeting, distributed to the Board of Directors, and included in the record.

Submit public comments via email to: [boardclerk@airquality.org](mailto:boardclerk@airquality.org)

Zoom Meeting Link:

<https://us06web.zoom.us/j/87314130035?pwd=pTxA45BE35JssyS9bsq2AAvu2Zgaab.1>

Meeting ID: 873 1413 0035

Passcode: 101299

Call In Number

(669) 900-6833

(408) 638-0968

**Teleconference Locations:**

Folsom City Hall, 50 Natoma St., Folsom, CA 95630

**CALL TO ORDER/ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**BOARD CLERK ANNOUNCEMENTS**

**BROWN ACT**

**CONSENT CALENDAR**

1. April 25, 2024 Board of Directors Meeting Minutes  
Recommendation: Approve the April 25, 2024 Board of Director Meeting Minutes.
2. Cancellation of the June 27, 2024 Board of Directors Meeting

Recommendation: Cancel the June 27, 2024 Board of Directors Meeting.

3. Classification Plan Amendment Adding an Accountant Classification

Recommendation: Adopt a resolution amending the District's Classification Plan to add the Accountant classification and authorizing the Executive Director/Air Pollution Control Officer to take all necessary administrative actions to ensure the seamless integration of the new classification into the existing Classification Plan.

4. Fiscal Year 2024/2025 Public Pay Schedule

Recommendation: Adopt a resolution approving a publicly available pay schedule for Fiscal Year 2024/2025 as required by California Code of Regulations, Title 2, Section 570.5.

5. Rules of Procedure Update

Recommendation: Adopt a resolution adopting the Sacramento Metropolitan Air Quality Management District's (District) updated Rules of Procedure, and authorizing the Clerk of the Board, in consultation with District Counsel, to modify the Rules of Procedure as may be necessary to address changes in policy, District programs and/or comply with legal requirements.

6. Business Environmental Resource Center Contract Amendment

Recommendation: Authorize the Air Pollution Control Officer (APCO) to amend the existing contract with the Business Environmental Resource Center (BERC) for business outreach and assistance services to 1) extend the term of the contract until June 30, 2026; 2) increase the amount by \$180,000 (\$90,000/year) for a new not to exceed amount of \$360,000; and 3) make minor revisions to the contract, after consultation with District Counsel and within the funding limits, that may be necessary to fully implement its intent.

7. Del Paso Manor Air Monitoring Station Replacement Budget Update

Recommendation: Authorize the Executive Director/Air Pollution Control Officer to increase the previously approved project amount from \$650,000 to \$740,000 for the replacement and site improvements of the Del Paso Manor Air Monitoring Station.

## **PUBLIC HEARINGS**

8. Fiscal Year 2024/2025 Proposed Budget and Fee Schedule

Recommendation: Conduct a public hearing on the Fiscal Year 2024/2025 (FY24/25) Proposed Budget and upon closing the hearing, adopt a resolution approving the FY24/25 Sacramento Metropolitan Air Quality Management District Budget and Fee Schedule effective July 1, 2024.

## **DISCUSSION CALENDAR**

9. Carl Moyer Program, History, 25th Year Anniversary, and Current Solicitation

Recommendation: Receive and file a presentation highlighting the Carl Moyer Program's illustrious history and celebration of its 25th Anniversary milestone, delving into current grant incentive opportunities including the Zero Emission Commercial Lawn and Garden Program, and the renaming of the lawn and garden program to the Charlene McGhee Memorial Lawn and Garden Program to honor her legacy and contributions to the District's environmental initiatives.

## **AIR POLLUTION CONTROL OFFICER'S REPORT**

## 10. Air Pollution Control Officer Presentation

**Recommendation:** Receive and file a presentation from the Air Pollution Control Officer, including the following topics: AB617 CERP Transition Letter to CARB; CPRG Phase 2 Implementation Project Proposal; 25th Anniversary of Carl Moyer Program; 30th Anniversary of Spare the Air; and AB617 South Sac-Florin Community Steering Committee Bus Tour June 24, 2024.

## BOARD IDEAS, COMMENTS AND AB 1234 REPORTS

### PUBLIC COMMENT

### ADJOURN

**Agenda Revision:** This agenda may be revised. A final agenda will be posted on the website ([www.airquality.org](http://www.airquality.org)) and at the meeting site 72 hours in advance of the meeting. Materials submitted within 72 hours of the meeting and after distribution of the agenda packets will be made available on the Sac Metro Air District website subject to staff's ability to post the documents prior to the meeting. The order of the agenda items are listed for reference and may be taken in any order deemed appropriate by the Board of Directors. The agenda provides a general description and staff recommendation; however, the Board of Directors may take action other than what is recommended.

**Testimony:** The Board of Directors welcomes and encourages participation in Board meetings. When it appears there are several members of the public wishing to address the Board on a specific item, at the outset of the item the Chair of the Board will announce the maximum amount of time that will be allowed for presentation of the testimony. Matters under the jurisdiction of the Board and not on the posted agenda may be addressed by the general public immediately prior to the close of the meeting. The Board limits testimony on matters not on the agenda to five minutes per person and not more than 15 minutes for a particular subject.

**Meeting Broadcast:** The meeting is videotaped in its entirety and will be cablecast without interruption on Metro Cable 14, the Government Affairs Channel and will be webcast at <https://metro14live.saccounty.gov>. This morning's meeting is being cablecast live and will be rebroadcast on Saturday, May 25, 2024 at 2:00 pm on Channel 14.

**Closed Captioning:** Metro Cable now provides closed captioning of the Sac Metro Air District Board meetings for the deaf and hard of hearing community. The captioning will be available on both the live and playback broadcasts on the Metro Cable television channel (Channel 14).

**Assisted Listening:** Assisted listening devices are available for use by the public. Please see the Clerk of the Board for further information.

**Board Action:** The Board of Directors may take action on any of the items listed on this agenda.

**Information:** Full staff reports are available for public review on the District's website ([www.airquality.org](http://www.airquality.org)), including all attachments and exhibits, or for public inspection at the District's office at 777 12th Street, Suite 300, Sacramento, CA. Copies of items prepared by staff and distributed for the first time at the meeting will be available at the back of the meeting room or may be obtained from the Board Clerk. Copies of items that were not prepared by staff may be obtained after the meeting from the Clerk. Materials related to an item on this Agenda submitted to Sac Metro Air District after distribution of the agenda packet are available for public inspection in the Clerk of the Board's office during normal business hours. For information regarding this agenda, please contact Salina Martinez, Clerk of the Sac Metro Air District Board of Directors, at 279-207-1164.

**Meeting Date:** 5/23/2024  
**Report Type:** CONSENT CALENDAR  
**Report ID:** 2024-0523-1.



**Title:** April 25, 2024 Board of Directors Meeting Minutes

**Recommendation:** Approve the April 25, 2024 Board of Director Meeting Minutes.

**Rationale for Recommendation:** Minutes serve as the official record of the actions that occurred at board or committee meetings. It is the Board of Directors practice to approve the meeting minutes at subsequent Board meeting. The minutes are included as Attachment A.

**Contact:** Salina Martinez, Administrative Supervisor/ Clerk of the Board, 279-207-1164

**Presentation:** No

**ATTACHMENTS:**

Attachment A: April 25, 2024 BOD Meeting Minutes

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**Approvals/Acknowledgements**

Executive Director or Designee: Alberto Ayala, Report Approved 5/14/2024

District Counsel or Designee: Kathrine Pittard, Approved as to Form 5/9/2024

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## MINUTES

BOARD OF DIRECTORS  
Sacramento Metropolitan Air Quality Management District  
700 H Street, Suite 1450  
Sacramento, California

Thursday

April 25, 2024

9:00 AM

### DIRECTORS

**Chair**  
Patrick Kennedy

**Vice-Chair**  
Sarah Aquino

Bret Daniels  
Rich Desmond  
Sue Frost  
Eric Guerra

Patrick Hume  
Caity Maple  
Kevin Papineau  
Sergio Robles

Phil Serna  
Donald Terry  
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Submit public comments via email to: [boardclerk@airquality.org](mailto:boardclerk@airquality.org)

Zoom Meeting Link:

<https://us06web.zoom.us/j/87314130035?pwd=pTxA45BE35JssyS9bsq2AAvu2Zgaab.1>

Meeting ID: 873 1413 0035

Passcode: 101299

Call In Number

(669) 900-6833

(408) 638-0968

#### Teleconference Locations:

Folsom City Hall, 50 Natoma St., Folsom, CA 95630

Hyatt Place Fresno, 7333 N Fresno St, Fresno, CA 93720

## **CALL TO ORDER/ROLL CALL**

**Meeting was called to order.**

**Directors present: Sarah Aquino, Bret Daniels, Rich Desmond, Sue Frost, Eric Guerra, Patrick Hume, Patrick Kennedy, Caity Maple, Kevin Papineau, Phil Serna, Donald Terry, Shoun Thao, and Mai Vang.**

**Directors absent: Sergio Robles**

**Directors Hume, Maple and Vang arrived after the consent calendar was passed.**

## **PLEDGE OF ALLEGIANCE**

## **SPECIAL PRESENTATIONS**

1. Recognition of Service for Two Hearing Board Members

**Kathy Pittard, District Counsel and Amy Roberts, Engineering and Compliance Division, presented a plaque and recognized the service of two Hearing Board Members.**

## **CONSENT CALENDAR**

### **ACTION:**

***Rich Desmond Moved /Sue Frost Seconded***

**Ayes: Sarah Aquino, Bret Daniels, Rich Desmond, Sue Frost, Eric Guerra, Patrick Kennedy, Kevin Papineau, Phil Serna, Donald Terry, and Shoun Thao.**

**Absent: Patrick Hume, Caity Maple, Sergio Robles, and Mai Vang.**

2. March 28, 2024 Board of Directors Meeting Minutes

**Recommendation: Approve the March 28, 2024 Board of Director Meeting Minutes.**

**Approved**

3. March 28, 2024 Budget & Personnel Committee Meeting Minutes

**Recommendation: Approve the March 28, 2024 Budget & Personnel Committee Meeting Minutes.**

**Approved**

4. April 3, 2024 Administrative Headquarters Facility Ad Hoc Committee Meeting Minutes

**Recommendation: Approve the April 3, 2024 Administrative Headquarters Facility Ad Hoc Committee Meeting Minutes.**

**Approved**

5. Quarterly Contracts Report (January 2024 – March 2024)

**Recommendation: Receive and file a report on certain contracts executed by the Air Pollution Control Officer under the Non-Incentive Purchasing Authority for the quarter January 2024 – March 2024.**

**Received and Filed**

6. Appointment of Two Hearing Board Members; Attorney and Public Member

Recommendation: Pass a motion appointing Darrel Woo as the Hearing Board attorney member (assuming the current attorney member term effective 4/25/2024 through 1/27/2025) and appointing Jonathan Ellison as the Hearing Board public member (assuming the current public member term effective 4/25/2024 through 7/24/2025).

**Motion Passed**

**PUBLIC HEARINGS**

7. Fiscal Year 2024/2025 Proposed Budget and Fee Schedule

Recommendation: Conduct a public hearing on the Fiscal Year 2024/2025 (FY24/25) Proposed Budget and Fee Schedule; provide direction to staff regarding development of the final budget; and pass a motion to set the public hearing for the adoption of the FY24/25 Proposed Budget and Fee Schedule for May 23, 2024.

**ACTION:**

***Sue Frost Moved /Patrick Kennedy Seconded***

**Ayes: Sarah Aquino, Bret Daniels, Rich Desmond, Sue Frost, Eric Guerra, Patrick Hume, Patrick Kennedy, Caity Maple, Kevin Papineau, Phil Serna, Donald Terry, Shoun Thao, and Mai Vang.**

**Absent: Sergio Robles**

**Patty Kepner, Administrative Services Division, gave a presentation on the Fiscal Year 2024/2025 Proposed Budget and Fee Schedule.**

**Public Hearing was open and closed with no public comment.**

**Motion Passed**

**DISCUSSION CALENDAR**

8. Sacramento Valley Basinwide Air Pollution Control Council New Alternate Member Appointment

Recommendation: Designate a member of the Sac Metro Air District Board of Directors to serve as the alternate council member to the Sacramento Valley Basinwide Air Pollution Control Council (BCC).

**ACTION:**

***Patrick Kennedy Moved /Eric Guerra Seconded***

**Ayes: Sarah Aquino, Bret Daniels, Rich Desmond, Sue Frost, Eric Guerra, Patrick Hume, Patrick Kennedy, Caity Maple, Kevin Papineau, Phil Serna, Donald Terry, Shoun Thao, and Mai Vang.**

**Absent: Sergio Robles**

**Motion passed appointing Kevin Papineau as the alternate member to the Sacramento Valley Basinwide Air Pollution Control Council.**

9. Clean Car 4 All Program Update

Recommendation: Receive and file a presentation on Clean Cars 4 All (CC4A) program implementation changes and a relaunch of the program in spring of 2024.

**Cindy Mahon, Transportation and Climate Change Division, gave an update on the Clean Cars 4 All Program.**

**Received and Filed**

#### **AIR POLLUTION CONTROL OFFICER'S REPORT**

**10. Air Pollution Control Officer Presentation**

**Recommendation:** Receive and file a presentation from the Air Pollution Control Officer, including the following topics: Sacramento Emergency Clean Air Transportation Program; Headquarters Relocation Status; and Sac Metro Air District Earth Day Activities.

**Alberto Ayala, Executive Director/ Air Pollution Control Officer gave a presentation.**

**Received and Filed**

#### **CLOSED SESSION**

**11. Conference with Legal Counsel - Anticipated Litigation: Significant exposure to litigation pursuant to Government Code section 54956.9(b) (1 Case) - EDP v SMAQMD**

**No report out.**

#### **BOARD IDEAS, COMMENTS AND AB 1234 REPORTS**

#### **PUBLIC COMMENT**

#### **ADJOURN**

**Meeting Date:** 5/23/2024  
**Report Type:** CONSENT CALENDAR  
**Report ID:** 2024-0523-2.



**Title:** Cancellation of the June 27, 2024 Board of Directors Meeting

**Recommendation:** Cancel the June 27, 2024 Board of Directors Meeting.

**Rationale for Recommendation:** On September 28, 2023, the Board approved the 2024 Sacramento Metropolitan Air Quality Management District Board of Directors Meeting schedule. As general practice, unless there is a critical issue requiring Board action, District staff recommends cancelling the June Board meeting consistent with other Board's and Council's summer recess schedules. There are no time-sensitive issues to be heard in June. Therefore, staff is recommending that the Board cancel the June 27, 2024 Board of Directors meeting.

**Contact:** Salina Martinez, Administrative Supervisor/ Clerk of the Board, 279-207-1164

**Presentation:** No

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### Approvals/Acknowledgements

Executive Director or Designee: Alberto Ayala, Report Approved 5/14/2024

District Counsel or Designee: Kathrine Pittard, Approved as to Form 5/9/2024

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**Meeting Date:** 5/23/2024  
**Report Type:** CONSENT CALENDAR  
**Report ID:** 2024-0523-3.

**Title:** Classification Plan Amendment Adding an Accountant Classification

**Recommendation:** Adopt a resolution amending the District's Classification Plan to add the Accountant classification and authorizing the Executive Director/Air Pollution Control Officer to take all necessary administrative actions to ensure the seamless integration of the new classification into the existing Classification Plan.

**Rationale for Recommendation:** The Classification Plan is a series of class specifications that describe proposed or authorized positions within the District. The Classification Plan consists of class specifications, including title, a description of duties and responsibilities, and a statement of minimum qualifications to be required of applicants for employment.

Classification studies of individual positions or groups of positions are made whenever the duties or responsibilities of existing positions have undergone significant changes or whenever new positions are created. The APCO may make revisions as needed by notifying affected employees, if any, and their bargaining units and allowing sufficient time for written comments. After all comments have been addressed, the recommended changes are presented to the Board for approval.

The incorporation of the Accountant classification will enable the district to recruit the appropriate personnel to fulfill the required tasks of grant administration and accounting, thereby safeguarding the financial well-being and integrity of the district. The necessity for this type of resource arises primarily from the notable increase in Community Air Protection grants and the Climate Pollution Reduction Planning Grant (CPRG). Approval of this request will authorize the addition of an Accountant classification, which is included as Exhibit 1 to the resolution.

**Contact:** Patricia Kepner, Controller, 279-207-1134

**Presentation:** No

**ATTACHMENTS:**

Resolution - Classification Plan Amendment  
Exhibit 1 - Accountant Job Description

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**Approvals/Acknowledgements**

Executive Director or Designee: Alberto Ayala, Report Approved 5/17/2024

District Counsel or Designee: Kathrine Pittard, Approved as to Form 5/16/2024

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**Discussion / Justification:** Over the past five years, the number of grants and complexity of District grant administration has increased significantly. Federal operational grant revenue increased over 70% during that period and this federal grant revenue is expected to more than double by FY24/25. Federal grants typically require significant administration including quarterly invoicing for reimbursement, quarterly reporting on program deliverables, achievements, and issues, and in some cases, administration of subrecipients. Grants in this category include EPA 103, EPA 105, the CPRG, and the Targeted Airshed Grants (TAG). The District administers the TAG project for neighboring air districts. The District continues to focus on obtaining new operational grants.

Current operating grant and accounting responsibilities have been undertaken by one member within the Finance team working in the Senior Accountant classification. Accordingly, as grant administration duties increased, accounting tasks and projects have been delayed. The addition of the Accountant classification will provide the appropriate classification to recruit the resources necessary to support the District's grant administration and accounting duties and initiatives and help maintain the District's financial health and integrity. The affected bargaining unit was notified and provided the opportunity to comment on the Accountant classification.

The Accountant will be required to perform both grant administration and accounting tasks in support of the Administrative Service Division and the operating divisions. They must have knowledge of professional accounting standards, financial statement preparation, grant administration, accounting principles, accounting systems, and software.

**Financial Considerations:** The position is included in the FY24/25 Proposed Budget and will be allocated as an indirect cost to eligible programs and projects, and funded from grant administrative funds and recurring District revenues.

## **RESOLUTION NO. 2024 – XXXX**

Adopted by the Sacramento Metropolitan Air Quality Management District  
Board of Directors

### **CLASSIFICATION PLAN AMENDMENT ADDING ACCOUNTANT**

#### **BACKGROUND:**

- A. The Classification Plan is a series of class specifications that describe proposed or authorized positions within the District.
- B. Classification studies are routinely conducted to assess individual positions or groups of positions within the District, particularly in instances where significant changes in duties or responsibilities occur or with the establishment of new positions.
- C. The Air Pollution Control Officer (APCO) has the authority to propose revisions to the Classification Plan, ensuring that affected employees and their bargaining units are taken into account and provided with an opportunity for written input; subsequently, all proposed changes are presented to the Board for approval.
- D. Grant and accounting responsibilities are performed primarily by one team member within the Finance team working in the Senior Accountant classification and, as grant administration duties have increased, important accounting tasks and projects have been delayed.
- E. The expanding scope of grant administration and accounting duties necessitates the inclusion of an Accountant classification in order to recruit the appropriate resources to fulfill these responsibilities effectively.
- F. The necessity for this type of resource arises primarily from the notable increase in Community Air Protection grants and the Climate Pollution Reduction Planning Grant (CPRG).

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE BOARD OF DIRECTORS RESOLVES AS FOLLOWS:**

- Section 1. The District's Classification Plan is hereby amended to include the new classification of Accountant, attached as Exhibit 1, and that said classification be incorporated into the existing Classification Plan effective April 25, 2024.
- Section 2. The APCO is authorized to take all necessary administrative actions to ensure the seamless integration of the new classification into the existing Classification Plan, including but not limited to updating relevant documentation and notifying stakeholders of the changes.
- Section 3. Exhibit 1 is attached to and incorporated into this resolution.

ON A MOTION by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, the foregoing resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan Air Quality Management District on May 23, 2024, by the following vote:

Ayes:

Noes:



Abstain:

Absent:

ATTEST:

Clerk, Board of Directors  
Sacramento Metropolitan Air Quality Management District

## Accountant

**FLSA Status:** Non-Exempt

**Flex:** No

**Bargaining Unit:** General

**Class Code:** 5003

### Purpose

Under general supervision, performs professional accounting work related to the maintenance of District finance and accounting records; prepares financial journals, ledgers, reports, and analyses. Supports the management and administration of the District's federal, state, and local grants including grant applications, reporting, compliance monitoring, and internal record keeping. Assists with the planning of the audits of financial records and reviews and evaluates audit results; serves as liaison with outside auditors. Performs a variety of routine professional accounting duties such as budget preparation, budget control, review and analysis of financial transactions and records, and other related work as required.

### Distinguishing Characteristics

Incumbents perform professional accounting work in accordance with Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards (GASB) under general supervision, instruction, or orientation on the technical specifics of the program or work unit for which the accounting is being performed. Incumbents report to the Controller.

### Typical Duties

*The duties below are examples of the work typically performed by the employee of this class. An employee may not be assigned all duties listed and may be assigned duties that are not listed below.*

1. Prepares, reviews, reconciles, and processes accounting and financial documents for general and subsidiary ledgers ensuring the accuracy of information and calculations.
2. Prepares and analyzes financial reports, statements, and projections for internal and external use, ensuring compliance with district policies, government regulations, and accounting principles.
3. Implements new GASB and GAAP statements; documents and implements new and/or revised accounting policies and procedures. Monitors compliance with accounting policies and procedures.
4. Assists in the development, monitoring, and analysis of the District budgets and reviews requests for changes in budget allocations to determine or project fiscal impact and status. Provides support in compiling and reviewing financial data and forecasting future financial needs and trends.
5. Assists in the preparation for internal and external audits, including gathering documentation, responding to auditor inquiries, preparation of the Schedule of Expenditures of Federal Awards (SEFA), and implementing audit recommendations.
6. Performs indirect and overhead cost allocations; conducts or participates in special projects and initiatives as assigned, such as process improvements, system implementations, or policy development; consults with and coordinates these activities with the Controller and other staff.

7. Assists with the preparation of grant applications and budgets providing sufficient detail and information in accordance with funding agency requirements and all subsequent follow-up documentation.
8. Monitors and manages grants, contracts, and other funding sources. Ensures proper allocation and utilization of funds in accordance with grant agreements and regulations, coordinating with appropriate internal and external resources and providing administrative support to staff throughout the award. Assists with the monitoring of sub-recipients for compliance with grant requirements and risks.
9. Maintains records of District capital assets, including acquisitions, disposals, and depreciation calculations.
10. Assists in enforcing and monitoring department compliance with District accounting policies and procedures.
11. Supports complex accounting projects and initiatives with other members of the accounting and finance team or with other divisions.

### **Minimum Qualifications**

#### **Education and Experience:**

Completion of a bachelor's degree from an accredited college or university in accounting, business, finance, or a closely related field with major coursework in accounting and one year of experience working as an accountant or auditor preferably in a public agency with experience in grant administration preferred; or any combination of training and/or experience that provides the desired knowledge and abilities.

#### **Knowledge of:**

Professional accounting standards such as Generally Accepted Accounting Principles (GAAP), Generally Accepted Governmental Auditing Standards (GAGAS), and standards set by the Governmental Accounting Standards Board (GASB); financial statement preparation; cost allocation methods; accounting systems and spreadsheet software; governmental budget preparation; policies, procedures, and systems used in accounting, budgeting, and auditing; internal accounting controls; relevant government rules, guidelines and legislation relating to grants.

#### **Ability to:**

Prepare, analyze, evaluate, and reconcile complex financial data; analyze and make effective recommendations regarding financial and accounting procedures and workflow; provide support on accounting projects and activities; use enterprise resource planning solutions, Microsoft Office Suite, and grant application software proficiently; make accurate mathematic and statistical calculations; work both independently and collaboratively with those contacted in the course of work; manage time effectively and meet deadlines; communicate effectively, both orally and in writing.

#### **Special Requirements:**

Possession of a valid Class C California driver's license may be required at the time of appointment for some positions in this class.

#### **Physical Demands:**

Prolonged periods sitting at a desk and working on a computer. Occasional travel by car throughout the District. Occasional lifting to 15 lbs., walking, some bending, stooping, and squatting; reaching equipment surrounding the desk; performing simple grasping and fine

manipulation. Reading small print on a computer screen or in printed documents. Using various office and telecommunication equipment; writing and using a keyboard.

Working Conditions:

The environment is in an office environment and generally clean with limited exposure to conditions such as dust, fumes, odors, or noise.

**Meeting Date:** 5/23/2024  
**Report Type:** CONSENT CALENDAR  
**Report ID:** 2024-0523-4.



**Title:** Fiscal Year 2024/2025 Public Pay Schedule

**Recommendation:** Adopt a resolution approving a publicly available pay schedule for Fiscal Year 2024/2025 as required by California Code of Regulations, Title 2, Section 570.5.

**Rationale for Recommendation:** This is an administrative action to ensure the District's compliance with California Code of Regulations, Title 2, Section 570.5, which requires that California Public Employees' Retirement System member agencies' governing body adopt a pay schedule meeting certain criteria and make that schedule publicly available. The pay schedule, attached as Exhibit A to the Resolution, is for Fiscal Year 2024/2025 and is effective July 1, 2024.

**Contact:** Patrick Smith, Program Manager, Administrative Services, 279-207-1123

**Presentation:** No

**ATTACHMENTS:**

Resolution - FY24/25 District Pay Schedule  
Exhibit A - FY24/25 District Pay Schedule

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**Approvals/Acknowledgements**

Executive Director or Designee: Alberto Ayala, Report Approved 5/14/2024

District Counsel or Designee: Kathrine Pittard, Approved as to Form 5/14/2024

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**RESOLUTION NO. 2024 – XXXX**

Adopted by the Sacramento Metropolitan Air Quality Management District  
Board of Directors

**FISCAL YEAR 2024-25 DISTRICT PAY SCHEDULE**

**BACKGROUND:**

A. The California Code of Regulations, Title 2, Section 570.5, requires that the Board adopt the District's pay schedule at a public meeting.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE BOARD OF DIRECTORS RESOLVES AS FOLLOWS:**

Section 1. The District Pay Schedule attached to this Resolution as Exhibit A is hereby approved and effective July 1, 2024.

Section 2. Exhibit A is part of this resolution.

**TABLE OF CONTENTS:**

Exhibit A – District Pay Schedule Effective July 1, 2024

ON A MOTION by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, the foregoing resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan Air Quality Management District on May 23, 2024, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

ATTEST:

Clerk, Board of Directors  
Sacramento Metropolitan Air Quality Management District

**Sacramento Metropolitan Air Quality Management District**  
**Pay Schedule Effective July 1, 2024**

Classification	Monthly	
	Minimum	Maximum
Accountant	7,395.03	8,988.71
Administrative Specialist I	6,826.27	8,297.37
Administrative Specialist II	7,395.03	8,988.71
Administrative Supervisor/Clerk of the Board	8,284.19	11,082.25
Air Pollution Control Officer (contract by Board of Directors)	23,767.83	23,767.83
Air Quality Engineer (Assistant)	7,849.01	9,540.52
Air Quality Engineer (Associate)	9,116.21	11,080.81
Air Quality Instrument Specialist I	6,500.26	7,901.11
Air Quality Instrument Specialist II	7,475.58	9,086.61
Air Quality Planner/Analyst (Assistant)	7,849.01	9,540.52
Air Quality Planner/Analyst (Associate)	9,116.21	11,080.81
Air Quality Specialist (Assistant)	7,849.01	9,540.52
Air Quality Specialist (Associate)	9,116.21	11,080.81
Communications & Marketing Specialist (Assistant)	7,849.01	9,540.52
Communications & Marketing Specialist (Associate)	9,116.21	11,080.81
Controller	10,946.32	14,668.64
District Counsel (contract by Board of Directors)	23,005.20	23,005.20
Director	12,582.18	16,860.83
Financial Analyst	7,988.76	9,710.39
Human Resources Officer	8,284.19	11,082.25
Human Resources Technician I	5,305.64	6,449.04
Human Resources Technician II	6,102.06	7,417.09
Information Systems Analyst (Assistant)	7,335.01	8,915.75
Information Systems Analyst (Associate)	8,434.90	10,252.67
Information Systems Manager	10,946.32	14,668.64
Legal Assistant I	5,533.47	6,725.97
Legal Assistant II	6,086.27	7,397.90
Office Assistant I	3,678.72	4,471.51
Office Assistant II	4,125.35	5,014.39
Office Assistant III	4,620.38	5,616.10
Program Manager	10,946.32	14,668.64
Program Supervisor	9,521.89	12,760.59
Senior Accountant	7,988.76	9,710.39
Statistician	9,116.21	11,080.81

In addition to the wages listed above, the District provides special compensation as follows: Directors receive a board approved 5% management pay differential. Employees may receive incentive pay equal to 5% of their base pay if they have earned professional certifications or licenses relevant to their job, such as Professional Engineer or Certified Public Accountant or job relevant doctorate degrees per board approved Memorandum of Understanding.

**Meeting Date:** 5/23/2024  
**Report Type:** CONSENT CALENDAR  
**Report ID:** 2024-0523-5.

**Title:** Rules of Procedure Update

**Recommendation:** Adopt a resolution adopting the Sacramento Metropolitan Air Quality Management District's (District) updated Rules of Procedure, and authorizing the Clerk of the Board, in consultation with District Counsel, to modify the Rules of Procedure as may be necessary to address changes in policy, District programs and/or comply with legal requirements.

**Rationale for Recommendation:** Per California Health and Safety Code Section 40960 et seq., which created the District, the Rules of Procedure were adopted for the purpose of providing orderly and effective conduct of meetings of the Board of Directors (Board) with full and reasonable opportunity for public participation.

Staff has reviewed the current Rules of Procedure, which was last amended on April 28, 2005 (Resolution No. 2005-026) and determined that certain policy elements are outdated and that a general update and restructure will improve the usefulness as a guiding document. The recommended updates include but are not limited to the following areas: Board responsibilities, meeting schedules, committees, procedures for addressing the Board, agenda categories, and posting deadlines.

**Contact:** Salina Martinez, Administrative Supervisor/ Clerk of the Board, 279-207-1164

**Presentation:** No

**ATTACHMENTS:**

Resolution: Rules of Procedure Update  
Exhibit I: Rules of Procedure Update  
Attachment A: Current Rules of Procedure

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**Approvals/Acknowledgements**

Executive Director or Designee: Alberto Ayala, Report Approved 5/17/2024

District Counsel or Designee: Kathrine Pittard, Approved as to Form 5/16/2024

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**Discussion / Justification:** Staff's review of the Rules of Procedure was thorough and included reorganization of the document for enhanced usability and updates to general language for improved clarity. The updates will allow the Board and District staff to effectively conduct Board meetings and provide the public the opportunity to participate.

The proposed restructuring of the document, which includes a general reorganization of the document and clarifying the Board responsibilities, makes the document a more useful guide for the Board, staff and the public. Delegating administrative authority to maintain and modify the Rules of Procedures gives the Air Pollution Control Officer the ability to update procedures to reflect the implementation of new technology, changes in regulation or law, and best practices, while ensuring compliance with Board approved Rules of Procedure. The proposed Rules of Procedure Update is included as Exhibit I of the Resolution. The District's current Rules of Procedure, is included for reference as Attachment A.



**Financial Considerations:** This is an administrative action and will not impact the budget.

**RESOLUTION NO. 2024 – XXXX**

Adopted by the Sacramento Metropolitan Air Quality Management District  
Board of Directors

**Rules of Procedure Update**

**BACKGROUND:**

- A. Per California Health and Safety Code Section 40960 et seq., which created the Sac Metro Air District (District), the Rules of Procedures is adopted for the purpose of providing orderly and effective conduct of meetings of the Board of Directors with full and reasonable opportunity for public participation.
- B. Staff has reviewed the current Rules of Procedure, adopted by the Board of Directors in April of 2005, and determined that certain policy elements are outdated and that a general update and restructuring will improve the usefulness as a guiding document.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE BOARD OF DIRECTORS RESOLVES AS FOLLOWS:**

- Section 1. The District's updated Rules of Procedure is attached to this resolution as Exhibit I and hereby approved effective immediately.
- Section 2. The Clerk of the Board, in consultation with District Counsel, is authorized to modify the Rules of Procedures as may be necessary to address changes in policy, District programs and/or comply with legal requirements.
- Section 3. Exhibit I is attached to and is part of this resolution.

ON A MOTION by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, the foregoing resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan Air Quality Management District on May 23, 2024, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

ATTEST:

Clerk, Board of Directors  
Sacramento Metropolitan Air Quality Management District

SACRAMENTO METROPOLITAN



**AIR QUALITY**  
MANAGEMENT DISTRICT

## **RULES OF PROCEDURE**

Amended May 23, 2024

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**PURPOSE AND APPLICABILITY**

These rules are adopted to ensure the orderly and effective conduct of meetings of the Governing Board of the Sacramento Metropolitan Air Quality Management. These rules apply to all regular, special and committee meetings of the Board. The rules are to be interpreted broadly to fulfill their stated purposes.

**RULE 1. CHAIR, VICE CHAIR AND BOARD CLERK DESIGNATION AND RESPONSIBILITIES**

- a. The Chair and Vice Chair of the Governing Board are elected at the first meeting of each odd-numbered calendar year. In the Chair's absence or inability to act, the Vice Chair will preside. If both the Chair and Vice Chair are absent or unable to act, the members present will select a temporary Acting Chair.
- b. The Chair will preside over the meeting, maintain order, and decide questions of procedure, including procedures not specifically addressed by these rules, subject to appeal to the full Board by any Board member.
- c. The Chair is entitled to vote on all matters, participate in discussions, and make or second a motion without relinquishing the Chair.
- d. Any member of the Board desiring to speak will first be recognized by the Chair.
- e. The Acting Chair, in the absence of the Chair, possesses all powers of the Chair and is subject to all duties.
- f. The Board Clerk is an administrative officer of the District responsible for managing the records, documents, and proceedings of the Board of Directors and its committees including preparing meeting agendas, recording minutes, and ensuring compliance with legal requirements and procedures.

**RULE 2. MEETING SCHEDULES**

All meetings of the Board and its standing committees are open to the public, except for authorized closed sessions as permitted by law.

- a. **REGULAR MEETINGS:** The regular meeting schedule of the Board is established each year by a majority vote in the summer/fall for the upcoming calendar year. All regular meetings will commence at a time set by the Board.
- b. **SPECIAL MEETINGS:** Special meetings of the Board may be convened in accordance with Government Code Section 54956.
- c. **EMERGENCY MEETINGS:** Emergency meeting of the Board may be convened in accordance with Government Section 54956.5.
- d. **COMMITTEE MEETINGS:** Committee meetings of the Board are scheduled by the Committee Chair as needed.
- e. **MEETING WITHOUT A QUORUM:** A quorum means that a majority of the Board members are in attendance. If there is not a quorum the attending members may meet but may not open a public hearing or vote on any District business, except to (1) fix the time to which to adjourn, (2) adjourn, (3) recess, i.e., a short intermission in a meeting that does not close the meeting, and the Board resumes business immediately after, or (4) take measures to establish a quorum.
- f. **PLACE OF MEETINGS:** Unless specified otherwise, all Regular meetings of the Board are held in the Chambers of the Board of Supervisors of the County of Sacramento at 700 H Street, Sacramento, California.
- g. **CANCELLATION OF MEETINGS:** In the event of unforeseen circumstances, emergencies, lack of a quorum, insufficient agenda items, or to enhance the efficiency of District business, a scheduled meeting may be cancelled at the discretion of the Chair or by the Clerk in the absence of a Chair. The cancellation must comply with prescribed legal procedures and be communicated promptly

to all Board members and the public. Business from a canceled meeting will be rescheduled if appropriate.

- h. **ADJOURNMENT OF MEETINGS:** Any meeting may be adjourned to a later specific time on the same day or a subsequent day. If all members are absent, the Clerk may adjourn the meeting to a specific day and time.
- i. **ATTENDANCE BY TELECONFERENCE:** Board members have the discretion to teleconference, via a teleconference platform such as a computer or phone, in accordance with Brown Act requirements.
- j. **TELEVISED BROADCAST OF MEETINGS:** The Board affirms its commitment to transparency by requesting that regular Board meetings in the County Board of Supervisors chambers are broadcast whenever possible, barring technical difficulties. A link to recorded meetings is provided on the meeting page of the District's website and recordings of those meetings are made accessible for future playback.

### **RULE 3. APPOINTMENTS**

When a nomination is made for an appointment, the nomination may be acted upon by the Board at the same meeting.

### **RULE 4. STANDING AND AD HOC COMMITTEES**

- a. **Standing Committees:**
  - 1. A standing committee is a permanent committee of the Board established to consider specific subjects, with regularly scheduled meeting dates and times.
  - 2. The Chair or board member may request the creation of a standing committee; establishing a standing committee requires a majority vote.
  - 3. Standing committee appointments will be made by the Chair at the first meeting of each odd-numbered calendar year.
  - 4. The Budget and Personnel Committee is a standing committee and comprised of the Chair, Vice Chair, Past Chair, and two other members of the Board, for which the Board Chair also serves as the Committee Chair.
  - 5. The Hearing Board Nomination Committee is a standing committee and comprised of three members appointed by the Board Chair, and the committee chair is selected by the committee members.
  - 6. The structure of standing committees may be changed by a majority vote.
  - 7. Standing committees are subject to the Brown Act.
  - 8. Agendas will be prepared, posted, and distributed consistent with the Brown Act, stating the time and place of the meeting.
  - 9. A Board member who is not a member of the committee may attend a standing committee meeting, provided the member attends only as an observer, does not testify or otherwise participate in any discussion, and sits amongst the public.
  - 10. The Board Clerk will maintain and keep a record of standing committees and members.
- b. **Ad Hoc Committees:**
  - 1. An ad hoc committee is a temporary committee of the Board established for a special purpose and of limited duration.
  - 2. The Chair or a board member may request the creation of an ad hoc committee; establishing a standing committee requires a majority vote.
  - 3. The board chair appoints the ad hoc committee members, and the committee members select the ad hoc committee chair.

4. the scope and approximate duration of the ad hoc committee is determined at the time the committee is established.
5. Once an ad hoc committee has been established, the Board Clerk will schedule the first meeting.
6. A Board Member who is not a member of the ad hoc committee may attend an ad hoc committee meeting, provided the member attends only as an observer, does not testify or otherwise participate in any discussion, and sits amongst the public.
7. Ad hoc committees are not subject to the Brown Act.
8. Once an ad hoc committee has completed its purpose, the chair of the ad hoc committee reports back to the Board and announces the dissolution of the ad hoc committee.
9. The Board Clerk maintains and keeps a record of ad hoc committees and membership.

#### **RULE 5. ADDRESSING THE BOARD**

- a. Any member of the public wishing to address the Board, whether in person or remotely by computer or phone, is required to make their request to the Clerk. The requester is asked to include their name, address, and the reason for addressing the Board. Upon recognition by the Chair or Clerk, the individual, whether present in the meeting room or participating remotely, may provide their comments.
- b. Members of the public desiring to address the Board during regular meetings on matters on the agenda may speak for up to three minutes. Subject to appeal to the Board, the Chair may, in the interest of facilitating the conduct of business, limit or extend the time allotted to each person addressing the Board.
- c. Members of the public desiring to exercise the right conferred by Government Code Section 54954.3 to address the Board during regular meetings respecting matters over which the Board has jurisdiction, but which are not identified on the posted agenda for that meeting, may do so during the Public Comment portion of the meeting. However, the Board need not provide an opportunity to address a matter for any item previously considered by a Board committee at a meeting open to the public and at which the public had an opportunity to address the committee on the item unless the item has substantially changed. Unless otherwise ordered by the Chair, persons desiring to address an item not on the agenda, may speak for up to three minutes. The Chair may defer or limit the three-minute speaking opportunities if:
  1. a public hearing on the matter will be scheduled during a future meeting;
  2. comments are repetitive or redundant, expressing thoughts already communicated by previous speakers;
  3. comments are from a person who has addressed the same subject matter at a previous regular meeting of the Board; or
  4. for other valid reasons where the intent of subdivision (a) of Government Code Section 54954.3 has been or will be fulfilled within a reasonable time.
- d. Unless determined otherwise by the Board, the total time allocated during a particular meeting to provide an opportunity for all members of the public to address the Board upon matters not identified on the posted agenda may not exceed fifteen minutes.

#### **RULE 6. DISTRICT COUNSEL**

All questions of law will be referred to the District Counsel.

#### **RULE 7. REFERRAL TO OTHER AGENCIES**

Communications, resolutions, or other matters coming before the Board may be referred to other relevant agencies, as necessary.

**RULE 8. BOARD ACTIONS**

All actions of the Board will be taken by motion, minute order or resolution.

**RULE 9. VOTING**

- a. In the absence of a contrary statutory provision requiring affirmative votes of more than a majority, the number of votes required to take action is a majority of the established quorum.
- b. Each Board member will respond "Yes," "No," or "Abstain," to all actions of the Board, by voice vote or roll call vote, unless one or more Board members are participating via teleconference in which case all votes will be by roll call.
- c. An abstention from voting by a Board member on any motion will not count as a vote in favor of or against the motion and will be recorded as an abstention.

**RULE 10. RESOLUTIONS**

All resolutions must be in writing, except that amendments to resolutions may be offered verbally, and subsequently recorded in writing in the minutes.

**RULE 11. AGENDA FORMULATION**

Agendas are prepared by the Clerk for each regular or special meeting of the Board, providing a brief general description of each item of business to be transacted or discussed during the public session. The agenda also includes:

- a. An identification of any matters to be considered in closed session that is consistent with the Brown Act.
- b. A statement notifying members of the public of their right to directly address the Board on items within the subject matter jurisdiction of the Board.

**RULE 12. AGENDA CATEGORIES**

Agenda items are typically listed in one of the categories described below. The Chair may reorder the items or categories at the meeting, or members may request items or categories be reordered through the Chair.

- a. Announcements: Teleconference location/Brown Act Announcements
- b. Board Clerk Announcements: Information on when and where the Public can view the meeting live or at a later date and how the public may address the Board.
- c. Brown Act: Invoke teleconferencing provisions as provided by the Brown Act.
- d. Special Presentations: Ceremonial items.
- e. Consent Calendar: One or more matters not likely to be subject to debate or inquiry by the Board or the public; typically approved in one motion.
- f. Discussion Calendar: Items requiring an oral presentation and discussion before action is taken.
- g. Public Hearings: Duly noticed hearing as mandated by local, state, or federal law, providing an opportunity for public review and comment of a proposed action by the Board.
- h. Closed Session: Confidential discussions with the Board as permitted by the Brown Act.
- i. Board Ideas, Comments, and AB 1234 Reports: Board of Directors may:
  1. provide brief oral or written reports summarizing meetings or conferences attended at the District expense, as required by Assembly Bill 1234.
  2. request management or staff to report on various issues.
  3. request the placement of item(s) on a future Board meeting agenda.
- j. Public Comment: Matters not on the agenda: Verbal or written comments from the public regarding matters not on the agenda but within the subject matter jurisdiction of the District.



**RULE 13. AGENDA POSTING AND DEADLINES**

- a. The Clerk publicly posts an agenda 72 hours in advance of all regular meetings and 24 hours in advance for special meetings. All meeting agendas are posted on the electronic kiosk at the County of Sacramento Building, outside the doors of the Sacramento Metro Air District Office, and on the District web page.
- b. Emergency meetings are noticed one-hour prior to the meeting to media outlets that have requested notice in writing.
- c. The Board may not take action on an item of business that does not appear on the posted agenda for a meeting, except as authorized by Government Code Section 54954.2.

**RULE 14. COMMUNICATIONS TO THE BOARD**

- a. The Clerk receives all correspondence and takes one of the following actions:
  1. refer it to the appropriate officer or agency.
  2. receive and file the item, indicating or including it on the next agenda.
  3. forwards a copy of the correspondence to Board members.
- b. The Clerk also notifies the Chair of the Board in all instances of urgency.
- c. A Board member who individually receives correspondence of general interest within the jurisdiction of the District will provide a copy to the Clerk to be handled as outlined above.

**RULE 15. FINDINGS**

Formal written findings are prepared for adoption by the Board as part of its decision regarding any matter in which formal written findings are required by statute, ordinance, or other law. After the hearing and decision by the Board regarding any matter in which formal written findings are required, the hearing may be closed, and the findings acted on or the matter continued to a future meeting. The decision will not be final until the Board has acted on the findings. Before taking action on the findings, the findings may be changed or modified by the Board.

**RULE 16. RECONSIDERATION OR RESCISSION**

- a. A motion to reconsider may be made regarding any prior Board action taken at the same or a prior meeting. If the motion to reconsider is approved, the prior Board action remains unaffected unless, after reconsideration, the Board acts to modify the prior action.
- b. A motion to rescind may be made in response to any prior Board action taken at the same or a prior meeting. If the motion to rescind is approved, the effect is to nullify and vacate the prior Board action.
- c. A motion to reconsider or a motion to rescind may not be made to any prior Board action if the action involved is a matter over which the Board has lost jurisdiction or if reconsideration or rescission of the section would not comply with any applicable legal requirement.
- d. A motion to reconsider or rescind may be made only by a member who has voted with the majority in acting on the matter to which the motion relates.

**RULE 17. POSTPONEMENT**

- a. The Board may postpone or continue any pending matter at any time, either on its motion or at the request of any person interested in the matter.
- b. Every request for postponement must include a statement of the reasons for the request.
- c. A request for postponement from a person interested in the matter must be made in writing at the earliest opportunity before the time the matter is to be heard if feasible.
- d. An oral request must be promptly confirmed in writing.

- e. In ruling on a request for postponement, the Board may consider any relevant circumstances, including the reasons for the request, the timing of the request, and any inconvenience to other interested parties caused by the postponement.

**RULE 18. RULES ARE PROCEDURAL**

Any Board action taken by the required number of affirmative votes is effective for all purposes and is not invalidated or limited in its effect due to a claim that the procedure followed by the Board was not compliant with these rules.

**RULE 19. AMENDMENT OR SUSPENSION OF RULES**

- a. Any Rule of Procedure may be amended or repealed at any time by a resolution approved by a majority vote. Any such amendment or repeal is effective immediately or at a later time specified in the resolution.
- b. Any Rule may be temporarily suspended by unanimous consent of all Board members.
- c. The Air Pollution Control Officer, in consultation with District Counsel, may make minor administrative changes to the Rules of Procedure, consistent with the intent of these Rules. The Air Pollution Control Officer, in consultation with District Counsel, has the authority to modify the Rules of Procedure to ensure compliance with the law.

SACRAMENTO METROPOLITAN AIR QUALITY  
MANAGEMENT DISTRICT

AQMD RESOLUTION NO. 2005-026

BE IT RESOLVED AND ORDERED that the Chairperson of the Board of Directors is hereby authorized and directed to amend Rule 15 "Majority Vote Required" of the Sacramento Metropolitan Air Quality Management District's Rules and Procedures, approved on March 24, 2005, to read:

*Except for actions requiring an approval by more than a simple majority vote, all actions of the Board shall be taken by either:*

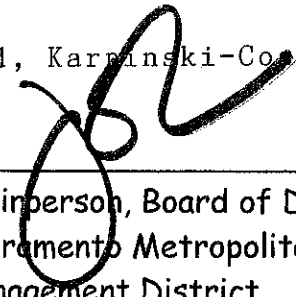
- (a) If all members are present, a concurring majority of not less than a majority of the votes on the Board, or*
- (b) If a quorum is established, a majority of the members present."*

ON A MOTION by Director Briggs, seconded by Director Sheedy, the foregoing resolution was passed and adopted by the Board of Directors of the Sacramento metropolitan Air Quality Management District, this 28<sup>th</sup> day of April, 2005, by the following vote, to wit:

AYES: Directors Briggs, Clare, Cohn, Dickinson, MacGlashan, McGarvey, Nottoli, Sheedy, Starsky

NOES: Directors

ABSENT: Directors Collin, Hammond, Karpinski-Costa, McCarty, Peters

  
\_\_\_\_\_  
Chairperson, Board of Directors  
Sacramento Metropolitan Air Quality  
Management District

(SEAL)

ATTEST: Brenda Hoet  
Clerk of the Board

**RESOLUTION NO. AQMD 2005-026**

**A RESOLUTION ESTABLISHING PROCEDURES  
FOR THE GOVERNING BODY OF THE  
SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT**

**BE IT RESOLVED** by the Governing Board of the Sacramento Metropolitan Air Quality Management District, a district created pursuant to Health and Safety Code Sections 40960 et seq., that the following are hereby adopted as the Rules of Procedure for said Board effective on and after the 28<sup>th</sup> day of April 2005:

**RULES OF PROCEDURE**

**RULE 1. PURPOSE.** These rules are adopted for the purpose of providing for the orderly and effective conduct of meetings of the Governing Board with full and reasonable opportunity for public participation. Except as otherwise expressly provided, these rules shall apply to all regular and special meetings of the Board, acting as the governing board of the Sacramento Metropolitan Air Quality Management District ("District"). These rules shall be interpreted as broadly as may be consistent with the foregoing stated purposes.

**RULE 2. DEFINITIONS.** For the purposes of these rules the following words have the following meanings:

(a) "Adjourned meeting" means a continuation of a preceding regular or special meeting scheduled for a particular time for later the same day or subsequent day. An adjourned meeting is scheduled by Board action at the preceding regular or special meeting by which that meeting is "adjourned to" or "adjourned until" the later specified time.

(b) "Adjourning a meeting" is the Board action by which a regular or special meeting is formally closed.

(c) "Board" means the Governing Board of the District.

(d) "Chairperson" means the person elected to serve as chairperson or the person serving as chairperson in the absence of the chairperson as provided in these rules.

(e) "Clerk" means the Executive Assistant of the District or his or her designated deputy. (Rev. 08/01/96, AQMD 96-0063; Rev 03/24/05, AQMD 2005-016)

(f) "Meeting means any regular, adjourned regular, special or adjourned special meeting.

(g) "Recess" means a short intermission in a meeting of the Board which does not close the meeting and after which Board business will immediately be resumed at the point where it was interrupted.

(h) "Regular meeting" means any meeting of the Board which is automatically scheduled as required by these rules.

(i) "Special meeting" means a meeting other than a regular meeting called as authorized by Government Code Section 54956 or 54956.5.

**RULE 3. OPEN MEETINGS.** All meetings of the Board shall be open to the public except for such closed sessions as are authorized by law.

**RULE 4. PLACE OF MEETINGS.** Unless otherwise specified, all meetings of the Board shall be held in the Chambers of the Board of Supervisors of the County of Sacramento at 700 H Street, Sacramento, California.

**RULE 5. CANCELLATION OF MEETINGS.** The Clerk may cancel any meeting for which a quorum is not expected to or does not appear. The meeting shall be cancelled in such manner as may be prescribed by law. Any business on any agenda for a cancelled meeting shall be scheduled for such subsequent meeting as the Clerk may prescribe, and shall be conducted during the next regular meeting unless otherwise specified. If the Clerk does not cancel the meeting, the attending members may meet as a committee, but may not take action on any items. (Rev 3/24/05, AQMD 2005-016)

Regular meetings may be cancelled by the Board. The Board may schedule a series of cancellations during a particular period or periods of the year for the purpose of promoting improvement in the efficient conduct of business of the District.

**RULE 6. SPECIAL MEETINGS.** Special meetings of the Board may be called in the manner provided for in Government Code Section 54956 or 54956.5.

**RULE 7. ADJOURNED MEETINGS.** Any regular, adjourned regular, special or adjourned special meetings may be adjourned from time to time to meet at a later specific time on the same day or a subsequent day. If all members are absent, the Clerk may adjourn any meeting to a specific time.

**RULE 8.     CHAIRPERSON.**

(a)     The Chair and Vice Chair shall be elected at the first meeting of each Odd-numbered calendar year. In the Chair's absence or inability to act, the Vice Chair shall preside. In the absence or inability to act of both the Chair and the Vice Chair, the members present shall select one of the members present to act as temporary Chair. (Rev. 10/03/96, AQMD 96-0092; Rev. 08/01/96, AQMD 96-0063)

(b)     The Chairperson shall preside over the meeting, maintain orderly procedure in accordance with these rules and decide questions of procedure subject to appeal to the full Board.

(c)     The Chairperson shall be entitled to vote on all matters before the Board, may participate in discussion relating to any matter, and may second any motion without having to relinquish the Chair,

(d)     The Chairperson may make a motion only by relinquishing the Chair for that purpose.

(e)     Subject to appeal to the full Board, the Chairperson shall rule on all procedural matters or questions not specifically covered by these rules.

(f)     Any member of the Board who desire to speak shall first be recognized by the Chairperson.

**RULE 9.     QUORUM.**

(a)     A majority of the members of the Board shall constitute a quorum, except that less than a quorum may vote to adjourn a meeting. (Rev. 3/24/05, AQMD 2005-016)

**RULE 10.    ADDRESSING THE BOARD.**

(a)     Any member of the public desiring to address the Board shall first be recognized by the Chairperson. The person shall then step to the podium and give his or her name and address to the Clerk.

(b)     Subject to appeal to the Board, the Chairperson may, in the interest of facilitating the conduct of business of the Board, limit the time which a person may expend in addressing the Board, or establish a uniform time limit for each person addressing the Board in relation to a particular matter.

(c)     Members of the public desiring to exercise the right conferred by Government Code Section 54954.3 to address the Board during regular meetings respecting matters over which the Board has jurisdiction but which are not identified on the posted agenda for that meeting, may do so following the transaction by the Board of all business for that meeting identified on the posted

agenda and all off-agenda matters acted upon pursuant to subdivision (b) of Government Code Section 54954.2. Unless otherwise ordered by the Board, no person desiring to exercise such right as to a matter which does not appear on the posted agenda may speak longer than five minutes at a particular regular meeting; provided that the Chairperson may defer or limit such five-minute speaking opportunities by:

- (1) Scheduling a public hearing upon the matter during a future meeting at a time and date certain;
- (2) Terminating comments which are repetitive or redundant in that they express thoughts which have been communicated by previous speakers;
- (3) Terminating the comments of a person who has exercised the right conferred by Government Code Section 54954.3 at a previous regular meeting of the Board with respect to the subject matter upon which comment is attempted to be made; or
- (4) Terminating such comment because for other reasons the intent of subdivision (a) of Government Code Section 54954.3 has been or will within a reasonable period of time be fulfilled.

Unless determined otherwise by the Board, the total time allocated during a particular meeting to provide an opportunity for all members of the public to address the Board upon matters which are not identified on the posted agenda for that meeting shall not exceed fifteen minutes.

**RULE 11. DISTRICT COUNSEL.** All questions of law shall be referred to the District Counsel. (Rev. 08/01/96, AQMD 96-0003)

**RULE 12. REFERRAL TO OTHER AGENCIES.** Communications, resolutions, or other matters coming before the Board may, if deemed necessary, be referred to such other agency as may be concerned therewith.

**RULE 13. BOARD ACTIONS.** All actions of the Board shall be taken by minute order or by the adoption of a resolution or an ordinance.

**RULE 14. VOICE VOTE REQUIRED.** In relation to all actions of the Board, each Board member shall respond by electronic indicator or voice in one of the following ways:

- (a) "Yes"
- (b) "No"
- (c) "Abstain"

**RULE 15. MAJORITY VOTE REQUIRED.** Except for actions requiring an approval by more than a simple majority vote, all actions of the Board shall be taken by either:

(a) If all members are present, a concurring majority of not less than a majority of the votes on the Board, or

(b) If a quorum is established, a majority of the members present.

(c) An abstention from voting by a Board member on any motion shall not count as a vote in favor of or against the motion and shall be recorded as abstention. (Rev. 3/24/05, AQMD 2005-016; Rev. 4/28/05, AQMD 2005-026)

**RULE 16. RESOLUTIONS.** No resolution shall be offered unless in writing.

**RULE 17. AGENDA – FORMULATION.** An agenda shall be prepared by the Clerk for each regular meeting of the Board, and an abstract of all matters requiring action shall be set forth therein. The agenda shall include:

(a) A brief general description of each item of business to be transacted or discussed during the public session;

(b) An identification of the types of any matters to be considered in closed session, including any information in connection therewith required by statute to be shown thereon; and

(c) A statement notifying members of the public or their right to directly address the Board on items of interest which are within the subject matter jurisdiction of the Board.

**RULE 18. AGENDA – POSTING – DEADLINES.** A consolidated agenda shall be prepared for meetings of the Board. (Rev. 3/24/05, AQMD 2005-016)

(a) Matters to be placed on the agenda for a regular Thursday meeting shall be filed in the office of the Clerk with all supporting and other materials no later than 5:00 pm at least 10 days preceding the Board date.

(b) The Clerk shall have and make available for public inspection and copying, and publicly post an agenda for each Thursday meeting not later than 1:00 pm on the Monday immediately preceding that meeting. All agendas for regular meetings shall be posted on bulletin boards located in the foyer outside the meeting chambers, outside the doors of the Sacramento Air District Office, at Sacramento City Hall, and posted on the Air District web page.



(c) The Board shall not take action on an item of business which does not appear on the posted agenda for a regular meeting except as authorized by subparagraphs "(1)", "(2)", or "(3)" of subdivision "(b)" of Government Code Section 54954.2 and, as appropriate, following the determinations authorized by subparagraphs "(1)", or "(2)" of subdivision "(b)" of that Section. Action shall not be taken on any item of business which does not appear on the posted agenda for a regular meeting unless either: (i) such action is authorized by subparagraph "(3)" of subdivision "(b)" of said Section 54954.2; or (ii) there is filled out and executed that document entitled "Certification Form" stating the reasons for such off-agenda consideration which is attached thereto and made a part thereof.

**RULE 19. COMMUNICATIONS TO THE BOARD.**

(a) The Clerk shall receive all correspondence and shall take one of the following actions:

- (1) Refer it to the appropriate officer or agency and so indicate on the next agenda.
- (2) Receive and file the item and so indicate on the next agenda.
- (3) Agenda the item under "Communications to be Read" on the next agenda.

(b) The Clerk shall also:

- (1) Notify the Chairperson of the Board in all instances of urgency; and
- (2) Immediately forward a copy of all correspondence to each member of the Board.

(c) A Board member who individually receives correspondence of general interest shall provide a copy to the Clerk to be handled as outlined under (a) and (b), above.

**RULE 20. FINDINGS.** Formal written findings shall be prepared for adoption by the Board as part of its decision regarding any matter in which formal written findings are required by statute, ordinance, or other law. After hearing and decision by the Board regarding any matter in which formal written findings are required, the hearing may be closed and the matter may be continued to a future meeting for the adoption of such findings. The decision shall not be final until the findings have been adopted. Prior to the adoption of findings the decision may be changed or modified by the Board.

**RULE 21. RECONSIDERATION OR RESCISION.**

(a) A motion to reconsider may be made in relation to any prior Board action taken at the same or a prior meeting. If the motion to reconsider is approved, the prior Board action shall remain unaffected unless, after reconsideration, the Board acts to modify the prior action.

(b) A motion to rescind may be made in relation to any prior Board action taken at the same or a prior meeting. If the motion to rescind is approved, the effect shall be to nullify and vacate the prior Board action.

(c) A motion to reconsider or a motion to rescind may not be made in relation to any prior Board action if the action involved is a matter over which the Board has lost jurisdiction or if for any other reason reconsideration or rescission of the section would not comply with any applicable legal requirement.

(d) A motion to reconsider or rescind may be made only by a member who has voted with the majority in acting on the matter to which the motion related.

**RULE 22. POSTPONEMENT.**

(a) The Board may postpone or continue any pending matter at any time, either on its own motion, or at the request of any person interested in the matter.

(b) Every request for postponement shall include a statement of the reasons for the request,

(c) A request for postponement of a matter from a person interested in the matter shall be made in writing at the earliest opportunity prior to the time the matter is to be heard if feasible.

(d) An oral request shall be promptly confirmed in writing.

(e) In ruling on a request for postponement, the Board may consider any relevant circumstances including, but not limited to, the reasons for the request, whether the request was made as much in advance as feasible, and any inconvenience to other persons interested in the matter which will be caused by postponement.

**RULE 23. APPOINTMENTS.** When a nomination is made for appointment to any Board, commission or other office, the nomination shall not be acted upon by the Board until at least one week after the nomination is made. This rule does not apply when by law the Board is required to appoint a specific person to any such office.

**RULE 24. REGULAR MEETINGS.** From and after September 14, 1994, the dates and times of the regular meetings of the Board shall be as follows:

The regular meetings of the Board shall be held the fourth Thursday of each month provided that said days are not County or City holidays. All regular meetings shall commence at a time set by the Board. (Rev. 3/24/05, AQMD 2005-016)

**RULE 25. AMENDMENT OR SUSPENSION.**

(a) Any rule may be amended or repealed at any time by resolution approved by a majority vote of the Board. Any such amendment or repeal shall be effective either immediately or at such later time as is specified in the resolution.

(b) Any rule may be temporarily suspended by unanimous consent of all of the members of the Board.

**RULE 26. RULES ARE PROCEDURAL.** These rules are adopted and intended to provide procedures for the conduct of Board business. Any Board action which is taken by the required number of affirmative votes shall be effective for all purposes and shall not be invalidated or in any other manner limited in its effect because of a claim that the procedure followed by the Board in taking such action was not in accord with any provision or provisions of these rules.

**ON A MOTION** by Director Briggs, seconded by Director Sheedy, the foregoing Resolution was passed and adopted by the Governing Board of the Sacramento Metropolitan Air quality Management District, State of California, this 28<sup>th</sup> day of April, 2005, by the following vote, to wit:

AYES: Briggs, Clare, Cohn, Dickinson, MacGlashan, McGarvey, Nottoli, Sheedy, Starsky

NOES:

ABSENT: Collin, Hammond, Karpinski-Costa, McCarty, Peters

SEAL

/s/ Jeff Starsky  
Chairperson of the Board of Directors  
Sacramento Metropolitan Air Quality  
Management District

ATTEST: Brenda Holt  
Clerk of the Board of Directors

**Meeting Date:** 5/23/2024  
**Report Type:** CONSENT CALENDAR  
**Report ID:** 2024-0523-6.

**Title:** Business Environmental Resource Center Contract Amendment

**Recommendation:** Authorize the Air Pollution Control Officer (APCO) to amend the existing contract with the Business Environmental Resource Center (BERC) for business outreach and assistance services to 1) extend the term of the contract until June 30, 2026; 2) increase the amount by \$180,000 (\$90,000/year) for a new not to exceed amount of \$360,000; and 3) make minor revisions to the contract, after consultation with District Counsel and within the funding limits, that may be necessary to fully implement its intent.

**Rationale for Recommendation:** The Business Environmental Resource Center (BERC) continues to be a key partner in the District's business outreach and compliance assistance work. The extension of this contract for an additional two years allows for the partnership to continue and for them to assist with efforts related to new regulations, changes to the District's online services for permit applications and payments, and business awareness of wildfire smoke reduction strategies amongst other traditional ombudsperson services. Board approval is required for professional services contracts exceeding \$200,000.

**Contact:** Amy Roberts, Director Engineering and Compliance Division, (916) 825-6840

**Presentation:** No

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### Approvals/Acknowledgements

Executive Director or Designee: Alberto Ayala, Report Approved 5/14/2024

District Counsel or Designee: Kathrine Pittard, Approved as to Form 5/14/2024

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**Discussion / Justification:** The Business and Environmental Resource Center (BERC) has nearly 30 years of experience in implementing business outreach and assistance and will be able to help the District in these important efforts. Through services provided by BERC, the District's outreach to the community and businesses operating in the Sacramento Region about stationary source rules and regulations, permit and compliance requirements, incentive opportunities and other transportation and air quality related programs is expanded. Businesses benefit by having an additional resource to contact regarding permitting and compliance information. BERC's confidential and free services encourage entities that would otherwise hesitate to contact a regulatory agency to seek guidance and assistance and help them stay in compliance with regulatory requirements

**Financial Considerations:** The additional contract amount of \$90,000 for the first year of the extension has been budgeted in the FY24/25 budget. Funds for the second year of the extension will be accounted for in the FY25/26 budget.

**Meeting Date:** 5/23/2024  
**Report Type:** CONSENT CALENDAR  
**Report ID:** 2024-0523-7.

**Title:** Del Paso Manor Air Monitoring Station Replacement Budget Update

**Recommendation:** Authorize the Executive Director/Air Pollution Control Officer to increase the previously approved project amount from \$650,000 to \$740,000 for the replacement and site improvements of the Del Paso Manor Air Monitoring Station.

**Rationale for Recommendation:** The Del Paso Manor station is experiencing significant deterioration and water intrusion due to the age of the structure. In addition, a larger station is needed to accommodate the installation of additional equipment required under new Photochemical Assessment Monitoring Station (PAMS) air monitoring regulations. The PAMS additional equipment was required to be operational by June 1, 2021. However, because a full replacement of the monitoring station is necessary before the equipment can be installed, EPA has agreed to an extension of this deadline.

In October 2020, the Board authorized the Executive Director / Air Pollution Control Officer to execute a contract(s) with vendors for \$650,000 to replace Del Paso Manor air monitoring station and make site improvements. In March 2021, the District completed a competitive bid process and awarded Swierstock Enterprise DBA Pro Builders a \$569,240 contract. Unforeseen electrical issues have significantly delayed the project and additional funding is now needed to complete the replacement and site improvements due to the rise in construction costs and materials.

**Contact:** Levi Ford, Program Supervisor - Air Monitoring, 916-307-0505

**Presentation:** No

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### Approvals/Acknowledgements

Executive Director or Designee: Alberto Ayala, Report Approved 5/17/2024

District Counsel or Designee: Kathrine Pittard, Approved as to Form 5/16/2024

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**Discussion / Justification:** The Del Paso Manor Air Monitoring Station has been in operation since 1979 and has become the largest air monitoring site in the Sacramento Valley Air Basin. The station is located downwind of the greater Sacramento Metropolitan area, approximately seven miles northeast of downtown Sacramento at the Del Paso Manor elementary school.

In 2015, the Environmental Protection Agency (EPA) promulgated a new PAMS requirement (80 FR56291) to install additional air monitoring equipment at all the National Core (NCore) multipollutant sites in Core-based statistical area (CBSA) with a population greater than 1,000,000. The Del Paso Manor station is designated as an NCore station and is required to meet these new regulations. In order to meet these requirements, a larger station and other site improvements are needed to accommodate the additional equipment.

The current structure at the station has been in use for 20 years and the structure has sustained significant weather damage. There has been extensive water damage to the roof and floor of the station. The District has conducted routine maintenance and performed numerous repairs on the structure, but the years of cumulative damage and the small size of the station warrants a complete replacement of the station to avoid greater long-term maintenance and repair costs.

Increasing to larger air monitoring station footprint and adding more air monitoring equipment increased the power requirement to 240 volts of power instead of the traditional 120 volts of power. Through extensive planning, engineering and multiple meetings with the power utility provider, a path forward to obtain the additional power has been identified. The additional funding is needed to cover increased electrical installation costs and the rise in construction costs and materials since 2021.

**Financial Considerations:** Replacement of the Air Monitoring Station is expected to span two fiscal years. A budget of \$550,000 was approved by the board for FY 23/24. It is anticipated the district will expend \$130,000 of those funds. A budget of \$610,000 was approved for FY 24/25 to complete the air monitoring station construction, bringing the total cost to \$740,000 as indicated in the recommendation.

**Environmental Review:** Pursuant to CEQA Guidelines, Section 15300 (Categorical Exemptions), certain classes of projects, as listed in Article 19 (Categorical Exemptions) have been determined to not have a significant effect on the environment and declared to be categorically exempt from the requirement for the preparation of environment documents. The District determined that the Air Monitor Station Replacement is categorically exempt pursuant to CEQA Guidelines, Sections 15301 and 15303 (Class 3).

**Meeting Date:** 5/23/2024  
**Report Type:** PUBLIC HEARINGS  
**Report ID:** 2024-0523-8.

**Title:** Fiscal Year 2024/2025 Proposed Budget and Fee Schedule

**Recommendation:** Conduct a public hearing on the Fiscal Year 2024/2025 (FY24/25) Proposed Budget and upon closing the hearing, adopt a resolution approving the FY24/25 Sacramento Metropolitan Air Quality Management District Budget and Fee Schedule effective July 1, 2024.

**Rationale for Recommendation:** This report transmits a resolution that 1) adopts the FY24/25 Approved Budget (Exhibit 1) and FY24/25 Approved Fee Schedule (Exhibit 2), reflecting a Consumer Price Index adjustment of 4.17% to fees for various rules, and 2) authorizes the APCO to make minor technical changes as may be necessary consistent with Board intent. In accordance with California Health and Safety Code Section 40131, the District is required to notice and hold a public hearing for the exclusive purpose of providing the public with the opportunity to comment upon the District's Proposed Budget. A summary of the Proposed Budget is included as Attachment A and a comparison of the FY23/24 and FY24/25 fee schedules is included as Attachment B.

At the Board of Directors' Budget and Personnel Committee meeting on March 28, 2024, the Committee received a report and presentation from staff on the FY24/25 Preliminary Budget and Proposed Fee Schedule, provided guidance and feedback, and indicated their understanding that staff would present the FY24/25 Proposed Budget and Fee Schedule at a public hearing for full Board consideration. The first public hearing for the FY24/25 Proposed Budget and Fee Schedule was held on April 25, 2024. This is the second of two public hearings required for this purpose.

**Contact:** Patricia Kepner, Controller, 279-207-1134

**Presentation:** Yes

#### **ATTACHMENTS:**

Attachment A - FY24/25 Budget Summary  
Attachment B - FY24/25 Fee Schedule Comparison  
Resolution - FY24/25 Approved Budget and Fee Schedule  
Exhibit 1 - FY24/25 Approved Budget  
Exhibit 2 - FY24/25 Approved Fee Schedule  
Presentation - Fiscal Year 2024/2025 Proposed Budget & Fee Schedule

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#### **Approvals/Acknowledgements**

Executive Director or Designee: Alberto Ayala, Report Approved 5/14/2024

District Counsel or Designee: Kathrine Pittard, Approved as to Form 5/14/2024

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## FY24/25 Proposed Budget

Board of Directors Meeting  
May 23, 2024

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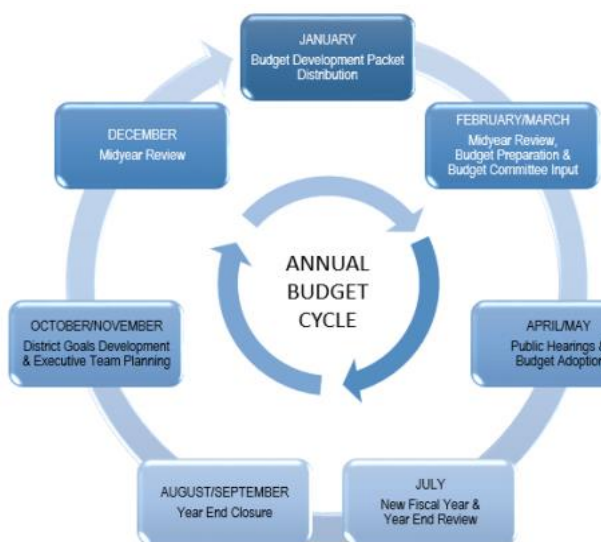
## Budget and Personnel Committee Role

The Budget and Personnel Committee hears matters related to District finances and human resources including contract negotiations, District budgets, and personnel matters. As a regular practice, District staff meets with the Committee to discuss the preliminary budget and fee schedule for the next fiscal year and obtain guidance and feedback related to budget development. Following its review, the Committee generally directs staff to present the Proposed Budget and Fee Schedule at a public hearing to the full Board of Directors (Board).

## Budget Practices and Strategies

- Board authorizes a schedule of funded regular and limited-term positions
- Board approval is obtained for all expenditures, including capital expenses
- Board approval is required to amend the budget once it is adopted

## FY24/25 Budget Timeline



- Budget development November – March
- Budget & Personnel Committee Meeting – March
- Two Public Hearings – April and May
- Budget Adoption – Scheduled for May
- Budget Effective – July 1, 2024

## FY24/25 Proposed Budget

Details of the FY24/25 Proposed Budget are included in the tables and narratives below.

TABLE 1 – District Fund Descriptions

Fund	Name	Purpose	Primary Funding Source
100	General	Records all inflows and outflows, not associated with special-purpose funds, for core administrative and operational activities	Permit fees, DMV, Measure A, Federal & State Grants, Incentive Implementation Allocation
400	Proprietary	Accounts for District business-like activities (Covell Administrative Building)	Covell Building rental income
500	Special Revenue	Records revenue sources for which fund usage is restricted (Incentive Programs)	Emission-Reduction Technology and Community Air Protection Federal & State Grants

TABLE 2 – General Fund 100

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Revenues</b>					
Federal	\$ 2,575,872	\$ 5,461,056	\$ 6,885,552	\$ 6,468,833	\$ 1,007,777
Fees & Licenses	9,799,468	9,379,397	9,721,015	9,953,047	573,650
Fines/Forfeits/Penalties	270,176	350,000	250,000	250,000	(100,000)
Interest	349,456	191,865	390,000	250,000	58,135
Local Government	276,582	36,533	131,533	121,851	85,318
Other	19,237	17,524	24,683	18,524	1,000
Sales/Use Tax	2,569,539	2,590,825	2,590,825	2,584,321	(6,504)
State	5,709,931	7,070,033	13,571,206	7,295,528	225,495
<b>Revenues Total</b>	<b>\$ 21,570,261</b>	<b>\$ 25,097,233</b>	<b>\$ 33,564,814</b>	<b>\$ 26,942,104</b>	<b>\$ 1,844,871</b>
<b>Expenses</b>					
Salaries and Wages	\$ 11,492,787	\$ 12,822,050	\$ 12,473,038	\$ 13,642,460	\$ 820,410
Employee Benefits	4,832,575	5,589,552	5,451,886	6,175,562	586,010
Services and Supplies	5,435,112	10,290,233	10,405,058	11,180,818	890,585
Capital Expense	221,024	1,238,500	729,066	1,168,000	(70,500)
Interfund Charges	(909,730)	(2,115,503)	(2,039,139)	(2,146,641)	(31,138)
<b>Expenses Total</b>	<b>\$ 21,071,768</b>	<b>\$ 27,824,832</b>	<b>\$ 27,019,909</b>	<b>\$ 30,020,199</b>	<b>\$ 2,195,367</b>
<b>Source / (Use) Fund Balance</b>	<b>\$ 498,493</b>	<b>\$ (2,727,599)</b>	<b>\$ 6,544,905</b>	<b>\$ (3,078,095)</b>	

FY24/25 Proposed General Fund Budget Highlights/Assumptions:

## REVENUES

**Revenues are projected to increase by \$1.8 million from FY23/24 to FY24/25.**

Federal: Revenues will increase by \$1.0 million mainly due to the Environmental Protection Agency Targeted Air Shed grants (TAG) that the District administers on behalf of neighboring air districts. These grants fund the Heavy Duty Electrification of school buses, the replacement of off-road agriculture equipment with newer, cleaner equipment, and the replacement of residential non-certified wood-burning appliances in our neighboring districts. Revenues are also projected to increase by \$368,000 for the Climate Pollution Reduction Grant (CPRG) as it moves into Phase 2 of the planning grant.

Fees: FY24/25 Stationary Sources and Mitigation fees are planned to increase by a total of \$574,000 over the FY23/24 budget due in part (approximately \$200,000) to a proposed Rule 301 fee increase of 4.17%. The remaining increase for Rule 301 revenue is due to an understatement in the FY23/24 budget; the current year's revenue estimates exceed the budget for the year. The FY22/23 actual Rule 301 fee revenue exceeded the current FY23/24 fee revenue budget by \$409,000. This was due to the FY22/23 fee revenue estimate being understated because of an increase in permit activity post-pandemic during the second half of FY22/23, with actual FY22/23 fee revenue coming in higher than the estimate by approximately \$877,000. The FY23/24 Budget was developed based on the understated FY22/23 estimate.

The increase in the Rule 301 revenue is offset by Mitigation and Asbestos fees, which are planned to decrease in the FY24/25 Proposed Budget since the estimate for the current year is expected to be below the budget based on current trends and normal variation in construction project activity.

Fines and Penalties: Penalties are budgeted to decline by \$100,000. In FY23/24, there was a significant one-time penalty that is not expected to recur in FY24/25.

Sales/Use Tax and Local Government: Changes in revenues for Measure A and local grants are expected to be nominal in FY23/24.

State: The increase in the FY23/24 estimate over the budget is mainly due to the advance receipt of a multiyear operating grant of approximately \$6.5 million in AB617 funds to support current and expanded AB617 programs. Other FY24/25 state revenues, including DMV registration fees and state grants, are expected to be consistent with prior years.

## EXPENDITURES

**Expenditures are increasing by \$2.2 million** from FY23/24 to FY24/25 primarily in Employee Services (Salaries/Wages and Employee Benefits), and Services and Supplies (mainly program distributions for federal grants).

Employee Services: Employee Services (salaries/wages, fringe benefits) will increase by \$1.4 million. The proposed COLA, in accordance with the board-approved employee labor agreements, is 3.6%. Proposed full-time equivalent (FTE) funded positions for FY24/25 total 105.8, an increase of 4 FTE over the FY23/24 amended approved headcount.

The Board amended the FY23/24 position budget in March 2024, adding 4.2 FTE for a total of 101.8, to initiate the recruitment process of critical resources; however, additional funding for the positions was not allocated at that time as salary savings were leveraged. Funding for all 8.2 FTE is reflected in the FY24/25 Proposed Budget.

The positions approved in the FY23/24 Amended FTE Budget will support the Community Emission Reduction Plan (CERP) project and provide much-needed resources to address the Engineering and Compliance Division (ECD) workload challenges. The CERP is the next phase of the AB 617 community protection efforts focusing on the South Sacramento/Florin community. It is a two-year grant with revenue totaling \$6.6M to develop community-centered emission and pollution exposure reduction strategies.

ECD workload has also increased over the last several years and staffing levels have remained relatively flat over the past decade. The addition of new staff will provide ECD with the resources to support new programs and expanded duties such as Annual Reporting under the Criteria and Toxics Regulation, AB 617, and the agricultural burn program.

FTE positions approved additions for FY23/24 include:

- ASD - 1 FTE, Communications & Marketing Specialist (CERP)
- ECD –3.2 FTE, 2 Air Quality Engineers, 1.2 Air Quality Specialists

The Proposed FY24/25 Budget includes an increase in authorized positions from 101.8 to 105.8. The four FTEs will support expanded grant activities, mainly for the CERP and Clean Cars for All (CC4A) programs in the Transportation and Climate Change Division (TCC) and provide overall grant support in the Administrative Services Division (ASD). Funding for the TCC positions will

come from the CERP and CC4A grants; the ASD position will be funded by grants and other District revenues.

The proposed FY24/25 FTE changes are:

- TCC – Add (2) Air Quality Specialist/Planner (CERP)
- TCC – Add (2) Office Assistant II (CC4A)
- TCC – Delete (-1) Air Quality Engineer position (CC4A)
- TCC – Convert one limited-term Air Quality Engineer to a regular position – support of incentive grants (e.g., Moyer, etc.). No impact on overall approved FTE positions
- ASD – Add Accountant (1) – Provide support for expanded grant programs

Employee benefits in the Proposed Budget are increasing by \$586,000 or 10% which is a higher percentage increase than the salaries and wages increase of 6%. The larger increase in employee benefits is driven by higher group insurance premiums and retirement contribution rates.

Note: For FY24/25 planning purposes, the budget includes a vacancy offset of \$500,000 to better match historical performance. This allowance reflects salary savings during periods of recruitment when a position is vacant (e.g., retirements, etc.).

Services and Supplies: FY24/25 Budgeted Services and Supplies expenditures are \$5.7M higher than actual expenditures for FY22/23. Most of the variance (\$3.5M) is due to increased pass-through distributions under the federal TAG grants administered by the District for neighboring air districts. In addition, Professional Services expenditures increase by \$1.2M comparatively for those two years mainly from expanded grant activities (e.g., CC4A, CPRG, AB617).

FY24/25 budgeted services and supplies expenditures will increase by \$891,000 from the FY23/24 budget mainly due to higher program distributions of \$584,000 for the TAG program. In addition, Professional Services expenditures are planned to increase by \$546,000. This increase will support expanded grant activities (i.e., AB617, CC4A). IS Software as a Service expenditures are decreasing by about \$383,000 mainly related to the development of the District's AiriA software solution to replace legacy Permitting/Compliance and Transportation systems. In FY23/24, the entire cost of the AiriA project was included in the budget; however, this is a multiyear project and only a portion of the expenses were incurred in FY23/24. The costs of implementing the remaining modules are budgeted in FY24/25.

Note: In further efforts to enhance budget accuracy, the District has implemented a process to prioritize and fund essential professional services contracts, consolidating other potential contracts into a single line item in the budget detail. The single-line budget is expected to be sufficient to fund necessary contracts without duplicating resources for contracts that are often only executed under unique or extenuating circumstances.

Capital expenditures: FY23/24 capital expenditures are estimated to be \$509,000 less than the budget due to the timing of the renovation of an air monitoring structure. Initially planned to be completed in FY23/24, the structure is now budgeted to finish in FY24/25.

The FY24/25 budget for capital expenditures is expected to decrease by \$71,000 from the prior year's budget, with reduced outlays for lab equipment (lower by \$158,000) being offset by increases in expenditures for monitoring structures (+\$60,000) and replacement vehicles for the District fleet (+\$20,000).

The following additional *Detailed Budget Schedules* for General Fund 100 and the *District Position Schedule* are included at the end of this attachment:

- |                                     |  |
|-------------------------------------|--|
| ✓ Revenue (Exhibit 1)               | ✓ Capital Expenditures (Exhibit 4)       |
| ✓ Services and Supplies (Exhibit 2) | ✓ Position by Classification (Exhibit 5) |
| ✓ Professional Services (Exhibit 3) |  |

TABLE 3 – General Fund 100: Fund Balance

GENERAL FUND 100	Actual FY20/21	Actual FY21/22	Actual FY22/23	Estimate FY23/24	Proposed FY24/25
Total	\$17,663,781	\$20,403,127	\$20,895,504	\$27,440,409	\$24,362,314

The Approved FY23/24 Budget indicated a use of the General Fund balance of \$2.7 million. However, the District now projects a \$6.5 million addition to the fund balance in FY23/24. The variance to the budgeted deficit is mainly due to the advance receipt of a multi-year operating grant of approximately \$6.5 million in AB 617 funds in FY23/24, which will fund current and expanded AB 617 activities in FY24/25 and FY25/26. This influx of grant revenue temporarily spikes the fund balance, however, roughly half of the \$6.5 million will be expended in FY24/25 and the other half in FY25/26, reducing the fund balance back down over the two-year timeframe.

The FY24/25 General Fund reserve balance is above the District's reserve policy, which is to maintain a General Fund balance equivalent to a minimum of 120 days of General Fund expenditures. As noted above, the fund balance is projected to come down significantly at the end of FY25/26.

TABLE 4 – Building Fund 400

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Proposed	Variance FY25 Proposed/ FY24 Approved
<b>Revenues</b>					
Interest	\$ 52,346	\$ 20,000	\$ 67,000	\$ 20,000	\$ -
Rents/Concessions/Royalties	1,349,721	1,150,002	1,250,199	1,055,834	(94,168)
<b>Revenues Total</b>	<b>\$ 1,402,068</b>	<b>\$ 1,170,002</b>	<b>\$ 1,317,199</b>	<b>\$ 1,075,834</b>	<b>\$ (94,168)</b>
<b>Expenses</b>					
Services and Supplies	\$ 496,965	\$ 506,901	\$ 496,306	\$ 512,234	\$ 5,335
Capital Expense	-	955,000	140,000	155,000	(800,000)
Debt Service	410,591	408,100	408,100	408,600	500
<b>Expenses Total</b>	<b>\$ 907,556</b>	<b>\$ 1,870,001</b>	<b>\$ 1,044,406</b>	<b>\$ 1,075,834</b>	<b>\$ (794,165)</b>
<b>Fund Balance Source / (Use)</b>	<b>\$ 494,512</b>	<b>\$ (699,999)</b>	<b>\$ 272,793</b>	<b>\$ 0</b>	

## Fund 400 Budget Highlights and Assumptions:

- During FY23/24, the District evaluated several options for the headquarters facility. The Board indicated its support to sell the building and move to a smaller building (either leased or purchased) that would better meet the needs of the District. The building is listed for sale; however, the FY24/25 budget assumes a status quo scenario since a purchase agreement is currently not in place.
- Rent revenue is planned to decrease by \$94,000 due to the termination of a third-party tenant lease during FY23/24. The Proposed Budget does not assume any rent revenue for a new tenant. The rent revenue from the District decreases slightly in FY24/25 due to the reduction in capital expenses and a breakeven budget for the building fund.
- Services and Supplies increase slightly, and Capital expenses decrease by \$800,000. The FY23/24 budget assumed a renovation/update to the building for \$700,000 and included \$100,000 for the long-term capital assets reserve. Due to the plan to sell the building, the renovation did not occur, and major asset improvements are not anticipated and therefore, not included in the FY24/25 budget.
- Debt service for FY24/25 will total \$409,000; the bonds will be paid off at the time of the sale of the building or by the end of the debt payment schedule in 2027, whichever comes first.

TABLE 5 – Special Revenue Fund 500

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Proposed	Variance FY25 Proposed/ FY24 Approved
<b>Revenues</b>					
Federal	\$ 1,499,161	\$ 3,450,000	\$ 1,725,000	\$ 3,205,960	\$ (244,040)
Fines/Forfeits/Penalties	33,862	-	5,700	-	-
Interest	1,298,812	738,135	1,600,000	750,000	11,865
Other	64,374	66,438	81,438	66,438	-
State	15,164,301	26,585,809	55,552,497	26,999,796	413,987
<b>Revenues Total</b>	<b>\$ 18,060,510</b>	<b>\$ 30,840,382</b>	<b>\$ 58,964,635</b>	<b>\$ 31,022,194</b>	<b>\$ 181,812</b>
<b>Expenses</b>					
Interfund Charges	\$ 909,730	\$ 2,115,503	\$ 2,039,139	\$ 2,146,641	\$ 31,138
Services and Supplies	16,065,669	26,916,766	21,228,002	34,354,781	7,438,015
<b>Expenses Total</b>	<b>\$ 16,975,398</b>	<b>\$ 29,032,269</b>	<b>\$ 23,267,141</b>	<b>\$ 36,501,422</b>	<b>\$ 7,469,153</b>
<b>Fund Balance Source / (Use)</b>	<b>\$ 1,085,111</b>	<b>\$ 1,808,113</b>	<b>\$ 35,697,494</b>	<b>\$ (5,479,228)</b>	

## Fund 500 Budget Highlights and Assumptions:

- The Special Revenue Fund serves to track restricted revenue sources, primarily various incentive programs, which include emission-reduction technology and community air protection grants. These are generally multi-year agreements with the grant funds received in one year and incentive disbursements made to project participants over several years. As a result, significant fluctuations may occur in year-over-year revenues and expenditures.
- FY24/25 proposed revenues are planned to be consistent with the FY23/24 budgeted revenues. FY23/24 estimated revenue is higher than the budget for that year by approximately \$28.1 million. This increase is related to the timing of receipt of grant funds for the CAPP (\$7.2 million) and CC4A (\$6.5 million) programs and a \$15.6 million Cal STA grant for a hydrogen locomotive grant that was not included in the FY23/24 budget.
- Incentive disbursements are budgeted to increase by \$7.4 million to a total of \$34.4 million in the proposed budget. The increase in incentive payments is mainly in the state grant programs.

## Five-Year Forecast

The purpose of financial forecasting is to evaluate historical and current fiscal trends and conditions to help guide future policy and programmatic decisions. It also identifies long-term issues for stakeholders and provides the impetus to confront them. Long-term forecasts and analyses are used to identify potential long-term imbalances. Financial strategies are then developed to counteract these imbalances.

The General Fund five-year forecast assumes the following:

### Revenues:

- Federal revenues for FY24/25 are assumed to be stable with the FY23/24 projection. These revenues are expected to decline in FY25/26 and again in FY26/27 with the winddown of the Target Airshed Grant (TAG) projects. The District facilitates the federal TAG projects for neighboring air districts through the pass-through of grant funds. Federal revenues for FY27/28 and FY28/29 are constant at about \$1.9 million per year for recurring grants.
- State revenues peak in the FY23/24 projection due to the advance payment of about \$5.2 million of funding the two-year Community Emissions Reduction Plan (CERP) grant that begins July 1, 2024. The recurring state revenues (DMV, AB 617 Monitoring, etc.) will be stable for FY24/25 through the end of the forecast period at approximately \$7.3 million per year.
- Sales/Use Tax (Measure A) amounts are per the most recent Sacramento Transportation Authority (STA) forecast. The cumulative annual growth rate for Measure A is about 2.97%.
- The annual CPI adjustment for Stationary Sources fees is forecasted at 3%.
- Interest revenue declines due to the decrease in fund balance.
- No new revenue is included in the base five-year forecast.

### Expenditures:

- Over the next four years, the FTE count is held constant at 105.8 with no additional positions included in the forecast.
- Employee Services increases an average of 3% per year for wages and benefits; retirement contributions grow at a slightly higher rate based on historical trends.
- After adjusting for one-time items included in the FY24/25 Proposed Budget related to non-recurring grants (e.g., CERP, CC4A, and CPRG projects), Services and Supplies increase by a projected CPI of 3% per year. Sub-recipient distributions under the TAG projects are included in Services and Supplies through the end of the grant term in FY26/27 and are offset by corresponding Federal revenues each year.
- Capital expenditures include the replacement of elements of an aging fleet and air monitoring network and Information Services infrastructure improvements.
- Interfund charges consist of grant administrative funds received in the Special Revenue Fund and transferred to the General Fund to offset the program implementation costs, mainly employee services expenditures.

The five-year forecast indicates that the General Fund will operate at a deficit with projected expenditures exceeding projected revenues without the influx of additional revenue. This is primarily due to labor costs outpacing revenue increases of major funding sources; insufficient administrative allocation from incentive



grants to cover the cost of administering and implementing the programs; investment in aging infrastructure; and funding the pension/OPEB liability.

Staff identified several potential funding strategies to generate new revenue to address the forecasted gap to fund important District programs. Staff will continue working with the Board to further explore and develop the strategies.

The table that follows provides the five-year forecast for the General Fund.

### General Fund (100) Five-Year Forecast

Classification	FY 23/24 Approved	FY 23/24 Year-end Projection	FY 24/25 Approved	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
<b>Beginning Fund Balance</b>	<b>\$ 20,895,504</b>	<b>\$ 20,895,504</b>	<b>\$ 27,440,409</b>	<b>\$ 24,362,314</b>	<b>\$ 20,950,889</b>	<b>\$ 17,879,361</b>	<b>\$ 14,808,539</b>
<b>Revenues</b>							
Revenues	\$ 25,097,233	\$ 33,564,814	\$ 26,942,104	\$ 23,706,074	\$ 23,340,230	\$ 23,364,054	\$ 23,787,893
<b>Revenues Total</b>	<b>\$ 25,097,233</b>	<b>\$ 33,564,814</b>	<b>\$ 26,942,104</b>	<b>\$ 23,706,074</b>	<b>\$ 23,340,230</b>	<b>\$ 23,364,054</b>	<b>\$ 23,787,893</b>
<b>Expenses</b>							
Operating Expense	\$ 28,701,835	\$ 28,329,982	\$ 30,998,840	\$ 28,213,068	\$ 27,586,988	\$ 27,695,597	\$ 28,447,541
Capital Expense	1,238,500	729,066	1,168,000	804,430	781,770	754,990	621,090
Interfund Charges	(2,115,503)	(2,039,139)	(2,146,641)	(1,900,000)	(1,957,000)	(2,015,710)	(2,076,181)
<b>Expenses Total</b>	<b>\$ 27,824,832</b>	<b>\$ 27,019,909</b>	<b>\$ 30,020,199</b>	<b>\$ 27,117,498</b>	<b>\$ 26,411,758</b>	<b>\$ 26,434,877</b>	<b>\$ 26,992,450</b>
Surplus / (Deficit)	\$ (2,727,599)	\$ 6,544,905	\$ (3,078,095)	\$ (3,411,425)	\$ (3,071,528)	\$ (3,070,822)	\$ (3,204,557)
<b>Ending Fund Balance</b>	<b>\$ 18,167,905</b>	<b>\$ 27,440,409</b>	<b>\$ 24,362,314</b>	<b>\$ 20,950,889</b>	<b>\$ 17,879,361</b>	<b>\$ 14,808,539</b>	<b>\$ 11,603,982</b>

### Stationary Sources Fee Increase

The FY24/25 proposed rate adjustment for fees, effective July 1, 2024, is 4.17% based on the California Consumer Price Index (CPI) and budgeted to increase fee revenue by approximately \$200,000. The fee adjustments approved for prior fiscal years are as follows:

Stationary Sources Fee Increase	Actual FY20/21*	Actual FY21/22*	Actual FY22/23*	Actual FY23/24	Proposed FY24/25
Total	0.0%	2.65%	5.65%	7.67	4.17%

\*The CPI fee increase for FY20/21 of 3.3% was deferred by the Board and approved to be phased in as equal additions to the adjustments for FY21/22 and FY22/23.

## General Fund (Fund 100) – Detailed Budget Schedules

### Detailed General Fund (100) Revenue - Exhibit 1

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Revenues</b>					
<b>Federal</b>					
EPA 103	\$ 42,895	\$ 78,800	\$ 128,000	\$ 128,000	\$ 49,200
EPA 105	1,138,908	1,150,000	1,199,943	1,199,943	49,943
Federal	636,976	3,461,836	4,687,189	4,440,890	979,054
FHW-CMAQ	757,093	770,420	870,420	700,000	(70,420)
<b>Subtotal Federal</b>	<b>2,575,872</b>	<b>5,461,056</b>	<b>6,885,552</b>	<b>6,468,833</b>	<b>1,007,777</b>
<b>Fees &amp; Licenses</b>					
Ag Burn	24,995	22,000	28,000	12,000	(10,000)
Asbestos	418,273	356,000	214,500	218,000	(138,000)
Fees & Licenses	14,333	5,860	20,507	22,292	16,432
Mitigation Fees	285,431	274,632	133,730	150,000	(124,632)
Rule 301	8,631,979	8,300,000	8,900,000	9,100,000	800,000
SEED Loan-Non Labor	3,404	43,000	48,166	36,051	(6,949)
SEED Renewal	59,403	71,447	62,112	64,704	(6,743)
Title V	151,980	101,553	90,000	120,000	18,447
Toxics AB2588	209,670	204,905	224,000	230,000	25,095
<b>Subtotal Fees &amp; Licenses</b>	<b>9,799,468</b>	<b>9,379,397</b>	<b>9,721,015</b>	<b>9,953,047</b>	<b>573,650</b>
<b>Fines/Forfeits/Penalties</b>					
Fines/Forfeits/Penalties	270,176	350,000	250,000	250,000	(100,000)
<b>Subtotal Fines/Forfeits/Penalties</b>	<b>270,176</b>	<b>350,000</b>	<b>250,000</b>	<b>250,000</b>	<b>(100,000)</b>
<b>Interest</b>					
Interest Earned	349,456	191,865	390,000	250,000	58,135
<b>Subtotal Interest</b>	<b>349,456</b>	<b>191,865</b>	<b>390,000</b>	<b>250,000</b>	<b>58,135</b>
<b>Local Government</b>					
Local Government	276,582	36,533	131,533	121,851	85,318
<b>Subtotal Local Government</b>	<b>276,582</b>	<b>36,533</b>	<b>131,533</b>	<b>121,851</b>	<b>85,318</b>
<b>Other</b>					
Other	19,237	17,524	24,683	18,524	1,000
<b>Subtotal Other</b>	<b>19,237</b>	<b>17,524</b>	<b>24,683</b>	<b>18,524</b>	<b>1,000</b>
<b>Sales/Use Tax</b>					
Sales/Use Tax	2,569,539	2,590,825	2,590,825	2,584,321	(6,504)
<b>Subtotal Sales/Use Tax</b>	<b>2,569,539</b>	<b>2,590,825</b>	<b>2,590,825</b>	<b>2,584,321</b>	<b>(6,504)</b>
<b>State</b>					
ARB Oil & Gas	42,000	42,000	42,000	42,000	-
ARB PERP	174,189	180,000	255,401	260,000	80,000
ARB Subvention	359,033	359,033	362,000	362,000	2,967
DMV	5,122,126	5,200,000	5,200,000	5,260,000	60,000
State	12,583	1,289,000	7,711,805	1,371,528	82,528
<b>Subtotal State</b>	<b>5,709,931</b>	<b>7,070,033</b>	<b>13,571,206</b>	<b>7,295,528</b>	<b>225,495</b>
<b>Revenues Total</b>	<b>\$ 21,570,261</b>	<b>\$ 25,097,233</b>	<b>\$ 33,564,814</b>	<b>\$ 26,942,104</b>	<b>\$ 1,844,871</b>

Detailed General Fund (100) Services and Supplies - Exhibit 2

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Services and Supplies</b>					
Advertising, Comm & Outreach	\$ 1,005,071	\$ 1,074,500	\$ 1,044,511	\$ 1,028,236	\$ (46,264)
Alternative Transit	18,920	31,410	20,830	25,550	(5,860)
Banking & Finance	1,158	3,620	1,235	2,435	(1,185)
Books/Periodicals/Subscriptions	29,424	29,029	27,779	32,173	3,144
Breakroom Supplies	1,454	1,800	1,500	1,800	-
Business Meetings	158,285	168,150	137,248	233,400	65,250
Collaborations	80,508	147,000	90,726	102,000	(45,000)
Document Storage & Handling	34,795	32,000	33,000	33,200	1,200
Education & Training	33,396	97,050	98,979	144,900	47,850
Food	397	-	33	-	-
Fuel & Lubricants	16,914	20,300	16,100	16,680	(3,620)
Internship	7,375	7,375	7,400	8,000	625
IS Data Processing Services	38,491	46,400	47,900	49,400	3,000
IS Hardware	64,539	93,350	93,350	146,444	53,094
IS Internet	33,289	34,840	34,800	36,232	1,392
IS Mobile Devices/Services	46,415	36,360	44,499	51,962	15,602
IS SaaS-Software as a Service	403,054	1,100,334	666,949	717,499	(382,835)
IS Software	75,005	117,623	118,725	87,337	(30,286)
IS Supplies	13,260	16,000	15,563	15,564	(436)
Lab Analysis	18,922	130,000	57,000	106,000	(24,000)
Laboratory Equipment & Supplies	58,721	68,000	57,000	68,000	-
Legal Services	6,801	61,000	61,000	33,000	(28,000)
Legislative Advocacy	60,700	66,250	66,250	66,250	-
Maintenance & Repairs	23,645	38,500	20,600	27,000	(11,500)
Medical Services	694	3,000	3,000	3,000	-
Membership Dues	46,529	49,444	50,874	64,140	14,696
Mileage/Parking	30,885	33,370	31,710	32,510	(860)
Miscellaneous	1,221	100	(20)	100	-
Office Equipment/Furniture	378	13,500	7,000	8,500	(5,000)
Office Services	525	1,000	1,000	1,000	-
Office Supplies	(662)	9,000	5,813	8,500	(500)
Postage/Shipping/Messenger	10,623	13,750	16,400	18,950	5,200
Printing	4,988	8,700	7,200	10,200	1,500
Prof Svc-Consulting	1,179,714	1,874,500	1,896,387	2,420,650	546,150
Program Distribution-EPA Grant	512,107	3,278,836	4,032,525	3,863,031	584,195
Property & Liability Insurance	205,417	227,650	252,300	298,700	71,050
Property Management	14,211	25,000	10,000	25,000	-
Public Notices	2,618	32,800	19,075	28,750	(4,050)
Recognition	9,363	13,550	13,900	21,300	7,750
Recording Fees	-	200	100	200	-
Recruitment	9,867	10,000	42,000	10,000	-
Rent/Lease-Equipment	74,803	81,635	77,825	79,835	(1,800)
Rent/Lease-Real Property	973,497	1,021,327	1,014,572	1,005,834	(15,493)
Safety Supplies	4,406	7,000	3,100	5,000	(2,000)
Stipends	9,500	20,100	21,200	63,600	43,500
Telephone Services	26,124	27,180	25,300	24,936	(2,244)
Temporary Staffing	-	20,000	50,000	80,000	60,000
Tools/Small Equipment	35,733	30,200	3,320	6,120	(24,080)
Utilities	15,441	22,000	18,000	20,400	(1,600)
Vehicle Maintenance	36,590	45,500	39,500	47,500	2,000
<b>Subtotal Services and Supplies</b>	<b>5,435,112</b>	<b>10,290,233</b>	<b>10,405,058</b>	<b>11,180,818</b>	<b>890,585</b>

## Detailed General Fund (100) Professional Services - Exhibit 3

<b>Prof Svc-Consulting</b>	<b>2,420,650</b>
STI CBYB	90,000
Scanning Services	20,000
Eide Bailly/Audit Services	47,000
TBD/ Microsoft Security Service for EndPoint Management	21,000
TBD/SharePoint Support and Upgrade of Servers	10,500
Bruns Auri/Car Share Assistance/G012	42,000
CSE/CC4A Case Management/GTBD(12M)	441,000
Fluxx/CC4A Grant Management/GTBD(12M)	55,000
Ramboll/Environ General TCC assistance	150,000
Ramboll/Technical Supp Svcs-Nonrecurring Projects	200,000
Sonoma Technology Inc. / EPA Toxics Grant Work / G02A	90,000
Kerns and West / AB 617 Facilitation Services / G002	50,000
BERC/Compliance Assistance	90,000
CAPCOA/ICF/G044	70,000
TBD/CPRG CCAP/G044	200,000
BIS Airia A012	2,745
Experis AiriA A012	24,000
SAVA / City of Sacramento / G034	25,000
Sonoma Technology Inc. / Ceilometer data / G10P	5,000
Sonoma Technology Inc. / CMAQ / G04C	100,000
TBD/CAP Staff Lead-Back Fill/TBD	300,000
TBD/Facilitation/G052	100,000
BIS AiriA Data Conversion A012	6,405
Experis/Contract 2023-00000087/A012	56,000
Pooled Professional Services Contracts	225,000

Detailed General Fund (100) Capital Expenditures – Exhibit 4

Fund Description	FY24/25 Proposed
<b>100 General</b>	
New vehicles replacements	\$ 200,000
PM10 continuous	30,000
Storage array	16,500
Storage server for storage Array	5,500
Simplivity node	60,000
Data logger	8,000
Chart recorder	22,000
FEM BAM1020	50,000
H2 generator	10,000
N2 generator	10,000
Ozone analyzer	30,000
Transfer standard	30,000
Zero air generator	15,000
Non-Methane hydrocarbon analyzer	26,000
A/C unit replacement	20,000
DPM finish replacement	610,000
DPM construction	25,000
<b>100 General Fund Total</b>	<b>1,168,000</b>

Detailed General Fund (100) Positions by Classification – Exhibit 5

Classification	FY22/23 Amended	FY23/24 Approved	FY23/24 Amended	Change	FY24/25 Approved
<b>AUTHORIZED</b>					
<b>Regular</b>					
Accountant	-	-	-	1.0	1.0
Admin Supervisor/Clerk of Board	1.0	1.0	1.0	-	1.0
Administrative Specialist	4.0	4.0	4.0	-	4.0
Air Pollution Control Officer	1.0	1.0	1.0	-	1.0
Air Quality Engineer	19.0	19.0	21.0	-	21.0
Air Quality Instrument Specialist	3.0	3.0	3.0	-	3.0
Air Quality Planner/Analyst	10.0	10.0	10.0	1.0	11.0
Air Quality Specialist	21.6	21.6	22.8	1.0	23.8
Communication & Marketing Specialist	1.0	1.0	2.0	-	2.0
Controller	1.0	1.0	1.0	-	1.0
District Counsel	1.0	1.0	1.0	-	1.0
Division Director	4.0	4.0	4.0	-	4.0
Financial Analyst	1.0	1.0	1.0	-	1.0
Human Resource Technician	1.0	1.0	1.0	-	1.0
Human Resources Officer	1.0	1.0	1.0	-	1.0
Information Systems Analyst	3.0	3.0	3.0	-	3.0
Information Systems Manager	1.0	1.0	1.0	-	1.0
Legal Assistant	1.0	1.0	1.0	-	1.0
Office Assistant	3.0	3.0	3.0	2.0	5.0
Program Manager	5.0	5.0	5.0	-	5.0
Program Supervisor	12.0	12.0	12.0	-	12.0
Senior Accountant	1.0	1.0	1.0	-	1.0
Statistician	1.0	1.0	1.0	-	1.0
<b>Limited Term</b>					
Air Quality Engineer/Specialist/Planner	1.0	1.0	1.0	-1.0	-
<b>AUTHORIZED Total</b>	<b>97.6</b>	<b>97.6</b>	<b>101.8</b>	<b>4.0</b>	<b>105.8</b>

**Proposed Fees for Fiscal Year 2024/2025 (FY24/25) Effective July 01, 2024**  
**CPI Adjustment of 4.17%**

FeeID	Fee Category	Authority (Rule)	Fee Name	FY23/24 Approved Fee	FY24/25 Proposed Fee
1	Equipment - ATC	301	Schedule 1 (Electric Motor), Level 1 (<5 HP) - ATC	\$ 578.00	\$ 602.10
2	Equipment - PTO	301	Schedule 1 (Electric Motor), Level 1 (<5 HP) - PTO	578.00	602.10
3	Equipment - Renewal	301	Schedule 1 (Electric Motor), Level 1 (<5 HP) - Renewal	578.00	602.10
4	Equipment - Change of Ownership	301	Schedule 1 (Electric Motor), Level 1 (<5 HP) - Change of Ownership	578.00	602.10
5	Equipment - ATC	301	Schedule 1 (Electric Motor), Level 2 (5 - <50 HP) - ATC	1,158.00	1,206.28
6	Equipment - PTO	301	Schedule 1 (Electric Motor), Level 2 (5 - <50 HP) - PTO	1,158.00	1,206.28
7	Equipment - Renewal	301	Schedule 1 (Electric Motor), Level 2 (5 - <50 HP) - Renewal	1,158.00	1,206.28
8	Equipment - Change of Ownership	301	Schedule 1 (Electric Motor), Level 2 (5 - <50 HP) - Change of Ownership	1,158.00	1,206.28
9	Equipment - ATC	301	Schedule 1 (Electric Motor), Level 3 (50 - <200 HP) - ATC	2,320.00	2,416.74
10	Equipment - PTO	301	Schedule 1 (Electric Motor), Level 3 (50 - <200 HP) - PTO	2,320.00	2,416.74
11	Equipment - Renewal	301	Schedule 1 (Electric Motor), Level 3 (50 - <200 HP) - Renewal	2,320.00	2,416.74
12	Equipment - Change of Ownership	301	Schedule 1 (Electric Motor), Level 3 (50 - <200 HP) - Change of Ownership	2,320.00	2,416.74
13	Equipment - ATC	301	Schedule 1 (Electric Motor), Level 4 (>200 HP) - ATC	4,642.00	4,835.57
14	Equipment - PTO	301	Schedule 1 (Electric Motor), Level 4 (>200 HP) - PTO	4,642.00	4,835.57
15	Equipment - Renewal	301	Schedule 1 (Electric Motor), Level 4 (>200 HP) - Renewal	4,642.00	4,835.57
16	Equipment - Change of Ownership	301	Schedule 1 (Electric Motor), Level 4 (>200 HP) - Change of Ownership	4,642.00	4,835.57
17	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 1 (<1 MMBtu/hr) - ATC	287.00	298.96
18	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 1 (<1 MMBtu/hr) - Renewal	287.00	298.96
19	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 1 (<1 MMBtu/hr) - PTO	287.00	298.96
20	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 1 (<1 MMBtu/hr) - Change of Ownership	287.00	298.96
21	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - ATC	578.00	602.10
22	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - Renewal	578.00	602.10
23	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - PTO	578.00	602.10
24	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - Change of Ownership	578.00	602.10
25	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 3 (10 - <50 MMBtu/hr) - ATC	1,158.00	1,206.28
26	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 3 (10 - <50 MMBtu/hr) - Renewal	1,158.00	1,206.28
27	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 3 (10 - <50 MMBtu/hr) - PTO	1,158.00	1,206.28
28	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 3 (10 - <50 MMBtu/hr) - Change of Ownership	1,158.00	1,206.28
29	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 4 (50 - <100 MMBtu/hr) - ATC	2,320.00	2,416.74
30	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 4 (50 - <100 MMBtu/hr) - Renewal	2,320.00	2,416.74
31	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 4 (50 - <100 MMBtu/hr) - PTO	2,320.00	2,416.74
32	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 4 (50 - <100 MMBtu/hr) - Change of Ownership	2,320.00	2,416.74
33	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 5 (>100 MMBtu/hr) - ATC	4,642.00	4,835.57
34	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 5 (>100 MMBtu/hr) - Renewal	4,642.00	4,835.57
35	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 5 (>100 MMBtu/hr) - PTO	4,642.00	4,835.57
36	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 5 (>100 MMBtu/hr) - Change of Ownership	4,642.00	4,835.57
37	Equipment - ATC	301	Schedule 3 (Electrical Energy), Level 1 (<150 KVA) - ATC	1,518.00	1,581.30
38	Equipment - Renewal	301	Schedule 3 (Electrical Energy), Level 1 (<150 KVA) - Renewal	1,518.00	1,581.30
39	Equipment - PTO	301	Schedule 3 (Electrical Energy), Level 1 (<150 KVA) - PTO	1,518.00	1,581.30
40	Equipment - Change of Ownership	301	Schedule 3 (Electrical Energy), Level 1 (<150 KVA) - Change of Ownership	1,518.00	1,581.30
41	Equipment - ATC	301	Schedule 3 (Electrical Energy), Level 2 (≥150 KVA) - ATC	4,642.00	4,835.57
42	Equipment - Renewal	301	Schedule 3 (Electrical Energy), Level 2 (≥150 KVA) - Renewal	4,642.00	4,835.57
43	Equipment - PTO	301	Schedule 3 (Electrical Energy), Level 2 (≥150 KVA) - PTO	4,642.00	4,835.57
44	Equipment - Change of Ownership	301	Schedule 3 (Electrical Energy), Level 2 (≥150 KVA) - Change of Ownership	4,642.00	4,835.57
45	Equipment - ATC	301	Schedule 4 (Incinerator), Level 1 (<10 Sq Ft) - ATC	1,158.00	1,206.28
46	Equipment - Renewal	301	Schedule 4 (Incinerator), Level 1 (<10 Sq Ft) - Renewal	1,158.00	1,206.28
47	Equipment - PTO	301	Schedule 4 (Incinerator), Level 1 (<10 Sq Ft) - PTO	1,158.00	1,206.28
48	Equipment - Change of Ownership	301	Schedule 4 (Incinerator), Level 1 (<10 Sq Ft) - Change of Ownership	1,158.00	1,206.28
49	Equipment - ATC	301	Schedule 4 (Incinerator), Level 2 (10 - <40 Sq Ft) - ATC	3,493.00	3,638.65



**Proposed Fees for Fiscal Year 2024/2025 (FY24/25) Effective July 01, 2024**  
**CPI Adjustment of 4.17%**

FeeID	Fee Category	Authority (Rule)	Fee Name	FY23/24 Approved Fee	FY24/25 Proposed Fee
50	Equipment - Renewal	301	Schedule 4 (Incinerator), Level 2 (10 - <40 Sq Ft) - Renewal	3,493.00	3,638.65
51	Equipment - PTO	301	Schedule 4 (Incinerator), Level 2 (10 - <40 Sq Ft) - PTO	3,493.00	3,638.65
52	Equipment - Change of Ownership	301	Schedule 4 (Incinerator), Level 2 (10 - <40 Sq Ft) - Change of Ownership	3,493.00	3,638.65
53	Equipment - ATC	301	Schedule 4 (Incinerator), Level 3 (40 - <100 Sq Ft) - ATC	4,642.00	4,835.57
54	Equipment - Renewal	301	Schedule 4 (Incinerator), Level 3 (40 - <100 Sq Ft) - Renewal	4,642.00	4,835.57
55	Equipment - PTO	301	Schedule 4 (Incinerator), Level 3 (40 - <100 Sq Ft) - PTO	4,642.00	4,835.57
56	Equipment - Change of Ownership	301	Schedule 4 (Incinerator), Level 3 (40 - <100 Sq Ft) - Change of Ownership	4,642.00	4,835.57
57	Equipment - ATC	301	Schedule 4 (Incinerator), Level 4 (>100 Sq Ft) - ATC	5,821.00	6,063.73
58	Equipment - Renewal	301	Schedule 4 (Incinerator), Level 4 (>100 Sq Ft) - Renewal	5,821.00	6,063.73
59	Equipment - PTO	301	Schedule 4 (Incinerator), Level 4 (>100 Sq Ft) - PTO	5,821.00	6,063.73
60	Equipment - Change of Ownership	301	Schedule 4 (Incinerator), Level 4 (>100 Sq Ft) - Change of Ownership	5,821.00	6,063.73
61	Equipment - ATC	301	Schedule 5 (Storage Container), Level 1 (<40K Gallons) - ATC	1,158.00	1,206.28
62	Equipment - Renewal	301	Schedule 5 (Storage Container), Level 1 (<40K Gallons) - Renewal	1,158.00	1,206.28
63	Equipment - PTO	301	Schedule 5 (Storage Container), Level 1 (<40K Gallons) - PTO	1,158.00	1,206.28
64	Equipment - Change of Ownership	301	Schedule 5 (Storage Container), Level 1 (<40K Gallons) - Change of Ownership	1,158.00	1,206.28
65	Equipment - ATC	301	Schedule 5 (Storage Container), Level 2 (40K - <400K Gallons) - ATC	4,642.00	4,835.57
66	Equipment - Renewal	301	Schedule 5 (Storage Container), Level 2 (40K - <400K Gallons) - Renewal	4,642.00	4,835.57
67	Equipment - PTO	301	Schedule 5 (Storage Container), Level 2 (40K - <400K Gallons) - PTO	4,642.00	4,835.57
68	Equipment - Change of Ownership	301	Schedule 5 (Storage Container), Level 2 (40K - <400K Gallons) - Change of Ownership	4,642.00	4,835.57
69	Equipment - ATC	301	Schedule 5 (Storage Container), Level 3 (>400K Gallons) - ATC	9,287.00	9,674.26
70	Equipment - Renewal	301	Schedule 5 (Storage Container), Level 3 (>400K Gallons) - Renewal	9,287.00	9,674.26
71	Equipment - PTO	301	Schedule 5 (Storage Container), Level 3 (>400K Gallons) - PTO	9,287.00	9,674.26
72	Equipment - Change of Ownership	301	Schedule 5 (Storage Container), Level 3 (>400K Gallons) - Change of Ownership	9,287.00	9,674.26
73	Equipment - Renewal	301	Schedule 6.A (Gasoline Dispensing), Level 1 (Phase II Exempt) - Renewal	557.00	580.22
74	Equipment - Change of Ownership	301	Schedule 6.A (Gasoline Dispensing), Level 1 (Phase II Exempt) - Change of Ownership	557.00	580.22
75	Equipment - ATC	301	Schedule 6.A (Gasoline Dispensing), Level 2 (<8 Nozzles - Minimum Fee) - ATC	1,087.00	1,132.32
76	Equipment - PTO	301	Schedule 6.A (Gasoline Dispensing), Level 2 (<8 Nozzles - Minimum Fee) - PTO	1,087.00	1,132.32
77	Equipment - Renewal	301	Schedule 6.A (Gasoline Dispensing), Level 2 (<8 Nozzles - Minimum Fee) - Renewal	1,087.00	1,132.32
78	Equipment - Change of Ownership	301	Schedule 6.A (Gasoline Dispensing), Level 2 (<8 Nozzles - Minimum Fee) - Change of Ownership	1,087.00	1,132.32
79	Equipment - ATC	301	Schedule 6.A (Gasoline Dispensing), Level 3 (>=8 Nozzles - Per Nozzle Fee) - ATC	152.00	158.33
80	Equipment - PTO	301	Schedule 6.A (Gasoline Dispensing), Level 3 (>=8 Nozzles - Per Nozzle Fee) - PTO	152.00	158.33
81	Equipment - Renewal	301	Schedule 6.A (Gasoline Dispensing), Level 3 (>=8 Nozzles - Per Nozzle Fee) - Renewal	152.00	158.33
82	Equipment - Change of Ownership	301	Schedule 6.A (Gasoline Dispensing), Level 3 (>=8 Nozzles - Per Nozzle Fee) - Change of Ownership	152.00	158.33
83	Equipment - Renewal	301	Schedule 6.B (Gasoline Dispensing Tank) - Phase I only - Renewal	127.00	132.29
84	Equipment - Renewal	301	Schedule 6.B (Gasoline Dispensing Tank) - Underground tanks - Renewal	386.00	402.09
85	Equipment - Renewal	301	Schedule 6.B (Gasoline Dispensing Tank) - Aboveground tanks - Renewal	191.00	198.96
86	Equipment - ATC	301	Schedule 7 (IC Engines), Level 1 (<50 HP) - ATC	287.00	298.96
87	Equipment - PTO	301	Schedule 7 (IC Engines), Level 1 (<50 HP) - PTO	287.00	298.96
88	Equipment - Renewal	301	Schedule 7 (IC Engines), Level 1 (<50 HP) - Renewal	287.00	298.96
89	Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 1 (<50 HP) - Change of Ownership	287.00	298.96
90	Equipment - ATC	301	Schedule 7 (IC Engines), Level 2 (50 - <250 HP) - ATC	578.00	602.10
91	Equipment - PTO	301	Schedule 7 (IC Engines), Level 2 (50 - <250 HP) - PTO	578.00	602.10
92	Equipment - Renewal	301	Schedule 7 (IC Engines), Level 2 (50 - <250 HP) - Renewal	578.00	602.10
93	Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 2 (50 - <250 HP) - Change of Ownership	578.00	602.10
94	Equipment - ATC	301	Schedule 7 (IC Engines), Level 3 (250 - <500 HP) - ATC	1,158.00	1,206.28
95	Equipment - PTO	301	Schedule 7 (IC Engines), Level 3 (250 - <500 HP) - PTO	1,158.00	1,206.28
96	Equipment - Renewal	301	Schedule 7 (IC Engines), Level 3 (250 - <500 HP) - Renewal	1,158.00	1,206.28
97	Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 3 (250 - <500 HP) - Change of Ownership	1,158.00	1,206.28
98	Equipment - ATC	301	Schedule 7 (IC Engines), Level 4 (500 - <1000 HP) - ATC	2,320.00	2,416.74



**Proposed Fees for Fiscal Year 2024/2025 (FY24/25) Effective July 01, 2024**  
**CPI Adjustment of 4.17%**

FeeID	Fee Category	Authority (Rule)	Fee Name	FY23/24 Approved Fee	FY24/25 Proposed Fee
99	Equipment - PTO	301	Schedule 7 (IC Engines), Level 4 (500 - <1000 HP) - PTO	2,320.00	2,416.74
100	Equipment - Renewal	301	Schedule 7 (IC Engines), Level 4 (500 - <1000 HP) - Renewal	2,320.00	2,416.74
101	Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 4 (500 - <1000 HP) - Change of Ownership	2,320.00	2,416.74
102	Equipment - ATC	301	Schedule 7 (IC Engines), Level 5 (>1000 HP) - ATC	4,642.00	4,835.57
103	Equipment - PTO	301	Schedule 7 (IC Engines), Level 5 (>1000 HP) - PTO	4,642.00	4,835.57
104	Equipment - Renewal	301	Schedule 7 (IC Engines), Level 5 (>1000 HP) - Renewal	4,642.00	4,835.57
105	Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 5 (>1000 HP) - Change of Ownership	4,642.00	4,835.57
106	Equipment - ATC	301	Schedule 9 (Misc) - ATC	1,158.00	1,206.28
107	Equipment - PTO	301	Schedule 9 (Misc) - PTO	1,158.00	1,206.28
108	Equipment - Renewal	301	Schedule 9 (Misc) - Renewal	1,158.00	1,206.28
109	Equipment - Change of Ownership	301	Schedule 9 (Misc) - Change of Ownership	1,158.00	1,206.28
110	Equipment	301	Schedule 10 (Time and Materials Labor Rate)	254.00	264.59
111	Equipment	301	Schedule 11 (Time and Material Labor Rate), Electrical Generating Equipment Greater than 5 MW (Schedule 8)	254.00	264.59
112	Equipment	301	Schedule 11 (Time and Material Labor Rate), Emission Reduction Credit Banking Fee	254.00	264.59
113	Equipment	301	Schedule 11 (Time and Material Labor Rate), Reinspection Fee	254.00	264.59
114	Time & Material	301	Schedule 11 (Time and Material Labor Rate), Reinspection Fee - Renewal	254.00	264.59
115	Initial Permit	301	Permit Alternative Compliance Fee (hourly rate)	227.00	236.46
116	Initial Permit	301	Permit Source Test Observation and Evaluation Report (first 10 hours)	2,320.00	2,416.74
117	Initial Permit	301	Permit Source Test Observation and Evaluation Report (additional time, per hour)	254.00	264.59
118	Initial Permit	301	Public Notification Fee (Hourly Labor Rate)	254.00	264.59
119	Equipment - ATC	301	Permit Revisions of Conditions with No Increase	1,158.00	1,206.28
120	Initial Permit	301	Duplicate Permits	33.00	34.37
121	Initial Permit	301	Permit Change of Name (first permit)	107.00	111.46
122	Initial Permit	301	Permit Change of Name (for each additional permit)	45.00	46.87
123	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of CO	102.00	106.25
124	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of NOx	102.00	106.25
125	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of ROg	102.00	106.25
126	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of SOx	102.00	106.25
127	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of TSP	102.00	106.25
128	Emission Fee	301	Renewal Emission Fee All Other, per ton of CO	104.00	108.33
129	Emission Fee	301	Renewal Emission Fee All Other, per ton of NOx	104.00	108.33
130	Emission Fee	301	Renewal Emission Fee All Other, per ton of ROg	104.00	108.33
131	Emission Fee	301	Renewal Emission Fee All Other, per ton of SOx	104.00	108.33
132	Emission Fee	301	Renewal Emission Fee All Other, per ton of TSP	104.00	108.33
133	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of CO - Change of Ownership	102.00	106.25
134	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of NOx - Change of Ownership	102.00	106.25
135	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of ROg - Change of Ownership	102.00	106.25
136	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of SOx - Change of Ownership	102.00	106.25
137	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of TSP - Change of Ownership	102.00	106.25
138	Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of CO - Change of Ownership	104.00	108.33
139	Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of NOx - Change of Ownership	104.00	108.33
140	Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of ROg - Change of Ownership	104.00	108.33
141	Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of SOx - Change of Ownership	104.00	108.33
142	Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of TSP - Change of Ownership	104.00	108.33
143	Title V	301	Application filing fee (per application)	1,770.00	1,843.80
144	Title V	301	Initial Title V operating permit (per Permit to Operate)	1,715.00	1,786.51
145	Title V	301	Title V operating permit renewal (per Permit to Operate)	746.00	777.10
146	Permit Annual Renewal	301	Annual Title V Fee (per Permit to Operate)	376.00	391.67
147	Title V	301	Significant Title V permit modification (per Permit to Operate - modified or added)	4,697.00	4,892.86

**Proposed Fees for Fiscal Year 2024/2025 (FY24/25) Effective July 01, 2024**  
**CPI Adjustment of 4.17%**

FeeID	Fee Category	Authority (Rule)	Fee Name	FY23/24 Approved Fee	FY24/25 Proposed Fee
148	Title V	301	Minor Title V permit modification (per Permit to Operate - modified or added)	2,517.00	2,621.95
149	Title V	301	Enhanced new source review (NSR) (per Permit to Operate - modified or added)	1,258.00	1,310.45
150	Title V	301	Other than enhanced NSR (per application)	499.00	519.80
151	Hearing Board	302	Small Businesses Hearing Board - Initial fees	1,035.00	1,035.00
152	Hearing Board	302	Small Businesses Hearing Board - Newspaper publication fees	60.00	60.00
153	Hearing Board	302	Small Businesses Hearing Board - Staff time above 7.5 hours	91.00	91.00
154	Hearing Board	302	Small Businesses Hearing Board - Excess Duration Fees (per month)	165.00	165.00
155	Hearing Board	302	Other Businesses Hearing Board - Initial fees	1,035.00	1,035.00
156	Hearing Board	302	Other Businesses Hearing Board - Newspaper publication fees	60.00	60.00
157	Hearing Board	302	Other Businesses Hearing Board - Staff time above 7.5 hours	91.00	91.00
158	Hearing Board	302	Other Businesses Hearing Board - Excess Duration Fees (per month)	275.00	275.00
159	Agriculture Burning	303	Agriculture Burning Permit (basic fee)	50.00	50.00
160	Agriculture Burning	303	Agriculture Burning Permit (Orchard or vineyard pruning waste, per acre)	0.50	0.50
161	Agriculture Burning	303	Agriculture Burning Permit (Orchard removal waste, per acre)	3.50	3.50
162	Agriculture Burning	303	Agriculture Burning Permit (All other burnable waste, per acre)	1.75	1.75
163	Asbestos Renovation and Demolition	304	0-259 linear feet   0-159 square feet   0-34 cubic feet asbestos to be removed/disturbed	435.00	435.00
164	Asbestos Renovation and Demolition	304	260-499 linear feet   160-499 square feet   35-109 cubic feet asbestos to be removed/disturbed	435.00	435.00
165	Asbestos Renovation and Demolition	304	500-999 linear feet   500-999 square feet   110-218 cubic feet asbestos to be removed/disturbed	635.00	635.00
166	Asbestos Renovation and Demolition	304	1,000-2,499 linear feet   1,000-2,499 square feet   219-547 cubic feet asbestos to be removed/disturbed	935.00	935.00
167	Asbestos Renovation and Demolition	304	2,500-4,999 linear feet   2,500-4,999 square feet   548-1,094 cubic feet asbestos to be removed/disturbed	1,335.00	1,335.00
168	Asbestos Renovation and Demolition	304	5,000-9,999 linear feet   5,000-9,999 square feet   1,095-2,188 cubic feet asbestos to be removed/disturbed	1,835.00	1,835.00
169	Asbestos Renovation and Demolition	304	10,000 or more linear feet   10,000 or more square feet   2,189 or more cubic feet asbestos to be removed/disturbed	2,335.00	2,335.00
170	Natural Occurring Asbestos Plan Fees	304	Asbestos Dust Mitigation Plan Review - Application review/inspection fees	514.00	535.43
171	Natural Occurring Asbestos Plan Fees	304	Asbestos Dust Mitigation Plan Review - Additional per acre	27.00	28.12
172	Natural Occurring Asbestos	304	Asbestos Dust Mitigation Plan Review - No dust mitigation plan submitted (per hour)	169.00	176.04
173	Natural Occurring Asbestos	304	Asbestos Dust Mitigation Plan Review - Additional - more than 18 hours per acres (per hour)	169.00	176.04
174	Natural Occurring Asbestos Plan Fees	304	Geologic Evaluation Application review/inspection fees	665.00	692.73
175	Equipment - ATC	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 1 (<1 MMBtu/hr) - ATC	201.00	209.38
176	Equipment - PTO	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 1 (<1 MMBtu/hr) - PTO	201.00	209.38
177	Equipment - Renewal	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 1 (<1 MMBtu/hr) - Renewal	201.00	209.38
178	Equipment - ATC	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - ATC	404.00	420.84
179	Equipment - PTO	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - PTO	404.00	420.84
180	Equipment - Renewal	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - Renewal	404.00	420.84
181	Equipment - ATC	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 3 (>=10 MMBtu/hr) - ATC	812.00	845.86
182	Equipment - PTO	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 3 (>=10 MMBtu/hr) - PTO	812.00	845.86
183	Equipment - Renewal	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 3 (>=10 MMBtu/hr) - Renewal	812.00	845.86
184	Equipment - ATC	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 1 (<10 Sq Ft) - ATC	812.00	845.86
185	Equipment - PTO	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 1 (<10 Sq Ft) - PTO	812.00	845.86
186	Equipment - Renewal	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 1 (<10 Sq Ft) - Renewal	812.00	845.86
187	Equipment - ATC	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 2 (>=10 Sq Ft) - ATC	2,443.00	2,544.87
188	Equipment - PTO	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 2 (>=10 Sq Ft) - PTO	2,443.00	2,544.87
189	Equipment - Renewal	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 2 (>=10 Sq Ft) - Renewal	2,443.00	2,544.87
190	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 1 (<50 HP) - ATC	201.00	209.38
191	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 1 (<50 HP) - PTO	201.00	209.38
192	Equipment - Renewal	310	Schedule AG2 (Agricultural Source IC Engines), Level 1 (<50 HP) - Renewal	201.00	209.38
193	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 2 (50 - <250 HP) - ATC	404.00	420.84
194	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 2 (50 - <250 HP) - PTO	404.00	420.84
195	Equipment - Renewal	310	Schedule AG2 (Agricultural Source IC Engines), Level 2 (50 - <250 HP) - Renewal	404.00	420.84
196	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 3 (250 - <500 HP) - ATC	812.00	845.86

**Proposed Fees for Fiscal Year 2024/2025 (FY24/25) Effective July 01, 2024**  
**CPI Adjustment of 4.17%**

FeeID	Fee Category	Authority (Rule)	Fee Name	FY23/24 Approved Fee	FY24/25 Proposed Fee
197	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 3 (250 - <500 HP) - PTO	812.00	845.86
198	Equipment - Renewal	310	Schedule AG2 (Agricultural Source IC Engines), Level 3 (250 - <500 HP) - Renewal	812.00	845.86
199	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 4 (500 - <1000 HP) - ATC	1,625.00	1,692.76
200	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 4 (500 - <1000 HP) - PTO	1,625.00	1,692.76
201	Equipment - Renewal	310	Schedule AG2 (Agricultural Source IC Engines), Level 4 (500 - <1000 HP) - Renewal	1,625.00	1,692.76
202	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 5 (>=1000 HP) - ATC	3,254.00	3,389.69
203	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 5 (>=1000 HP) - PTO	3,254.00	3,389.69
204	Equipment - Renewal	310	Schedule AG2 (Agricultural Source IC Engines), Level 5 (>=1000 HP) - Renewal	3,254.00	3,389.69
205	Toxics	306	AB2588 Industrywide Facility Fee - District	148.00	154.17
206	Toxics	306	AB2588 Core Facility Fee Category 2 - Complex facility - District	1,340.00	1,395.87
207	Toxics	306	AB2588 Core Facility Fee Category 2 - Intermediate facility - District	959.00	998.99
208	Toxics	306	AB2588 Core Facility Fee Category 2 - Simple facility - District	706.00	735.44
209	Toxics	306	AB2588 Core Facility Fee Category 3 - Complex facility - District	2,474.00	2,577.16
210	Toxics	306	AB2588 Core Facility Fee Category 3 - Intermediate facility - District	1,234.00	1,285.45
211	Toxics	306	AB2588 Core Facility Fee Category 3 - Simple facility - District	634.00	660.43
212	Toxics	306	AB2588 Core Facility Fee Category 301.2 (4 year cycle) - Complex facility - District	156.00	162.50
213	Toxics	306	AB2588 Core Facility Fee Category 301.2 (4 year cycle) - Intermediate facility - District	156.00	162.50
214	Toxics	306	AB2588 Core Facility Fee Category 301.2 (4 year cycle) - Simple facility - District	156.00	162.50
215	Toxics	306	AB2588 Core Facility Fee Category 4 - Complex facility - District	3,302.00	3,439.69
216	Toxics	306	AB2588 Core Facility Fee Category 4 - Intermediate facility - District	2,538.00	2,643.83
217	Toxics	306	AB2588 Core Facility Fee Category 4 - Simple facility - District	1,264.00	1,316.70
218	Toxics	306	AB2588 Core Facility Fee Category 5 - Complex facility - District	12,095.00	12,599.36
219	Toxics	306	AB2588 Core Facility Fee Category 5 - Intermediate facility - District	11,331.00	11,803.50
220	Toxics	306	AB2588 Core Facility Fee Category 5 - Simple facility - District	10,694.00	11,139.93
221	Toxics	306	AB2588 Core Facility Fee Category 6 - Complex facility - District	14,004.00	14,587.96
222	Toxics	306	AB2588 Core Facility Fee Category 6 - Intermediate facility - District	13,367.00	13,924.40
223	Toxics	306	AB2588 Core Facility Fee Category 6 - Simple facility - District	12,606.00	13,131.67
224	Agricultural Engines	311	Agricultural Engines with Control Device, Level 1 (<50)	388.00	404.17
225	Agricultural Engines	311	Agricultural Engines with Control Device, Level 1 (<50) - Renewal	194.00	202.08
226	Agricultural Engines	311	Agricultural Engines with Control Device, Level 2 (51 - <249)	782.00	814.60
227	Agricultural Engines	311	Agricultural Engines with Control Device, Level 2 (51 - <249) - Renewal	391.00	407.30
228	Agricultural Engines	311	Agricultural Engines with Control Device, Level 3 (250 - <499)	1,570.00	1,635.46
229	Agricultural Engines	311	Agricultural Engines with Control Device, Level 3 (250 - <499) - Renewal	785.00	817.73
230	Agricultural Engines	311	Agricultural Engines with Control Device, Level 4 (500 - <999)	3,146.00	3,277.18
231	Agricultural Engines	311	Agricultural Engines with Control Device, Level 4 (500 - <999) - Renewal	1,573.00	1,638.59
232	Agricultural Engines	311	Agricultural Engines with Control Device, Level 5 (>=1000)	6,298.00	6,560.62
233	Agricultural Engines	311	Agricultural Engines with Control Device, Level 5 (>=1000) - Renewal	3,149.00	3,280.31
234	Agricultural Engines	311	Agricultural Engine Hourly rate for time and materials, and reinspections	203.00	211.46
235	Agricultural Engines	311	Agricultural Engine Self-Certification (First Engine)	79.00	82.29
236	Agricultural Engines	311	Agricultural Engine Self-Certification (Each Additional Engine)	44.00	45.83
237	Agricultural Engines	311	Agricultural Engine Source Test Observation and Report Evaluation (first 10 hours)	1,573.00	1,638.59
238	Agricultural Engines	311	Agricultural Engine Source Test Observation and Report Evaluation (additional time per hour)	203.00	211.46
239	Agricultural Engines	311	All other engines, each additional engine (first 1 hour)	197.00	205.21
240	Agricultural Engines	311	All other engines, each additional engine (first 1 hour) - Renewal	132.00	137.50
241	Agricultural Engines	311	All other engines, additional time (per hour)	203.00	211.46
242	Agricultural Engines	311	All other engines, first engine (first 3 hours)	383.00	398.97
243	Agricultural Engines	311	All other engines, first engine (first 3 hours) - Renewal	214.00	222.92
244	Agricultural Engines	311	Carl Moyer Engines (Ag Reg)	191.00	198.96
245	Agricultural Source	310	Agricultural Source Hourly rate for time and materials, and reinspections	167.00	173.96



**Proposed Fees for Fiscal Year 2024/2025 (FY24/25) Effective July 01, 2024**  
**CPI Adjustment of 4.17%**

FeeID	Fee Category	Authority (Rule)	Fee Name	FY23/24 Approved Fee	FY24/25 Proposed Fee
246	Permit Annual Renewal	310	Agricultural Source Renewal Emission Fee, per ton	72.00	75.00
247	Agricultural Source	310	Agricultural Source Revisions of Conditions	404.00	420.84
248	Agricultural Source	310	Agricultural Source Test Observation and Report Evaluation (first 10 hours)	1,625.00	1,692.76
249	Agricultural Source	310	Agricultural Source Test Observation and Report Evaluation (additional time per hour)	167.00	173.96
250	Greenhouse Gas	350	Greenhouse Gas Program - CEQA Document Preparation (per hour)	242.00	252.09
251	Greenhouse Gas	350	Greenhouse Gas Program - District Verification (each additional hour, per hour)	242.00	252.09
252	Greenhouse Gas	350	Greenhouse Gas Program - District Verification (first 10 hours)	2,441.00	2,542.78
253	Greenhouse Gas	350	Greenhouse Gas Program - Project Plan Fee (each additional hour, per hour)	242.00	252.09
254	Greenhouse Gas	350	Greenhouse Gas Program - Project Plan Fee (first 5 hours)	1,219.00	1,269.83
255	Greenhouse Gas	350	Greenhouse Gas Program - Third Party Verification (each additional hour, per hour)	242.00	252.09
256	Greenhouse Gas	350	Greenhouse Gas Program - Third Party Verification (first 5 hours)	1,219.00	1,269.83
257	Greenhouse Gas	350	Greenhouse Gas Program - Transfer of Ownship - carbon credit certificate	242.00	252.09
258	Initial Permit	310	Schedule AG3 (Large Confined Animal Facility Report Evaluations), Application review (additional time per hour)	167.00	173.96
259	Permit Annual Renewal	310	Schedule AG3 (Large Confined Animal Facility Report Evaluations), Application review (additional time per hour) - Renewal	167.00	173.96
260	Initial Permit	310	Schedule AG3 (Large Confined Animal Facility Report Evaluations), Application review (first 10 hours)	1,625.00	1,692.76
261	Permit Annual Renewal	310	Schedule AG3 (Large Confined Animal Facility Report Evaluations), Application review (first 5 hours) - Renewal	812.00	845.86
262	Initial Permit	310	Large Confined Animal Facility Emission Mitigation Plan Update Fee (per hour)	167.00	173.96
263	Initial Permit	310	Schedule AG4-A (General Farming/Miscellaneous Equipment), Initial fee	1,624.00	1,691.72
264	Permit Annual Renewal	310	Schedule AG4-A (General Farming/Miscellaneous Equipment), Renewal	812.00	845.86
265	Initial Permit	310	Schedule AG4-B (Agricultural Source Gasoline Dispensing), Level 1 (Phase I and Phase II system)	1,520.00	1,583.38
266	Permit Annual Renewal	310	Schedule AG4-B (Agricultural Source Gasoline Dispensing), Level 1 (Phase I and Phase II system) - Renewal	760.00	791.69
267	Initial Permit	310	Schedule AG4-B (Agricultural Source Gasoline Dispensing), Level 2 (Phase II exempt)	754.00	785.44
268	Permit Annual Renewal	310	Schedule AG4-B (Agricultural Source Gasoline Dispensing), Level 2 (Phase II exempt) - Renewal	377.00	392.72
269	Hearing Board	302	Emergency Variance - Initial fee	495.00	495.00
270	Hearing Board	302	Emergency Variance - Staff time above 3 hours	91.00	91.00
271	SEED	205	SEED Loan Application Processing	254.00	264.59
272	SEED	205	SEED Loan Renewal	1,941.00	2,021.93
273	Fleet Inventory	304	Fleet Inventory Requirements (per fiscal year) _ Rule 1002	190.00	190.00
274	MERC	304	Rule 1005- Mobile Source Emission Reduction Credit/Banking Application, Hourly Rate	254.00	264.59
275	ERC Certificate	204	ERC Banking Application	254.00	264.59
276	Environmental Document Preparation & Processing	305	Environmental Document Preparation & Processing (hourly rate)	63.00	63.00
277	Environmental Document Preparation & Processing	305	Environmental Document Preparation & Processing, California Department of Fish and Game (Environmental impact report)	850.00	850.00
278	Environmental Document Preparation & Processing	305	Environmental Document Preparation & Processing, California Department of Fish and Game (Negative declaration)	1,250.00	1,250.00
279	Environmental Document Preparation & Processing	305	Environmental Document Preparation & Processing, California Department of Fish and Game (County Clerk's transmitting fee)	25.00	25.00

**Fee Category Abbreviations:**

ATC	Authority to Construct
PTO	Permit to Operate
MERC	Mobile Source Emission Reduction Credit
ERC	Emission Reduction Credit
SEED	Solutions for Environment & Economic Development

## RESOLUTION NO. 2024 – XXXX

Adopted by the Sacramento Metropolitan Air Quality Management District

### FISCAL YEAR 2024/2025 APPROVED BUDGET AND FEE SCHEDULE

#### BACKGROUND:

- A. California Health and Safety Code Section 40131 requires two public hearings for the purpose of reviewing and providing the public an opportunity to comment on the proposed budget.
- B. On April 25, 2024, the Sacramento Metropolitan Air Quality Management District Board of Directors (Board) conducted a public hearing on the Proposed Fiscal Year 2024/2025 (FY24/25) Budget, and the second public hearing, for further review and consideration of the budget, was conducted on May 23, 2024.
- C. The FY24/25 Approved Budget shows appropriations, revenues, methods of financing, and total annual appropriations subject to limitations.
- D. District rules state that certain fees may be adjusted on an annual basis providing that the rate adjustments meet the requirements of specific California Health and Safety Codes and do not exceed the annual California Consumer Price Index (CPI).
- E. The District may adjust fees by up to the maximum rate approved by the Board, and the FY24/25 CPI increase of 4.17% (indexed to the California Division of Labor Statistics and Research, All Urban Consumers, April 2022 - April 2023) to all eligible fees, is needed for the District to carry out its objectives and responsibilities related to stationary source programs.
- F. The FY24/25 Approved Budget includes 105.8 full-time equivalents (FTE) positions, an increase of 4.0 FTE from the FY23/24 Amended Position Budget.
- G. On March 25, 2024, a public notice was sent to fee payers; legal notices were posted in the Sacramento Bee, and the FY24/25 budget and fee schedules were made available for public review on the District website.
- H. The District's Financial Management Policies are incorporated in Appendix A of the Budget document.

#### BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE BOARD OF DIRECTORS RESOLVES AS FOLLOWS:

- Section 1. The FY24/25 Approved Budget set forth in Exhibit 1 is effective July 1, 2024, and is hereby approved as follows:

LEVEL	CLASSIFICATION	FUND		
		100 General	400 Proprietary	500 Special Revenue
51	Employee Services	\$ 19,818,022	\$ -	\$ -
52	Services & Supplies	11,180,818	512,234	34,354,781
53	Debt Service	-	408,600	-
60	Capital Projects	1,168,000	155,000	-
70	Interfund Charges	(2,146,641)	-	2,146,641
Total Requirements		\$ 30,020,199	\$ 1,075,834	\$ 36,501,422

- Section 2. The Air Pollution Control Officer, in consultation with the District Counsel, is authorized to incorporate the Board's final decisions and refine/add content, as may be needed to meet Government Finance Officers Association award application requirements, into the FY24/25 Approved Budget.
- Section 3. The FY24/25 Approved Fee Schedule, which reflects the Consumer Price Index adjustment of 4.17% for authorized fees, set forth in Exhibit 2 is hereby approved effective July 1, 2024.
- Section 4. The Air Pollution Control Officer, in consultation with the District Counsel, is authorized to revise any appropriation made in the Approved Budget and Fee Schedule where the revision is of a technical nature and is consistent with Board intent.
- Section 5. Exhibits 1 and 2 are attached to and incorporated into this Resolution.

**TABLE OF CONTENTS:**

Exhibit 1 – FY24/25 Approved Budget

Exhibit 2 – FY24/25 Approved Fee Schedule

ON A MOTION by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, the foregoing resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan Air Quality Management District on May 23, 2024, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

ATTEST:

Clerk, Board of Directors  
Sacramento Metropolitan Air Quality Management District

# APPROVED BUDGET FISCAL YEAR 2024/2025



SACRAMENTO METROPOLITAN



SACRAMENTO, CALIFORNIA

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# APPROVED BUDGET

## SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT FISCAL YEAR 2024/2025 BUDGET

### Board of Directors

**Patrick Kennedy, Chair**  
Chair  
Sacramento County Board of Supervisors

**Caity Maple**  
Vice Mayor  
City of Sacramento

**Sarah Aquino, Vice-Chair**  
Vice Mayor  
City of Folsom

**Kevin Papineau**  
Council Member  
City of Galt

**Bret Daniels**  
Mayor  
City of Citrus Heights

**Sergio Robles**  
Council Member  
City of Elk Grove

**Rich Desmond**  
Supervisor  
Sacramento County Board of Supervisors

**Phil Serna**  
Vice Chair  
Sacramento County Board of Supervisors

**Sue Frost**  
Supervisor  
Sacramento County Board of Supervisors

**Shoun Thao**  
Council Member  
City of Sacramento

**Eric Guerra**  
Council Member  
City of Sacramento

**Donald Terry**  
Council Member  
City of Rancho Cordova

**Patrick Hume**  
Supervisor  
Sacramento County Board of Supervisors

**Mai Vang**  
Council Member  
City of Sacramento

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### Executive Director / Air Pollution Control Officer

Alberto Ayala, Ph.D., M.S.E.

### District Counsel

Kathrine Pittard

---

777 12<sup>th</sup> Street, Ste. 300  
Sacramento, CA 95814



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Sacramento Metro Air Quality Management District  
California**

For the Fiscal Year Beginning

**July 01, 2023**

*Christopher P. Morill*

**Executive Director**

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Sacramento Metropolitan Air Quality Management District for its annual budget for the fiscal year beginning July 1, 2023. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for one year only. The District believes its current budget continues to conform to program requirements and will submit it to GFOA to determine its eligibility for another award.

The Fiscal Year 2024/2025 Budget was prepared by the Administrative Services Division  
Finance section in conjunction with District Staff

**Division Director**  
Megan Shepard

*The electronic version of the Approved Budget is available on the  
Sacramento Metropolitan Air Quality Management District website at [www.airquality.org](http://www.airquality.org)*



(HYPERLINKS ARE ACTIVE)

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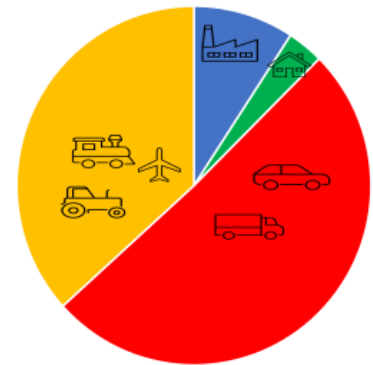
# SECTION 1 - Executive Director/APCO Letter

May 23, 2024

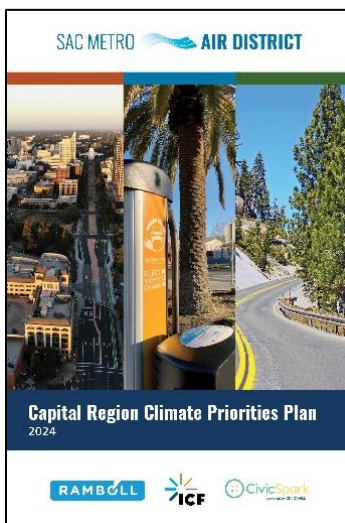
Dear Chair Kennedy, Vice-Chair Aquino, Board of Directors, and Sacramento County residents:

We are pleased to present the Fiscal Year 2024/2025 (FY24/25) Approved Budget for the Sacramento Metropolitan Air Quality Management District (Air District). The Approved Budget is balanced and reflects total expenditures for FY24/25 of \$67.6 million, including \$30.0 million for the General Fund, \$1.1 million for the Proprietary Fund, and \$36.5 million for the Special Revenue Fund, which supports the clean energy transition by investing in zero-emission projects in the greater Sacramento region. The FY24/25 Approved Air District Budget is a net increase of \$8.9 million from the FY23/24 Approved Budget with a \$2.2 million increase in the General Fund, a \$794,000 decrease in the Proprietary Fund, and a \$7.5 million increase in the Special Revenue Fund. The successful completion of this approved budget creates a clear path for the Air District to continue its work to protect residents of the Sacramento region from the harmful effects of air and climate pollution through the next fiscal year.

Despite significant progress over the last few decades due to the multifaceted investments and initiatives of this agency, the greater Sacramento region still suffers from too much air pollution. And we are not alone. The World Health Organization attributes 7 to 10 million premature deaths annually around the globe to industrialization and our reliance on fossil fuel energy. In a recent report by the Asthma and Allergy Foundation of America, Sacramento was ranked 42, right behind Stockton, in the top 100 “most challenging places to live with asthma in 2023.” While many risk factors play a role in asthma outcomes, exposure to air pollution is a widely recognized contributor. In the Sacramento region, like most urban settings in the country and around the world, the transportation sector – cars, trucks, buses, trains, and equipment – is the largest source of air and climate pollution. For this reason, the Air District prioritizes the transition to cleaner, electric, and zero-emission vehicles under our leading clean air incentives program funded primarily by local and state dollars. The Air District invests approximately \$20 million annually in cleaner and zero-emission technologies, including necessary charging and fueling infrastructure to support the transition to sustainable transportation. The funding goes directly to local businesses, agencies, and individuals who voluntarily choose to work with the Air District by adopting cleaner technologies. Thus, our programs are also an economic development engine for the region.



*Sources of smog-forming emissions in the region*



However, we cannot do the work that is necessary to clean up the air alone. Many of the sources of pollution impacting the region fall under the jurisdiction and authority of the state or federal government. We applaud the state's multiple actions to reduce emissions from future cars, heavy-duty trucks, fleets, lawn and garden equipment, and other sources of pollution. Similarly, we recognize the many important federal actions to tackle pollution from the transportation and energy sectors. Emission reductions from all sectors are needed now more than ever since the federal government has also recently adopted more stringent National Ambient Air Quality Standards (NAAQS) for particle pollution. To inform the development of an approvable air quality management plan that meets the new NAAQS, the Air District will continue to work closely with 150 state and local air agency partners from across the country to advocate, influence, and inform federal actions.

The Inflation Reduction Act (IRA) stands to be a game-changer for the region if we succeed in attracting federal investments for our climate priorities. In March, the Air District submitted its *Capital Region Climate Priorities Plan* (Plan) to the federal government. The Plan is the first coordinated strategy for climate action in the seven-county region reflecting the opportunities identified by 29 jurisdictions

participating in the process. The Plan is the first installment in the regional application for federal funding, identifying potential measures in three sectors - the built environment, transportation, and natural and working lands. The Air

District and its partners will continue to pursue other IRA funding opportunities to help us move toward our clean air and climate goals.

The clean energy transition will take time and resources, but at this moment in time, we have a unique opportunity to expand and accelerate actions for decarbonizing our local economy and protecting public health thanks to available federal funding. We can achieve the desired outcome in an inclusive way that benefits all, especially our most marginalized neighborhoods, so all residents can fully partake in the green energy future.



*Rendering of Del Paso Heights Mobility Hub*

The Air District continues to lead the state in investing funds allocated to the AB 617 Community Air Protection Program (AB 617). We have invested heavily in electric vehicles (EVs) and infrastructure. The Air District's state-designated priority AB 617 community is South Sacramento-Florin – an area of approximately 153,000 Sacramento residents occupying 22 square miles. Multimillion-dollar investments have led to significant pollution reductions and other community benefits in South Sacramento-Florin thanks to AB 617.

The Air District's school bus electrification efforts have been extremely successful. Air District grants have facilitated the early adoption of all-electric school buses throughout Sacramento County with every school district in the county participating, making Sacramento County home to one of the largest all-electric school bus fleets in California. This is made possible due to local and state funding. New federal dollars could help scale and speed the deployment of this and other types of EVs for public and private fleets in our region.



The Air District is ready and equipped to continue the essential core functions of air pollution monitoring, air quality planning, business permitting, compliance, and field inspections of permitted emission sources and clean technology projects. Our top priority is to ensure “transportation conformity” by developing an air quality plan that meets the NAAQS and allows the Sacramento region to remain eligible for state and federal highway funds.

The Air District is funded primarily by permit fees, vehicle registration fees, a local tax measure, and state and federal grants. These funds are critically important to support our mission and vision but are under significant strain given the rising costs of doing business, the growing demands imposed on the Air District by inadequately funded new state mandates, the need for local match funding, and the lack of full cost-recovery or inflation adjustments in many of our programs. Some of our most important initiatives lack continuous appropriation from the state or other sources. For example, the Sacramento Emergency Clean Air Transportation (SECAT) program has been one of our most important local tools for helping participating municipalities and businesses achieve cost-effective emission reductions. The Air District appreciates funding from the Sacramento Area Council of Governments (SACOG), but the program is expected to sunset as no continuous funding source for it has been identified.

A second example is AB 617. This state-mandated program is a paradigm shift in air quality management. It calls for new targeted efforts to address the uneven health burdens imposed on our most marginalized communities by exposure to highly localized air pollution. AB 617 also launched several new requirements for air districts including community-level air quality monitoring, development of emission reduction plans, accelerated review of pollution controls on industrial facilities, and enhanced reporting requirements and penalties. While Governor Newsom has included continuous, partial funding for AB 617 implementation and incentives, the amount of funding is not sufficient to meet the needs of the AB 617 communities or the local agencies implementing this state-mandated program. It is likely that the current state budget deficit will make a difficult situation even more challenging.

The Air District's financial forecast still shows a persistent funding gap between revenues and expenditures and staff will continue to work closely with the Board's Budget and Personnel Committee to identify viable funding solutions and strategies. Invariably, an increase in existing fees and/or new fees applicable to permitted businesses to cover the myriad of newly mandated programs will be necessary. In the meantime, we remain laser-focused on our commitment to carry out our mission of achieving state and federal clean air and climate goals while envisioning a clean air and low-carbon future for all.

As we help the region chart a path toward the future of electric mobility and the transition to sustainability, livability, and prosperity, we will continue to implement our leading equity and mobility programs – Clean Cars 4 All and Our

Community Car Share. We also remain committed to the expansion of mobility hubs throughout the region. The Air District and its partners unveiled the Sacramento region's first Zero-Emission Mobility Hub in Del Paso Heights in 2023. A glimpse into the sustainable future, this project is the first of 52 planned hubs for the region. We also will continue to prioritize the deployment of cleaner and zero-emission vehicles, especially electric school buses, battery-electric and fuel-cell electric trucks, and hydrogen fueling and electric charging infrastructure.

We cannot forget our regional partners. The Air District is fortunate to enjoy strong bonds with the Sacramento Regional Transit District (SacRT), the Sacramento Municipal Utility District (SMUD), SACOG, and many other government and non-government entities that are aligned in the common belief that the Sacramento region can realize a clean energy, zero-carbon, and equitable future for all if we continue to work together. The Air District is ready to continue to do its part. This Approved Budget is a practical step forward.

Respectfully,



Alberto Ayala, PhD, MSE

Executive Director and Air Pollution Control Officer



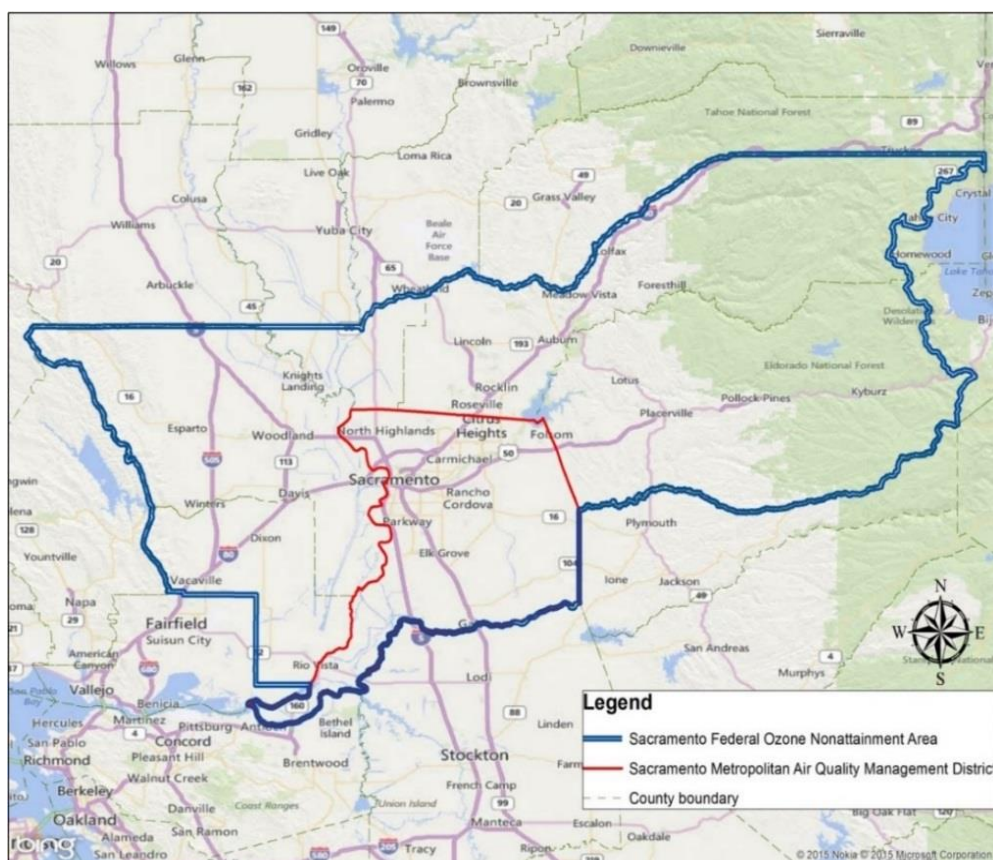
## SECTION 2 – About the District

The About the District section describes the founding of the Sacramento Metropolitan Air Quality Management District, its mission, strategic goals and major activities. This section also highlights strategic priorities, outlines key initiatives for Fiscal Year 2024/2025 (FY24/25), and reports on key measures.

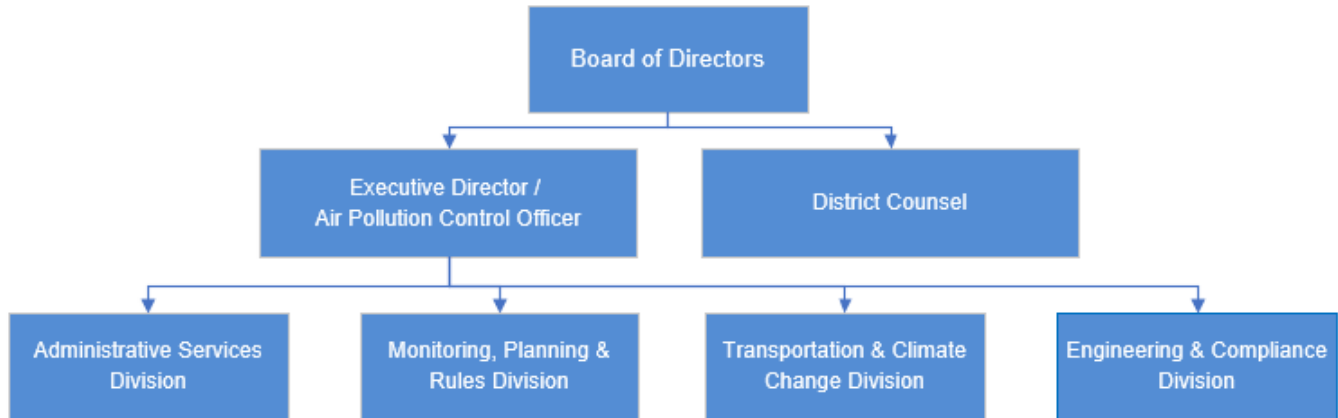
### DISTRICT PROFILE

The Sacramento Air Pollution Control District was formed by the Sacramento County Board of Supervisors in December of 1959. In July of 1996, the Sacramento Metropolitan Air Quality Management District was created under Health and Safety Code Sections 40960 et. seq. to monitor, promote, and improve air quality in the County of Sacramento. It is one of 35 local or regional air quality districts in California. It is designated by the United States Environmental Protection Agency (EPA) as part of the Sacramento Federal Ozone Nonattainment Area (SFNA), which is comprised of all of Sacramento and Yolo Counties, the eastern portion of Solano County, the southern portion of Sutter County, the western slopes of El Dorado and Placer Counties up to the Sierra crest and includes four other local air districts. Below is a map of the SFNA and the District's boundaries in relation to the SFNA.

**Map of the Sacramento Federal Ozone Nonattainment Area**



### Organization Chart



The District is responsible for monitoring air pollution within Sacramento County and for developing and administering programs to reduce air pollution levels below the health-based standards established by the state and federal governments.

While air quality in the SFNA currently does not meet the federal health standards for ozone, or the more stringent California standards for ozone and particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub>), progress has been made even as standards have tightened. Despite a huge increase in population over the last two decades, the Sacramento region's air quality has continued to improve.

Sacramento County's population was approximately 1.6 million as of the 2023 California Department of Finance Population Estimates. This population represents roughly 63% of the SFNA's population of approximately 2.5 million. The table below identifies the counties that are part of the SFNA, the portion of each county that falls within the SFNA, and the makeup of the SFNA (by percent) by county.

#### Population in Sacramento Federal Ozone Nonattainment Area

County	SFNA portion of the County	Population		County in SFNA/Total SFNA <sup>3</sup>
		County <sup>1</sup>	SFNA/County <sup>2</sup>	
El Dorado	157,285	187,285	84%	6.3%
Placer	400,786	410,706	98%	16.0%
Sacramento	1,581,831	1,581,831	100%	63.1%
Solano	140,626	446,745	31%	5.6%
Sutter	3,193	98,151	3%	0.1%
Yolo	222,381	222,381	100%	8.9%
<b>Total</b>	<b>2,506,102</b>	<b>2,947,099</b>	<b>-</b>	<b>100.0%</b>

<sup>1</sup> The county population data is based on the 2023 California Department of Finance Population Estimates and Components of Change by County (Table E-6) <https://dof.ca.gov/Forecasting/Demographics/Estimates/>. It represents the population estimate as of July 2023.

<sup>2</sup> The SFNA/County population percentages are based on the 2020 Census Data, which was downloaded from: [https://www2.census.gov/programssurveys/decennial/2020/data/01-Redistricting\\_File--PL\\_94-171/California/](https://www2.census.gov/programssurveys/decennial/2020/data/01-Redistricting_File--PL_94-171/California/) on 02/10/2022.

<sup>3</sup> Percentage values are rounded to one decimal point.

A combination of poor atmospheric ventilation, a capping temperature inversion, bordering mountains, and plenty of sunny days act to enhance smog formation and effectively trap pollutants in the Sacramento Valley Basin. The Sacramento region has relatively few "smokestack" industries (stationary sources) compared to the Bay Area and Southern California. Therefore, even if all these stationary sources were to shut down, without further mobile source reductions, it is unlikely that the region could meet stricter air quality standards, particularly the tougher state standards.

Air and climate emissions in the Sacramento region come from mobile, stationary and area-wide sources. The largest contributor is from the transportation sector, such as motor vehicles, airplanes, locomotives, and other fossil fuel combustion engines and portable equipment. The category also includes "off-road" sources, such as construction, mining, and agricultural equipment. State and federal regulations coupled with local programs to modernize the vehicle fleet will help to reduce the impact of motor vehicle fuel and engine emissions on our air

quality in the future. However, as general activity and expected growth in our region return and bring more people and vehicles, mobile sources will continue to be the dominant factor in the region’s ongoing air pollution problem.

**STRATEGIC DIRECTION**

This Strategic Direction is the roadmap for the District’s programs and activities focused on accomplishing its principal functions. Importantly, this roadmap is also a line of communication of the District’s vision to staff, its Board of Directors, agency partners and stakeholders, and the public at large. Gaining and maintaining the trust of the community it serves is paramount, and the Strategic Direction provides a sound basis for resource allocations, expenditures, clean air investments, and general community support while ensuring transparency and accountability.

DISTRICT STRATEGIC DIRECTION	
Vision	Clean air and a low-carbon future for all
Mission	Achieve state and federal clean air and climate goals
Core Values	<ul style="list-style-type: none"><li>• Integrity</li><li>• Teamwork</li><li>• Leadership</li><li>• Innovation</li></ul>
Strategic Goals	<ul style="list-style-type: none"><li>✓ Maximize program effectiveness while balancing environmental and economic considerations</li><li>✓ Provide regional leadership in protecting public health and the environment</li><li>✓ Integrate equity and environmental justice in decision-making for all air quality and climate change considerations</li><li>✓ Develop and enhance diverse partnerships</li><li>✓ Recruit, develop, and retain excellent diverse staff</li><li>✓ Influence, develop and implement innovative programs, and promote resilience and sustainability throughout the region</li><li>✓ Increase the public’s role in improving air quality and reducing carbon</li><li>✓ Ensure fiscal responsibility and viability</li></ul>

**DISTRICT ACTIVITIES**

District activities are the day-to-day functions and processes that occur within operational areas and play a critical role in supporting the District’s mission to achieve state and federal clean air and climate goals. How the agency performs the activities, i.e., how it goes about its work, is informed by its strategic goals. The strategic goals are the long-term objectives the District has set to guide its decisions and actions and typically involve a significant level of planning, coordination, and resources to achieve. By understanding how district activities relate to its strategic goals, leaders can make informed decisions about resource allocation, staffing, and other factors that will impact the success of District initiatives. The District’s activities are listed in the table below followed by brief descriptions of the main functions of each activity.

DISTRICT ACTIVITIES	
Air Monitoring	Sustainable Land Use
Community Health Protection	Permitting and Business Compliance
Clean Transportation and Future Mobility	Public Outreach and Notification

### ***Air Monitoring***

- Comply with federal and local air quality planning requirements and develop and maintain federally approvable State Implementation Plans
- Measure air quality to inform planning decisions to meet federal health-based standards
- Provide real-time air quality data for the community – summer ozone pollution forecasts, winter Check Before You Burn program, particle pollution forecasts for leaf blower use restrictions in the City of Sacramento
- Measure, report, and communicate impacts from wildfire and other events
- Comply with state and federal air monitoring quality assurance and quality control requirements to produce valid and defensible air quality data

### ***Community Health Protection***

- Prompt investigation of and response to air quality complaints
- Targeted review of operating businesses in disadvantaged communities to ensure compliance with all applicable permit requirements
- Protect the public against exposure to asbestos with oversight activities of renovation, demolition, and abatement projects
- Reduce exposure to toxic smoke by investigating illegal burns and enforcing the *Check Before You Burn* program
- Assess emissions and exposure risks to toxic air contaminants with the Air Toxics “Hot Spots” program
- Develop and coordinate the execution of measures to reduce exposure to toxic air contaminants such as wildfire smoke, diesel particulate matter, and road dust
- Fund projects for underserved communities using air quality penalties revenue and other funding sources
- Build climate resilience, especially for underserved communities, through innovative policies, solutions, and regional partnerships
- Coordinate with and provide guidance to local jurisdictions and school districts during air pollution emergency events
- Publicly notice projects and agency determinations related to permitted businesses

### ***Clean Transportation and Future Mobility***

- Work with local communities to invest in regional clean-air transportation projects
- Target heavy, medium, and light-duty vehicles, school buses, increased mobility, and charging and fueling infrastructure as priority projects
- Reduce annual Greenhouse Gas (GHG), Nitrogen Oxide (NOx), and Particulate Matter (PM) emissions through innovative programs
- Drive innovation in mobility and connected, autonomous, electric, and shared vehicles
- Support micro-mobility shareable options such as electric bicycles and scooters
- Transition transportation toward zero-emission electrification



Local leaders celebration the grand opening of the Twin Rivers Electric Bus Charging Depot.

### ***Sustainable Land Use***

- Provide local jurisdictions with technical assistance and best practices in the areas of air quality, climate change, and resiliency
- Review and comment on land use, transportation, and construction projects to reduce criteria and greenhouse gas emissions



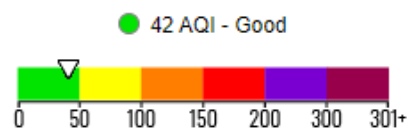
- Ensure compliance with air quality and climate provisions of the California Environmental Quality Act
- Monitor operational and construction air quality and climate change mitigation

### **Permitting and Business Compliance**

- Develop plans and implement regulations to meet legally binding national ambient air quality standards
- Issue air quality permits to ensure local businesses comply with air quality rules and regulations
- Perform inspections of permitted businesses to make sure they are operating in compliance with all applicable requirements
- Perform surveillance activities to verify businesses required to have permits have obtained them
- Assure a fair playing field for all businesses by enforcing clean air rules

### **Public Outreach and Notification**

- Distribute health and air quality information
- Promote notable projects and initiatives for air quality and climate action
- Provide 24/7 air quality information, as well as air quality forecasts and real-time readings to the media and public 365 days per year
- Notify the public when the air is unhealthy due to smoke from wildfires or other conditions



Support Services, encompassing administrative support, technological infrastructure, financial oversight, communications, maintenance, and human resources management, play a pivotal role in supporting the District's activities. They ensure that essential resources are available and optimized, facilitating the effective execution of the district's operations.

## **STRATEGIC PRIORITIES**

Outlined below are the District's priorities, which serve as guiding principles for decision-making and resource allocation in pursuit of its mission to achieve state and federal clean air and climate goals.

### Attainment and Maintenance of Ambient Air Quality Standards

To fulfill the District's responsibility of protecting public health, the District prioritizes work toward the attainment and maintenance of the National Ambient Air Quality Standards (NAAQS). The Clean Air Act (CAA) requires the United States Environmental Protection Agency (EPA) to set NAAQS for pollutants that are considered harmful to the public and the environment. These pollutants come from numerous and diverse sources. The District works toward the attainment of a NAAQS, and once EPA formally deems the region in attainment, the region is required to show maintenance of that standard for the next 20 years.



In the Sacramento region, ambient ozone pollution has improved since the early 2000s, leading to a decrease in the number of exceedances of the 8-hour ozone NAAQS and a gradual decline in ambient ozone pollution concentrations. The continuation of this progress in the capital region remains one of the most daunting challenges for the District and for the agencies whose programs depend on air quality progress. EPA determined the Sacramento region met the federal 1979 1-hour ozone NAAQS in October of 2012.

For the 1997 ozone NAAQS (84 parts per billion (ppb)), the Sacramento region was designated nonattainment and was given an attainment deadline of June 2019.

However, due to wildfires in 2018, the region was unable to attain this standard. Thus, the District is continuing to work collaboratively with the other four air districts in the Sacramento Federal Nonattainment Area (SFNA), California Air Resources Board (CARB), and EPA on demonstrating regional attainment. The most recent ambient air quality data shows that the Sacramento region has met this ozone standard.

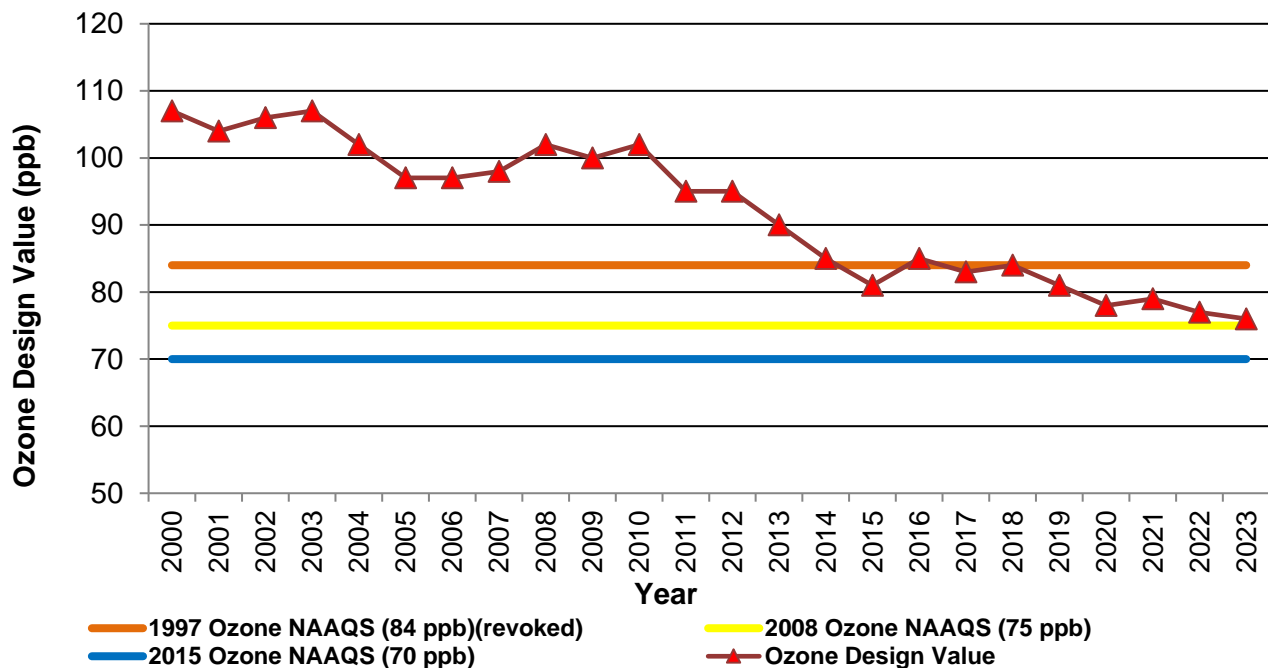
In 2017, the Sacramento region adopted the Sacramento Regional 2008 8-hour Ozone Attainment and Reasonable Further Progress Plan (Plan) to address the 2008 ozone NAAQS (75 ppb). This Plan was approved by CARB and submitted to EPA on December 18, 2017. The Plan is a significant achievement for the region. It shows further progress on air quality primarily through the implementation of existing District rules and policies. It also serves as an example of sensible air quality management by balancing the needs of the environment and local businesses.

In October 2021, the EPA published a final rule in the Federal Register approving all applicable ozone nonattainment area requirements in the SFNA, except for contingency measures (requirements per 86 FR 58582). A recent court ruling on contingency measures precluded full approval of the Plan. The air districts in the SFNA will continue to work with CARB and EPA to address this remaining requirement.

Although much progress has been made in the region, challenging work remains ahead for the District. Next is the attainment of the most current 2015 ozone NAAQS of 70 ppb. In 2023, the District adopted the 2015 NAAQS 8-hour Ozone Attainment Plan that provides a pathway for the Sacramento region to attain the 2015 standard by the attainment date of August 2033. The region will rely on continued reductions of ozone precursor emissions, namely NO<sub>x</sub> and volatile organic compounds (VOCs), from familiar sources. The transportation sector is the single largest source of NO<sub>x</sub> emissions in the SFNA. Investments toward cleaner vehicles and engines, including zero-emission electric vehicles and equipment, will yield multiple co-benefits and reduce other pollutants like GHGs. VOC pollution sources are ubiquitous, they include consumer products and combustion for various types of vehicles and equipment.

As the figure below illustrates, ambient concentrations of ozone pollution in the region (indicated as design values) have seen a gradual decline since the early 2000s. The chart shows the peak annual ozone design values for the designated ambient air monitoring site in the SFNA from 2000 to 2023. The 24-year trend line indicates stubbornly stable concentrations for the first 10 years and an encouraging decline over the next 14 years. In these periods, ozone pollution measured at 107 ppb (well above the three standards indicated) decreased to 76 ppb. This level is above the most recent and stringent 2015 standard. In 2018 and 2020, the Sacramento region was impacted by numerous wildfires, and they caused unusually high ozone concentrations in the region. EPA has a process in place to exclude days that are proven to be affected by wildfires from the data used to make the attainment demonstration.

**8-hour Ozone Design Value: SFNA (2000-2023)**



Note: A design value is a 3-year average of the 4<sup>th</sup> highest ambient ozone concentration at an ambient air monitoring station. The design value is used to determine attainment status.

Sources: 2000-2022 design values were extracted from AQS Report (AMP 480) downloaded on February 21, 2024. Design value is calculated based on AQS data (AMP 350MX) and preliminary AQMIS data downloaded on February 20, 2024. The SFNA was impacted by wildfires in 2018 and 2020, which caused unusually high ozone concentrations. The peak design value calculation in this chart excluded the high ozone readings due to wildfires.

For fine particulate matter (PM<sub>2.5</sub>), EPA determined the Sacramento PM<sub>2.5</sub> Nonattainment Area attained the 2006 24-hour PM<sub>2.5</sub> NAAQS of 35 µg/m<sup>3</sup> by the attainment date of December 31, 2015 (82 FR 21711). Ambient daily PM<sub>2.5</sub> concentrations from 2011 to 2017 have fluctuated very closely around the standard. In 2018, 2020, and 2021, PM<sub>2.5</sub> concentrations exceeded the standard because of unusually high PM<sub>2.5</sub> concentrations in days impacted by smoke from wildfires. If the EPA finds the region did not attain due to these high PM<sub>2.5</sub> days, then the District will

need to demonstrate that these days were influenced by an exceptional event – namely, the wildfires. If EPA agrees, the impacted data may be excluded from the attainment determination.

While a significant challenge and a strain on District resources, controlling pollution from wood-burning smoke on key days in the late fall and winter is essential to meeting the daily PM<sub>2.5</sub> standard. Consequently, the District's Wood Smoke Program, including the Check Before You Burn law continues to be a priority.

From November through February, District staff regularly share Check Before You Burn information with the public through media interviews, social media, advertising, newsletters, videos, and other District communications.

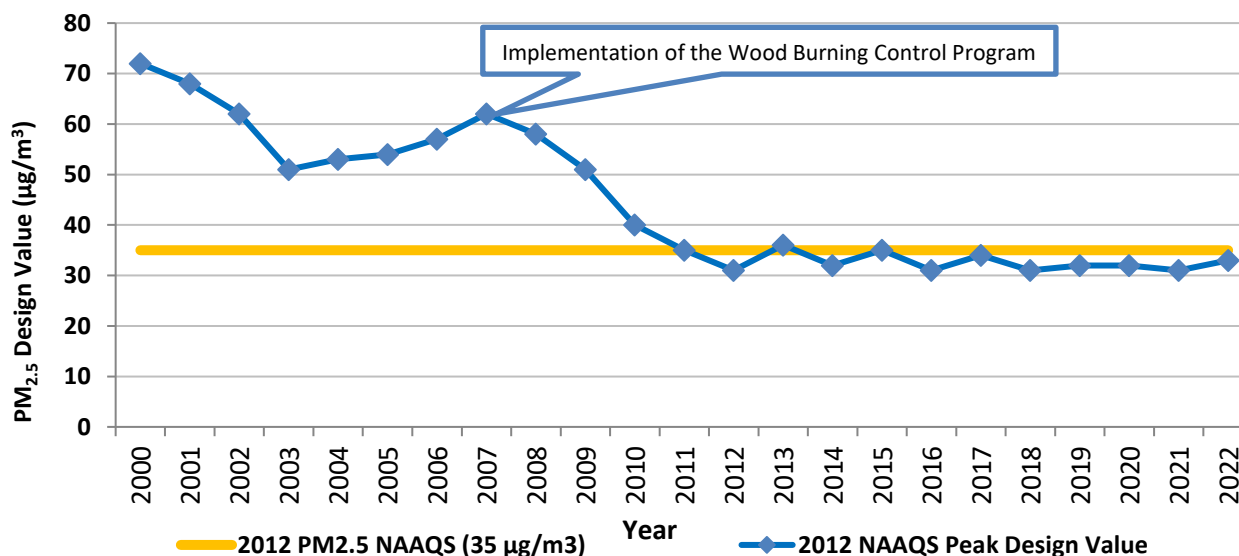
Key messages focus on educating residents and businesses about:

- The negative health impacts of wood smoke pollution, particularly for sensitive populations like children and the elderly
- Tips for reducing wood smoke and protecting public health
- Burn day status categories and the requirement to check the daily burn status before using indoor or outdoor fireplaces, wood stoves, fire pits, or chimineas that burn wood, pellets, manufactured fire logs, or any other solid fuel during the Check Before You Burn season.



The 24-hour PM<sub>2.5</sub> Design Value trend chart below shows the District is expected to remain in attainment of the PM<sub>2.5</sub> 24-hour standard of 35 ug/m<sup>3</sup>, provided EPA accepts an exceptional event demonstration for excluding days when PM<sub>2.5</sub> pollution values were above the standard due to wildfires. Future efforts will focus on staying in attainment and securing additional PM emission reductions whenever possible so that particle pollution concentrations trend down. Key sources of particle pollution include the transportation sector and wood burning.

**24-hour PM<sub>2.5</sub> Design Value: SFNA (PM<sub>2.5</sub>) (2000-2022)**

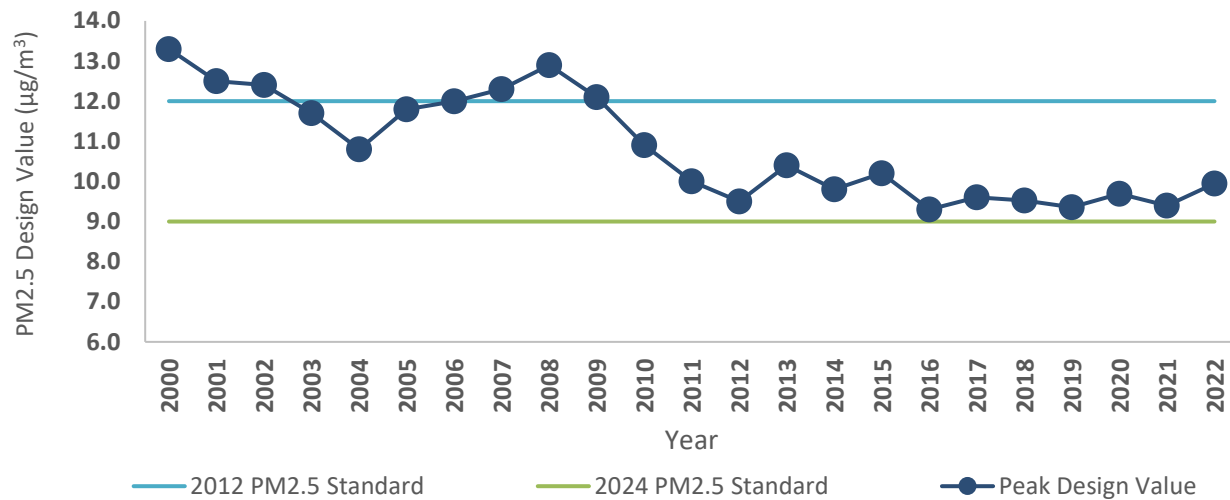


Sources: 2000-2022 Design Values were extracted from AQS Reports (AMP 480 and AMP350MX), which was downloaded on February 21, 2024.

Note: The SFNA-PM<sub>2.5</sub> was impacted by several major wildfires in 2018, 2020, 2021, and 2022, which caused unusually high ambient PM<sub>2.5</sub> concentrations. The peak design value calculation in this chart excluded the wildfire impacted days with the high ambient concentrations in 2018, 2020, 2021, and 2022.

Additional emission reductions will be necessary and critically important in the future given that the EPA is currently proposing a more stringent air quality standard for PM<sub>2.5</sub>. On February 7, 2024, the EPA officially lowered the annual PM<sub>2.5</sub> standard by 25% from 12 ug/m<sup>3</sup> to 9 ug/m<sup>3</sup>. In the next two years, the District will be working with other local air districts, CARB, and EPA to determine the attainment status for the Sacramento region. Based on the preliminary 2022 air quality data, Sacramento is close to attaining the new standard as shown in the graph below. EPA's final attainment determination will be based on air quality data between 2022 to 2024.

### Annual PM<sub>2.5</sub> Design Value: Sacramento Region (PM<sub>2.5</sub>) (2000-2022)



Sources: 2000-2022 Design Values were extracted from AQS Reports (AMP 480 and AMP350MX), which was downloaded on October 6, 2023.

Note: The Sacramento region was impacted by several major wildfires in 2018, 2020, 2021, and 2022, which caused unusually high ambient PM<sub>2.5</sub> concentrations. The peak design value calculation in this chart excluded the wildfire impacted days with the high ambient concentrations in 2018, 2020, 2021, and 2022.

### Accelerate and Expand Climate Action in the Greater Sacramento Region

As a leader in the Sacramento region and beyond, the District advances climate resilience strategies, clean air solutions, and enhancements to the quality of life for residents in Sacramento County — all while promoting the growth of the green economy. Whether developing comprehensive local or regional plans, securing local, state, and federal funding to implement new projects, or creating innovative programs to mitigate the harmful impacts of air and climate pollution, the Air District remains strongly committed to creating an ecologically resilient future.

With a focus on mitigating emissions from the transportation sector, the District continues to promote electric mobility and equity through investments in cleaner, zero- and near-zero-emission vehicles and equipment and infrastructure. Recently completed projects include the replacement of 18 heavy-duty trucks with Tesla Semis, the installation of four chargers at PepsiCo's South Sacramento Facility, and the launch of the region's first Zero-Emission Mobility Hub in Del Paso Heights. Future projects include support for Watt EV's project to build the nation's largest solar-powered electric truck charging depot in Sacramento County, administering \$15.6 million in new funding for three new hydrogen locomotives and a one-of-a-kind EV Lowrider conversion project by high school students to replace an internal combustion engine and related hydraulic equipment with a full-battery electric powertrain and actuators while providing invaluable skills under a new electric vehicle career pathway in the Sacramento Academic and Vocational Academy's transportation department. The District is also actively engaged in comprehensive and coordinated regional climate strategy focused on air quality, climate change, public health, zero- and near-zero-emission technologies development, mobility, and equity.



The Air District and its partners unveiled the Sacramento region's first Zero-Emission Mobility Hub in Del Paso Heights in 2023.

Examples include:

- The Capital Region Climate Priorities Plan (see Federal Grants and Funding Opportunities section)
- The Sacramento Area Zero Emission Vehicle Deployment Strategy
- The Sacramento Municipal Utility District's (SMUD) 2030 zero-carbon plan
- The California Mobility Center, the ongoing implementation efforts of the Sacramento and West Sacramento Mayors' Climate Commission,
- SACOG's Green Means Go
- Other emerging programs, and local jurisdiction's General Plans and Climate Action Plans.



## Community Air Protection

The statewide Community Air Protection Program (Assembly Bill 617, C. Garcia, 2017) represents a significant shift in air quality management in California. The law required new state and local programs to address disparities and the health burdens from exposure to highly localized air pollution among the low-income and marginalized communities that have been most disproportionately impacted. The program launched several new requirements for air districts including community-level air quality monitoring, development of emission reduction plans, accelerated review of pollution controls on industrial facilities, and enhanced reporting requirements and penalties.

Perhaps most importantly, AB 617 designates state funds for financial incentives (i.e., subsidies for cleaner technology) that can be targeted to reduce, specifically, the emissions affecting AB 617 communities. The state continues to allocate hundreds of millions of public dollars for incentives for FY24/25. These incentives are intended primarily for achieving sorely needed emission reductions toward NAAQS attainment, but they can also help the region advance its broader economic and social goals.

In September 2018, the state identified the South Sacramento-Florin community as the District's inaugural AB 617 community and work began on the development of a Community Air Monitoring Plan (CAMP) in partnership with the Community Steering Committee. During its three-phase CAMP implementation, the Air District expanded its air monitoring network by installing portable sensors throughout the South Sacramento-Florin community, measured PM2.5, black carbon, toxic metals, and toxic gases, and launched a portable air monitoring laboratory to provide additional hourly monitoring data. The portable lab is currently located at Fern Bacon Middle School near the intersection of Franklin and 47th Avenue. Air quality data from these efforts are posted on the District's website.

Following the successful implementation of the CAMP, the Air District's AB 617 community will transition to a Community Emission Reduction Program (CERP) beginning in 2024. The Air District received funding from CARB to develop and implement a CERP in partnership with the Community Steering Committee and with input from the community. The CERP will include air quality strategies to target local air pollution. The CERP process is expected to take about two years.



Local leaders and members of the Community Steering Committee celebrate the launch of a new portable air monitoring lab.

As the South Sacramento-Florin community transitions to a CERP, community input will be needed to better understand priorities on the types of strategies desired. Future implementation may include funding for expanding infrastructure, electric charging, working with local jurisdictions on improving land use air quality projects, ensuring compliance with permits, mitigating exposure like air filtration for schools, and day cares, and increasing green space, among other projects. The Air District continues to work closely with its Steering Committee, community members, and local stakeholders as part of its commitment to fostering lasting partnerships with residents, business owners, and community-based organizations interested in advancing AB 617 protections in the region. As part of the CERP process, numerous community meetings will offer opportunities for public engagement.

Continuing its focus on making information available to the public, in 2019, CARB adopted a new regulation that requires businesses to annually report additional information about criteria and toxic emissions from their operations to provide the public with this information through state online tools. To comply with the regulation, the District began collecting data annually from all permitted businesses beginning in 2022. The regulation requires significant District time and resources but without any dedicated state funding to support the workload required to collect, assess, and submit the data to the state and provide extensive compliance assistance. The regulation also impacts businesses, especially small businesses that are not used to reporting at this level. District staff has developed policies and procedures, reporting forms, and online resources and provides extensive customer service to assist permit holders with their reporting requirements. In addition, the District is investing significantly in improved technology to implement the regulation more efficiently in the coming years. The District is also engaging other business partners, like the County's Business Environmental Resource Center (BERC) and the state to help impacted businesses and improve submittal rates.

## Federal Grants and Funding Opportunities

Through strategic planning and cooperation, the Air District is driving positive change and helping to shape the future of the Sacramento region. On March 1, 2024, the Air District, on behalf of the seven-county Sacramento region, submitted its *Capital Region Climate Priorities Plan* (Plan) under the U.S. Environmental Protection Agency's Climate Pollution Reduction Grants (CPRG) program. The Plan, which resulted in unprecedented cooperation and collaboration among 29 local and regional partners led by the Air District, outlines 24 climate measures that would create substantial greenhouse gas emission reductions and a myriad of co-benefits, including advancing equity and opportunities in the clean energy transition.

Measures cover topics including:

- Increasing the use of renewable energy in new and existing buildings
- Land use improvements targeted at reducing the region's vehicle miles traveled
- ZEV adoption and charging infrastructure investments ensuring access to clean transportation
- Public transit improvements to encourage ridership by making it safer and more convenient to use
- Biomass utilization policies to decarbonize our energy
- Wildfire resilience and management policies that will reduce wildfire intensity and wildfire smoke impacts



The *Capital Region Climate Priorities Plan* contains 24 GHG reduction measures.

The Air District submitted the region's application for phase two implementation funding on April 1. The EPA anticipates the award of 30-115 grants ranging between \$2 million and \$500 million. Approximately \$93 million was requested in the Capital Region application. The awards will be announced in July.

Another key piece of funding for District programs is the percentage of incentive funds that can be used to cover outreach, administration, and direct costs to deliver clean transportation, infrastructure, equipment, and stationary source projects in the region. Senate Bill 1158 (Archuleta) would increase the amount of administration funds the District could use to deliver critical projects in the region from 6.25 percent to 12.5 percent. If passed, this bill would give much-needed resources to the District to work with local agencies, non-profits, community-based organizations, fleet operators, and others to deliver projects that will remove emissions from our region.

## Partnership Expansion and Support

The District does not go about its business alone; it benefits from existing public-private partnerships with deep roots in the business community, health and environmental advocates, and the community it serves. These partnerships help convey the importance of District programs for the region, and the District plans to expand these efforts, continuing to work with and support the growing partnerships with entities like Civic Well, Breathe California - Sacramento Region, and the Cleaner Air Partnership (CAP). The CAP, administered by Valley Vision, is a long-standing regional collaboration including the Sacramento Metro Chamber of Commerce and leading industry entities like Teichert, Granite Construction, Union Pacific, Sutter Health, and SMUD.

Through a four-agency collaboration between the Air District, SMUD, SACOG, and SacRT, the Air District is also advancing broader regional strategies to accomplish shared clean air and climate goals. The Sacramento Area ZEV Deployment strategy, a key initiative of the group, is part of a larger mission to deliver clean energy, health, housing, transportation, education, workforce, and economic development solutions to sustainable communities. The plan prioritizes electrification in under-resourced communities, personal vehicles, shared-ride vehicles, public and private transit, micro-transit and shuttles, and medium- and heavy-duty fleets in alignment with the six-county Green Means Go regional pilot, the City of Sacramento's Transportation Priorities Plan, SMUD's 2030 Carbon Plan, and SacRT's Zero Emission Bus Transition Rollout Plan, which addresses the region's transition to zero-emission transit. Transportation, mobility, and regional economic prosperity are mutual goals of the four agencies, creating the impetus and a genuine desire for coordination, collaboration, and mutual support.

Additionally, in a first-of-its-kind joint board meeting last year, the Air District, SACOG, SacRT, and SMUD adopted a resolution underscoring the four-agency group's shared dedication to fostering interagency collaboration to address crucial issues related to land use, transportation, air quality, and climate. Recognizing that these issues are interconnected, the four-agency group is committed to working together to develop comprehensive strategies that consider the broader implications of their actions. This collaborative approach aims to leverage the resources, strengths, and expertise of each organization to create more effective and sustainable solutions. The joint commitment also aligns with broader regional efforts to combat climate change through the Air District's leadership of the U.S. Environmental Protection Agency's Climate Pollution Reduction Grants program in the Sacramento region, with the resulting Capital Region Climate Priorities Plan serving as a strategic framework to guide cooperative actions. For statewide coordination with its peers, the District is an active board member of the California Air Pollution Control Officers Association (CAPCOA). This association advocates for the general interests of all of California's 35 local air districts before the legislature, the state administration, and various other agencies at the state and federal levels.



Members of the Boards of Directors for the four-agency group pass a joint resolution.

The District is also expanding its work with many community-based organizations (CBOs). These groups share similar goals to the District for finding equitable solutions for cleaner air, improved health, and mobility. CBOs are on the ground working with residents and businesses and providing the District access to harder-to-reach and often overlooked populations of the region. In addition, the District is working with the CBOs to prioritize transportation incentive projects, helping to ensure that projects are important, impactful, reduce emissions and are accepted by the community. The District also provides technical and financial support to CBOs as they transition their fleets to zero-emission. CBOs have also been recipients of District funding through the District's Supplemental Environmental Projects program which has helped support clean air and climate goals. Partnerships with CBOs will continue to be critical as the District accelerates actions to address its most marginalized communities who bear a disproportionate burden of lingering pollution.

#### Wildfire Smoke Air Pollution Emergency Plan Coordination and Training

As an ongoing priority, the District is dedicated to educating the public and reducing the impacts of wildfire smoke through the Wildfire Smoke Air Pollution Emergency Plan Coordination and Training initiative. In collaboration with key public and private partners in Sacramento County, an emergency plan was developed and adopted in September 2022 to enhance coordination and access to information for responding to future wildfire air pollution events. The District remains committed to public education through online, social media, and in-person outreach efforts, aiming to mitigate exposure to wildfire smoke. Additionally, the District conducts meetings and training sessions with public health, emergency services, school districts, and other stakeholders to ensure preparedness and effective coordination during wildfire smoke events.

#### Advancing Air and Climate Policy Through Regional Events



In March 2024, the Power Inn Alliance, in partnership with SAVA and the District, showcased progress on the EV Lowrider conversion project.

Leading and participating in regional events are important endeavors that provide valuable platforms for knowledge-sharing, collaboration, and the dissemination of best practices among stakeholders, thus facilitating the development and implementation of effective air and climate policies at both local and regional levels. The District provided leadership and support by coordinating multiple events in 2023. As an example, in conjunction with eight other air districts in the Sacramento Valley Basinwide Air Pollution Control Council, the District helped put on the first-of-its-kind Agricultural Biomass Conference, a two-day event held in October in Winters, CA. The conference brought speakers and panelists from around the state from both public and private entities to highlight the potential that agricultural biomass resources represent for the creation of useful alternatives to agricultural burning – non-combustion biomass energy and other biomass products. The conference brought together over 100 participants and stimulated ongoing collaborations and stimulus to bring beneficial funding opportunities to the northern valley regions that can reduce air and climate pollution while supporting economic and workforce development.



### Ambient Air Quality Monitoring Network Improvements

The health of our ambient air monitoring stations is critical. These stations are used to collect air quality data for criteria pollutants to determine compliance with the NAAQS and to support regional air quality forecasting. Infrastructure improvements are planned for various monitoring stations. The District recently replaced the Folsom air monitoring station and is in the process of replacing the Arden-Del Paso station. Replacing the district's oldest station will meet the newest federal monitoring requirements and eliminate downtime due to water intrusion, roof damage, and other ailments, putting at risk monitoring equipment and the ability to collect data per federal requirements. The replacement of Del Paso Manor station will be completed at the beginning of FY24/25, followed by replacements of the North Highlands station with an expected completion date in FY25/26, and the Bruceville or Sloughhouse station completed by FY27/28. Each station replacement project is anticipated to take two years to complete. The District anticipates that the replacement of these structures will help reduce ongoing maintenance costs associated with these aging facilities.



District employees celebrate the renovation of the Folsom Air Monitoring Station.

In addition, a new portable air monitoring lab was launched in the spring of 2023 which adds to the existing air monitoring network and is a key element of the District's AB 617 efforts in South Sacramento.

### **KEY INITIATIVES**

Key initiatives are undertaken in direct support of the agency's mission and are developed, reviewed, and updated annually to ensure that the work of the District evolves as conditions change, adapting to new opportunities and challenges. Major FY24/25 District initiatives are described below. In addition, important initiatives for the upcoming fiscal year by operational area are highlighted in Section 7 – Organizational Overview.

#### AiriA – Permitting and Transportation Software Solution Implementation

The District has undertaken a significant project to continue improving and upgrading its information systems. A new cloud-based solution, named AiriA, is being implemented to replace various operational applications across the District. Multiple Microsoft Access databases currently manage the Stationary Source programs, including permitting and enforcement and compliance operations. The Access databases have numerous shortcomings in their current state that limit the ability to automate the permit process, streamline review processes, improve reporting and analytical ability, manage project documents and public records, enhance online customer service tools, and integrate with GIS and other enterprise systems. In addition, the Mobile Sources application that supports the transportation incentive contract and compliance processes needs replacing. Finally, the current online public complaint system and public records request solution require improvements.

The AiriA software solution was selected through a competitive process and the project kicked off in the spring of 2022 and is expected to continue through the end of FY24/25. The AiriA project, being a district-wide effort involving resources from all divisions, is important because it has the potential to bring significant benefits to the agency. Here are some reasons why the success of this project is crucial.

1. **Improved Efficiency:** streamline business processes, eliminate redundant tasks, integrate mapping and other software solutions, automate manual tasks, and reduce data entry errors, resulting in increased efficiency and productivity.
2. **Enhanced Data Accuracy:** provide a centralized database, ensuring that all data is accurate and up to date, which eliminates discrepancies and improves decision-making.
3. **Increased Mobility:** cloud technology allows staff to access mission-critical data and software from anywhere, anytime and from multiple devices, supporting remote work, field inspections and other related field work.
4. **Improved Internal Controls:** automate workflows to allow for real-time visibility into a process and ensure compliance with policies and procedures as well as safeguard against financial risk and losses.
5. **Increased Collaboration:** provide a platform for better communication and collaboration between departments, resulting in more effective teamwork, reduced duplication of effort, and improved customer service.

- 6. Scalability: grow and evolve with the District, adding new modules and expanding functionality as needed.
- 7. Enhanced Customer Service: automate customer applications, improve tracking of customer requests and complaints, self-service for District and customer information will contribute to a better overall experience for customers.
- 8. Better Decision-making: accurate, real-time data (queries, reports, dashboards, work lists, etc.) will enable better decision-making by providing insights into District activities and other key metrics.

In summary, the AiriA software project is important because it has the potential to transform daily work in many positive respects, and its success will not only benefit the District itself but also its customers and stakeholders.

Headquarter Building Relocation and Teleworking

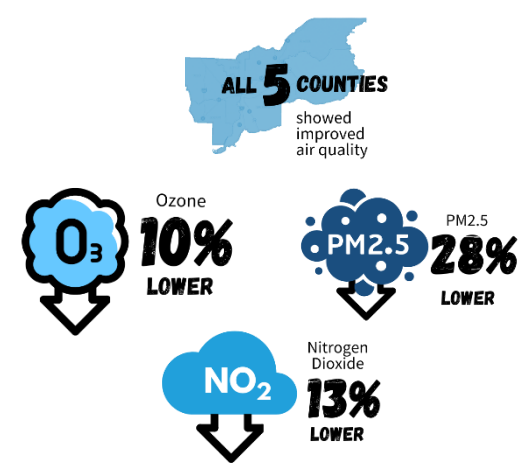
During the COVID-19 pandemic, the District transitioned seamlessly to an almost 100% telework model, and in April 2022, modified the telework schedule into a hybrid workplace model, which has been an overwhelming success. Staff members have welcomed the flexibility and work-life balance made possible by working remotely while maintaining productivity and the ability to continue to collaborate and build relationships with coworkers.

The District anticipated that the hybrid model would transform the use of office space and began evaluating various alternatives including remaining in place and consolidating work areas and selling the current headquarters and leasing or buying new space. The assessment was completed, and the headquarters was put up for sale. Consequently, the staff will be relocating to a smaller, more suitable location, which will be a major project in the coming fiscal year.

Downsizing into a smaller space represents a firm commitment to the ongoing telework initiative within the District. This strategic move not only aligns with modern work trends but also contributes significantly to the reduction in vehicle miles traveled (VMT) and district financial savings. By embracing telework on a larger scale, employees can enjoy greater flexibility while reducing their daily commute, thereby decreasing overall VMT and associated carbon emissions. Moreover, downsizing results in financial savings for the District, as it minimizes overhead costs associated with maintaining a larger physical office space.

The District’s telework policy is underscored by the results of a regional air quality study it conducted that found that during the period of shelter-in-place restrictions when traffic and driving were markedly reduced, there was significantly less vehicle-related air pollution in the Sacramento region. Between March 2020 – July 2020, there was 28% less particulate matter pollution (PM<sub>2.5</sub>), 13% less nitrogen dioxide (NO<sub>2</sub>) pollution, and 10% less ground-level ozone (O<sub>3</sub>) pollution. For the same period, SACOG observed that daily VMT in the six-county SACOG region dropped to approximately half the driving relative to pre-pandemic levels, with the sharpest drop occurring in April 2020 when VMT in the region was 74% lower than pre-pandemic levels.

Because of the significant air quality benefits associated with less driving and the effectiveness of technology for remote meetings, the District is encouraging public agencies and businesses to telework and teleconference where possible. When in-office work is required, businesses and organizations are urged to promote carbon-friendly commuting methods, such as the use of public transit, electric vehicles, and active transportation (walking, biking). Telework and teleconferencing are effective strategies that complement the numerous low-carbon projects deployed by the District and therefore, the District will continue to model these practices and support regional efforts to reduce VMT.



*Key findings from the shelter-in-place analysis*

**PERFORMANCE MEASURES**

The District tracks select performance measures that indicate the District’s progress toward strategic priorities. These metrics provide broad measures of the District’s effectiveness, efficiency, timeliness, and productivity in critical activities. While key initiatives may change from year to year, performance measures generally reflect progress in core business operations over multiple years. Most performance measures require multi-divisional participation, and in many cases, one performance measure supports multiple strategic goals. The table below lists key performance measures.

## FY24/25 Performance Measures

Performance Measures	FY22/23 Actual	FY23/24 Projected	FY24/25 Target
Update 33% of Area Source Methodologies	No	No	Yes
100% of Emission Statement/185 Fee Sources Surveyed	Yes	Yes	Yes
Board Adoption of Rulemaking Activities	1	2	6
>90% of Audited Parameters Passed (Monitoring Sites)	Yes	Yes	Yes
>75% Data Completeness for Each Parameter at 6 Air Monitoring Sites	2 yes 4 no <sup>1234</sup>	2 yes 4 no <sup>5678</sup>	5 yes 1 no <sup>9</sup>
Percentage of Permit Applications (Authority to Construct) Processed within 180 Days	86%	>68%	>75%
Percentage of Permits to Operate Issued within two Years of Obtaining an Authority to Construct (excluding extended and re-instated ATCs)	100%	>99%	>99%
Percentage of Violations Successfully Resolved under the Mutual Settlement Process (Calendar Year)	98%	>98%	>98%
Percentage of Annual Inspections Completed (Calendar year)	91%	90%	100%
Provide Confirmation Letter for Construction Mitigation Plans within Four Business Days of a Complete Submittal or Before Applicant Receiving Jurisdictional Permit Approval	100%	100%	100%
Notify Media and Public the Day Before Every Declared Spare The Air Day	100%	100%	100%
Provide Daily Air Quality Forecast to the Public every day by Noon	100%	100%	100%
Create and distribute quarterly newsletter with above average open rate	100%	100%	100%
Encumber 100% of Current Allocation-Year Moyer Funds by June 30 of the Allocation Year	100%	100%	100%
Liquidate 100% of the Allocation-Year Moyer Funds by June 30 of the Fourth Year After the Allocation Year	100%	100%	100%
Perform a 5% On-Site Random Annual Audit of All Operational Incentive Projects	100%	100%	100%
Non-Retirement Employee Annual Turnover Rate	≤5%	5.1%	≤5%
Percent of Planned Training Completed for All Staff	100%	100%	100%
Receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes
Receive Unmodified Audit Opinion for the Annual Comprehensive Financial Report	Yes	Yes	Yes
Receive the GFOA Distinguished. Budget Presentation Award	Yes	Yes	Yes
Manage actual financial results within the Authorized Budget	Yes	Yes	Yes
Significant Deficiency or Material Weakness in Report on Internal Control over Financial Reporting	0	0	0

## FY 22/23 Footnotes:

<sup>1</sup> At Sacramento-Bercut Dr., the CO and NO<sub>2</sub> monitors did not meet federal data quality objectives and needed to be repaired

<sup>2</sup> At Elk Grove-Bruceville, the rain and ultraviolet sensors did not operate correctly

<sup>3</sup> At Sacramento-Del Paso Manor, CO monitors needed factory service; the NO<sub>x</sub> monitor had a calibration error and is pending further troubleshooting; and the solar radiation sensor did not operate correctly

<sup>4</sup> At Folsom-Natoma St., the solar radiation and temperature sensors did not operate correctly after their re-installation following a site renovation

## FY 23/24 Footnotes:

<sup>5</sup> The CO monitor at Sacramento-Bercut has calibration issues where some test points were not low enough to match the typically low concentration measured at the station

<sup>6</sup> The rain sensor at Elk Grove-Bruceville has the same operational issue as FY22/23; it was repaired in February 2024

<sup>7</sup> At Sacramento-Del Paso Manor, the CO monitor is undergoing further testing after factory service; the NO<sub>x</sub> monitor still needs further troubleshooting

<sup>8</sup> At Folsom-Natoma St, the solar radiation and temperature sensors were repaired in November but are not expected to meet a 75% completeness

## FY 24/25 Footnotes:

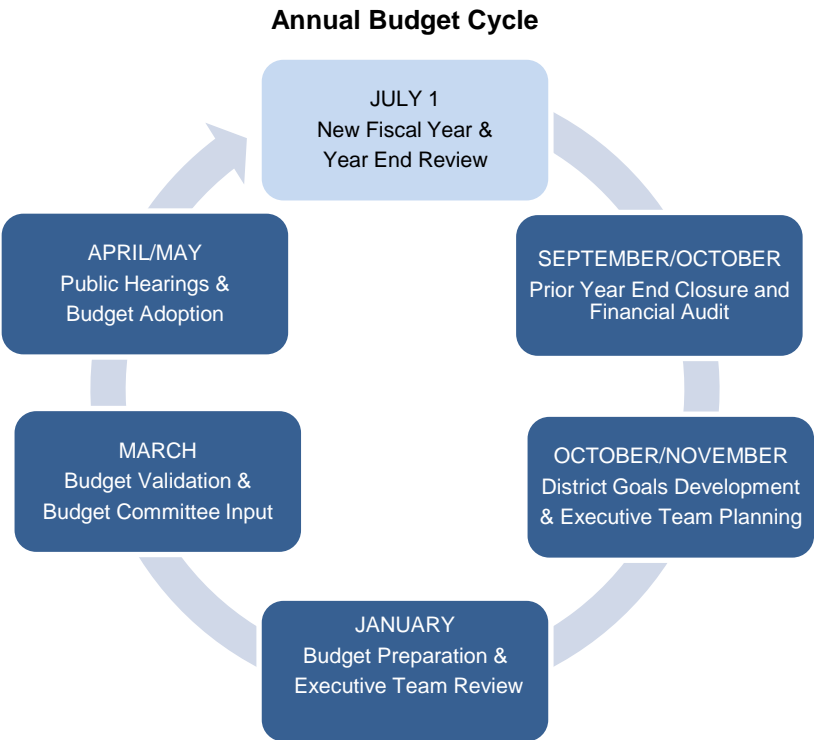
<sup>9</sup> Sacramento-Del Paso Manor is expected to have major renovation which requires a temporary shutdown

# SECTION 3 - Budget Overview

The Budget Overview section provides information on the District's budget process, budget practices and strategies, the basis of budgeting, a summary of the FY24/25 Approved Budget, and the factors affecting the District's financial condition.

## BUDGET PROCESS

State law requires that the District adopt its budgets in an open process to educate the public about the costs and benefits of air quality improvement. In addition to the budget process, the District establishes and follows Board adopted Financial Management Policies, now consolidated, and included in this budget document as Appendix A. There are also common terms used throughout the budget document that can be found in Appendix C – Glossary.



The District operates on a fiscal year that runs from July 1 through June 30 of the following year. Budget development begins with a mid-year review of the current budget in November/December. In December, each of the District divisions, with guidance from the Executive Director/APCO, Administrative Services Division Director, and District Controller, begin to prepare the budget which typically includes revenue projections, requests for outside professional services, a staffing distribution, a budget narrative demonstrating accomplishments for the current budget year, and strategic priorities and key initiatives for the upcoming budget year. Divisions may also submit requests for capital projects, staffing additions, or other items that may differ from typical operating expenditures in nature or cost.

The Administrative Services Division reviews and refines the information and integrates it into the draft budget. The Executive Team, along with several Program Managers, reviews and finalizes the draft budget. The Executive Director/APCO, Division Directors, and District Controller meet during budget development with the District Board of Directors Budget and Personnel Committee to receive direction for addressing District priorities and developing a balanced budget.

The budget is publicly noticed 30 days in advance and is presented at each of two public hearings, consistent with California Health and Safety Code Section 40131, typically taking place during the Board meetings in April and May. At the first public hearing, generally in April, the Proposed Budget is presented, and the Board may ask questions, make comments, provide direction, and receive requests from members of the public to speak. The second public hearing, typically in May, follows a similar process as the first hearing and District staff comments on

material differences, should they exist, from the previously presented Proposed Budget and reports back on Board requests, if any. The Board may provide direction and vote to approve the budget at the second public hearing. Approval of the budget requires a quorum of Board members and a majority of the voting quorum. Once the budget is approved, staff posts the Approved Budget on the District website.

The Board may vote to adopt a resolution allowing the District to continue normal operations under the Proposed Budget if an Approved Budget is not adopted by June 30th. Such a resolution must specifically authorize Proposed Budget expenditures for capital assets, filling new positions, and equity transfers. Without that authorization, state law requires deferring those expenditures until an Approved Budget is adopted.

#### **FY24/25 Budget Development Schedule**

Completion of the audited Annual Comprehensive Financial Report (Annual Report) for the prior fiscal year	November
Mid-year review of the current fiscal year budget	December
Budget submissions from Division Directors for the upcoming fiscal year	January
Budget Notices are posted on the District website and sent to regulated sources	March
Meetings with the Board of Directors Budget and Personnel Committee	March
First public hearing/presentation of Proposed Budget to Board of Directors	April
Second public hearing/vote of the Board to approve the Budget	May
Approved Budget document posted on District website	June
New fiscal year in accordance with the Approved Budget	July 1

### **BUDGET PRACTICES & STRATEGIES**

In addition to budget-related Financial Management Policies found in Appendix A, the District follows the budget practices and strategies below:

#### ***Practices***

- Management presents a “balanced” budget to the Board annually, where funding sources (including use of reserves) match expenditures and include revenues and expenditures for the prior year (actual), current year (approved budget), and upcoming year (proposed budget)
- One-time funding sources are not typically applied to ongoing commitments
- The Board authorizes a schedule of all regular and limited-term positions for the upcoming (budget) year
- Requests for additional positions or an increase in regular work hours of part-time positions must be presented for Board approval and may be made anytime during the fiscal year, though usually included as part of the budget process
- Board approval is obtained for all capital expenses
- Budgets are adopted on a basis that includes encumbrances and expenditures and annual appropriations lapse at the fiscal year-end if they have not been expended or encumbered
- Board approval is required to amend the budget once it is adopted if there is a need to increase the expenditure budget
- The budget is prepared by fund, division, and program
- Transfers of appropriations within a classification (e.g., employee services, services and supplies, capital expense, and transfers) or across classifications within the same fund may be made without Board approval
- Transfers of appropriations between funds require Board approval as the legal level of budgetary control is the fund level
- The Executive Director/APCO has the authority and an approved budget to fund events/collaborations with partner organizations throughout the year, enabling the District to respond promptly to requests

#### ***Strategies***

- Ensure the budget reflects the mission of the District, is fiscally sound, and provides resources that realistically fund operations



- Work with the Board to establish major goals in support of the District's mission which provide short-term and long-term direction to staff, determine the allocation of resources, and establish priorities
- Monitor and maintain sufficient unencumbered fund balance to allow for cash flow requirements, contingencies for unforeseen operational or capital needs, economic uncertainties, local disasters, and other financial hardships or downturns in the economy
- Perform multi-year projections of funding sources and ongoing expenditures to promote long-term planning of resource uses
- Proactively oversee revenues and cost-effectively control ongoing operating costs

## BASIS OF BUDGETING

The District's basis of budgeting is modified accrual, which is recognized as the generally accepted method of accounting for state and local government. Using this method of budgeting, revenues are recognized when (1) they are measurable, and (2) all applicable eligibility requirements are met. Expenditures are recorded when the related fund liability is incurred. Modified accrual accounting can also divide available funds into separate entities within the organization to ensure the money is spent where it was anticipated.

## BUDGET SUMMARY

The District has three funds: General, Proprietary, and Special Revenue. Each fund serves a specific purpose as noted below. A detailed description of funding sources can be found in the Appendices. (See Appendix B – Description of Funding Sources)

Fund	Name	Purpose	Primary Funding Source
100	General	Records all inflows and outflows, not associated with special-purpose funds, for core administrative and operational activities	Permit fees, DMV, Measure A, Federal and State Grants (EPA, CMAQ, CARB)
400	Proprietary	Internal Service Fund that accounts for District business-like activities (Covell Administrative Building)	Covell Building rental income
500	Special Revenue	Records the proceeds from certain revenue sources for which fund usage is restricted	DMV, Federal and State Grants (SECAT, Moyer, GMERP, FARMER, GHG-CarShare, CAPP, Clean Cars 4 All)

The annual budget serves as the foundation for the District's financial planning and control. The FY24/25 Approved Budget totals \$59.0 million in revenue and \$67.6 million in expenditures and includes 105.8 total authorized full-time equivalent (FTE) positions. The following table is a summary of the FY24/25 Approved District Budget by fund.

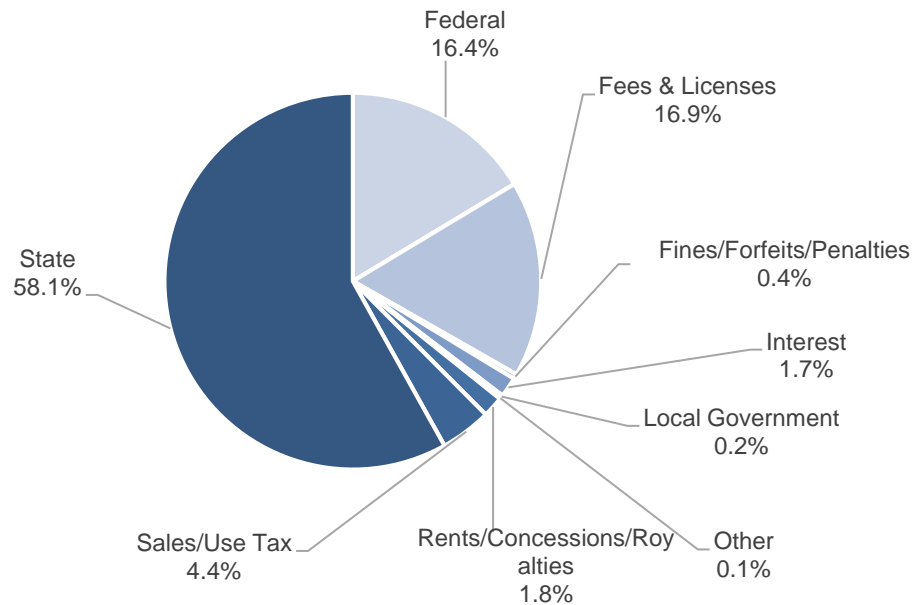
### District Budget by Fund

Fund	FY23/24 Approved Budget	FY24/25 Approved Budget	Variance
General Fund (100)	\$ 25,097,233	\$ 26,942,104	\$ 1,844,871
Covell Proprietary Fund (400)	1,170,002	1,075,834	(94,168)
Special Revenue Fund (500)	30,840,382	31,022,194	181,812
<b>Total Revenues</b>	<b>\$ 57,107,617</b>	<b>\$ 59,040,132</b>	<b>\$ 1,932,515</b>
General Fund (100)	\$ 27,824,832	\$ 30,020,199	\$ 2,195,367
Covell Proprietary Fund (400)	1,870,001	1,075,834	(794,167)
Special Revenue Fund (500)	29,032,269	36,501,422	7,469,153
<b>Total Expenditures</b>	<b>\$ 58,727,102</b>	<b>\$ 67,597,455</b>	<b>\$ 8,870,353</b>
<b>Current Suplus/(Deficit)</b>	<b>\$ (1,619,485)</b>	<b>\$ (8,557,323)</b>	

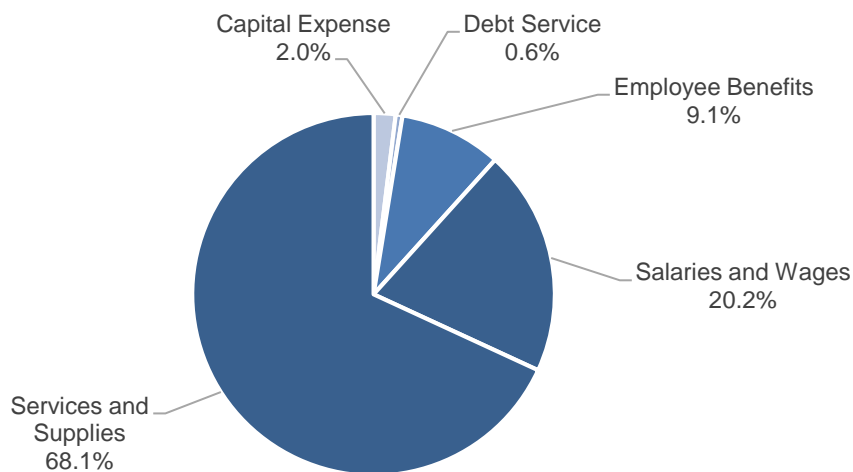
The Approved Budget reflects the District's mission, is fiscally sound, and provides resource allocation recommendations that adequately fund operations. To ensure performance within authorized budgets, District management proactively manages revenues and operating costs. In addition, multi-year projections of funding sources and ongoing expenditures analysis are completed to inform long-term planning of resource uses. These forecasts are presented in Section 3 – Financial Planning.

The following charts detail the revenues and expenditures by classification as a percentage of the total FY24/25 Approved District Budget.

**District Budget – Revenues by Classification (\$59.0 million)**



**District Budget – Expenditures by Classification (\$67.6 million)**



The notable changes in revenues and expenditures in the FY24/25 Approved Budget from the FY23/24 Approved Budget for the General, Proprietary (Covell Building), and Special Revenue funds are listed below.

### **General Fund**

#### *Revenues*

- Federal grant revenue is increasing by \$1.0 million mainly due to funds that the District administers on behalf of other air districts in the region, the main grant being the Targeted Airshed Grant (TAG), which will primarily fund Heavy Duty Electrification of school buses, replacement of off-road agriculture equipment with newer, cleaner equipment and replacement of residential non-certified wood burning appliances in our neighboring districts. The federal Climate Pollution Reduction Grant (CPRG) was awarded in FY23/24 and, therefore, was not included in the budget for that year; the grant continues in FY24/25 and totals \$368,000 in the Approved Budget.
- Stationary Sources and Mitigation fees are planned to increase by \$574,000, primarily due to an expected increase in Rule 301 revenues of \$800,000. Rule 301 revenues for FY23/24 are expected to exceed the adopted budget by \$600,000 and the FY24/25 Rule 301 revenues are based on the expected FY23/24 finish. In addition, there is an approved fee CPI increase of 4.17% effective July 1, 2024.

#### *Expenses*

- Employee Services expenditures are increasing by \$1.4 million due to the addition of 8.2 full-time equivalent (FTE) positions from the FY23/24 Approved FTE Budget, a 3.6% Cost of Living Adjustment (COLA), and an increase in retirement and group insurance contributions for FY24/25. The FY23/24 Approved FTE Budget was amended by the Board in March 2024; this resolution increased the FTE count by 4.2 from the Approved FY23/24 FTE Budget of 97.6 to the Amended FY23/24 FTE Budget of 101.8. These positions are expected to be filled by June 30, 2024, will not have a material effect on the FY23/24 projected expenditures, and are included in the FY24/25 Approved Budget. An additional four FTEs are included in the FY24/25 Approved Budget for a total of 105.8 FTEs. The FTE positions were added primarily to support expanded grant activities for the District and increased workload requirements for the Engineering and Compliance Division.
- Services and Supplies are increasing by \$891,000 mainly in professional services contracts and higher program distributions for the TAG projects. Professional services expenditures are expected to increase by \$546,000 mainly to support the AB617 Community Air Protection grant and the CPRG program. Pass-through distributions for the TAG projects are planned to increase by \$584,000.
- Capital project expenses are decreasing by \$71,000 due to less expenditure on lab equipment.
- The inter-fund transfer credit is consistent with the prior year's Approved Budget.

### **Covell Building Proprietary Fund**

- Rent Revenue is decreasing by \$94,000 as a tenant lease expired in FY23/24 and will not be renewed. The District listed the Covell Building for sale and plans to move to a smaller facility (either purchased or leased) that is right-sized to the District operations within the next two years.
- There is a decrease of \$800,000 in Capital Expenses. For the FY23/24 Approved Budget, additional capital was planned for a renovation of the District facility; this project did not occur. Given the decision to sell the building and relocate to a more efficient space, no renovation to the Covell Building is planned for FY24/25.

### **Special Revenue Fund**

- State revenue is increasing by \$414,000, mainly related to the Moyer program revenues in FY24/25.
- Incentive payments are budgeted to increase by about \$7.4 million primarily related to state-funded grants. State grants expected to increase include Clean-Cars-for-All, Moyer, and CalSTA (hydrogen locomotives).

*Note: The Special Revenue Fund tracks restricted revenue sources, primarily emission-reduction technology, and community air protection incentive grants. These grants are generally multi-year agreements with funds received in one year and incentive disbursements made to project participants over several years resulting in significant fluctuations in year-over-year revenues and expenditures.*

The FY24/25 Approved Budget includes a staffing plan of 105.8 FTE (as shown in the table below).

#### Approved Positions

Budget Status	Appointment	FY 23/24 Amended	FY 24/25 Approved	Change
Funded	Regular	101.8	105.8	4.0

#### FACTORS AFFECTING FINANCIAL CONDITION

Over the past several years, the District proactively managed expenses to ensure the fund balance in the General Fund was sufficient to support the District expenditures in case of future revenue shortfalls. The District held numerous positions vacant and executed only essential professional services contracts. As a result, the fund balance of the General Fund increased by about \$4.2 million over the last three years, providing the funds necessary to move forward with critical staffing needs. Largely due to the increase in FTE, the FY24/25 Approved Budget does not project adding more to the reserves.

The Board amended the FY23/24 position budget, adding four FTEs, to initiate the recruitment process of critical resources; however, additional funding for the positions was not allocated at that time as salary savings were leveraged. In the FY24/25 Approved Budget, an additional four positions are included, with funding for all eight positions reflected in the FY24/25 Approved Budget. These additional resources will support expanded grant activities and operational requirements.

The inflationary economic environment is expected to increase the cost of employee wages and benefits and services and supplies; the full extent of the impact is still unknown. Fortunately, the healthy reserves, which the District has grown over recent years, will serve as a bridge to support these increased expenses until long-term fund stability is established.

The forecasted FY24/25 California State budget deficit is significant. The District proactively manages grant revenues to reduce the potential for funding gaps and ensure emission reductions are achieved as quickly as possible. While no significant reduction in State grant disbursements for District programs is anticipated in FY24/25, future reductions are possible.

The District's five-year forecast continues to show some significant funding gaps between revenues and expenditures, which will require District staff to work collaboratively with the Board of Directors in the upcoming years. The imbalance is due primarily to the rising costs of doing business, such as employee services and capital expenditures outpacing current revenue increases, new state mandates that are not adequately funded, and a history of not fully recovering costs for many of the District's programs. Staff will continue to work with the Board into FY24/25 and beyond on the funding strategies detailed in the General Fund Forecast section of this budget.

## SECTION 4 – Financial Planning

To ensure the District can meet its immediate and long-term needs to support its mission of achieving clean air goals, the District develops annual budgets alongside multi-year financial plans.

### FINANCIAL FORECAST AND PLANNING

The purpose of financial forecasting is to evaluate historical and current fiscal trends and conditions to help guide future policy and programmatic decisions. It also identifies long-term issues for stakeholders and provides the impetus to confront them. Long-term forecasts and analyses are used to identify potential long-term imbalances. Financial strategies are then developed to counteract these imbalances. The District annually reviews and updates a five-year financial projection using the following methods:

- Informed/Expert judgment
- Trend analysis
- Anticipated operational changes
- Grant documentation and review
- Estimates from other governments

The District forecast shows a structural deficit over the next five years primarily due to the rising cost of doing business and additional programmatic mandates. Given the lack of significant revenue growth above expected expenditures, the fiscal reality is that current expenditure commitments are unsustainable. Long-term sustainability requires that annual operating cost increases be held to a level at or below annual revenue growth and/or additional revenues are secured.

The District's near-term financial plan is to conduct an in-depth program costing analysis, continue to identify and implement operational efficiencies, and evaluate and seek out potential revenue sources as described in the General Fund Forecast section below, including fee increases. The District's approach to annual fee changes is to adjust them based on the prescribed CPI index. This is to ensure that fee revenue keeps pace with District costs (mainly COLA adjustments) and to avoid large "catch-up" adjustments that could negatively impact permit holders in a single year. The FY24/25 Approved Fee Schedule reflects a CPI increase of 4.17% to maintain progress toward meeting air quality and climate goals while keeping reserves stable.

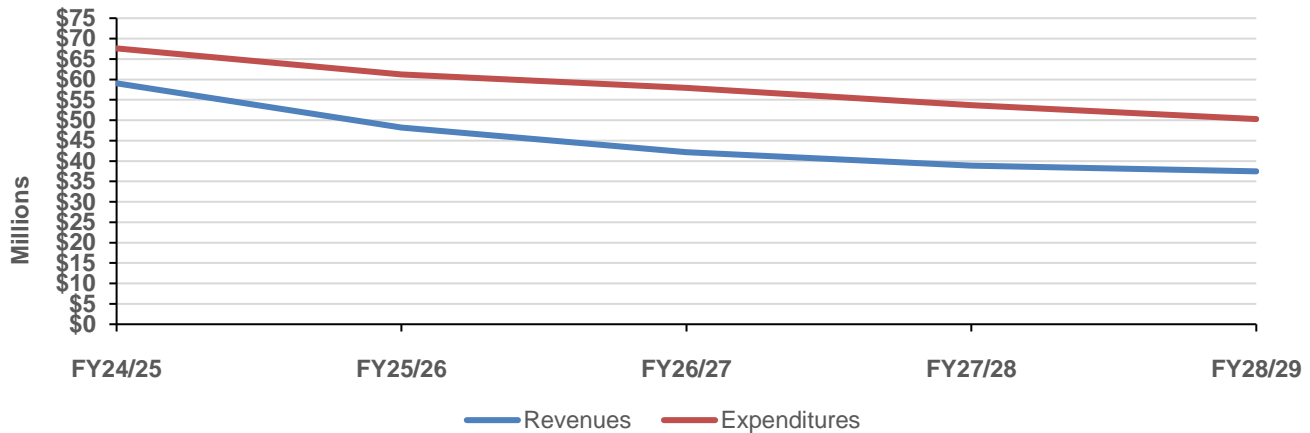
Revenues have been adjusted in the Approved Budget to reflect this change. It may be necessary to consider new and updated fees in the future to continue funding critical programs as the District moves towards full-cost recovery for its programs. Below are tables and charts that reflect the District's five-year forecast and fund balance projections, followed by the forecast assumptions.

### BUDGET FORECAST

#### District Budget – Five-Year Forecast

Classification	FY 23/24 Approved	FY 23/24 Year-end Projection	FY24/25 Approved	FY25/26 Forecast	FY26/27 Forecast	FY27/28 Forecast	FY28/29 Forecast
<b>Beginning Fund Balance</b>	<b>\$ 82,062,092</b>	<b>\$ 82,062,092</b>	<b>\$ 124,577,284</b>	<b>\$ 116,019,961</b>	<b>\$ 103,054,669</b>	<b>\$ 87,297,392</b>	<b>\$ 72,636,918</b>
<b>Revenues</b>							
Revenues	\$ 57,107,617	\$ 93,846,648	\$ 59,040,132	\$ 48,209,310	\$ 42,161,492	\$ 38,906,688	\$ 37,471,032
<b>Revenues Total</b>	<b>\$ 57,107,617</b>	<b>\$ 93,846,648</b>	<b>\$ 59,040,132</b>	<b>\$ 48,209,310</b>	<b>\$ 42,161,492</b>	<b>\$ 38,906,688</b>	<b>\$ 37,471,032</b>
<b>Expenses</b>							
Operating Expense	\$ 56,125,502	\$ 50,054,290	\$ 65,865,855	\$ 59,659,316	\$ 56,422,672	\$ 52,491,403	\$ 49,428,317
Capital Expense	2,193,500	869,066	1,323,000	1,106,787	1,093,197	1,075,760	794,981
Debt Service	408,100	408,100	408,600	408,500	402,900	-	-
<b>Expenses Total</b>	<b>\$ 58,727,102</b>	<b>\$ 51,331,456</b>	<b>\$ 67,597,455</b>	<b>\$ 61,174,603</b>	<b>\$ 57,918,769</b>	<b>\$ 53,567,163</b>	<b>\$ 50,223,298</b>
Surplus / (Deficit)	\$ (1,619,485)	\$ 42,515,192	\$ (8,557,323)	\$ (12,965,293)	\$ (15,757,276)	\$ (14,660,475)	\$ (12,752,266)
<b>Ending Fund Balance</b>	<b>\$ 80,442,607</b>	<b>\$ 124,577,284</b>	<b>\$ 116,019,961</b>	<b>\$ 103,054,669</b>	<b>\$ 87,297,392</b>	<b>\$ 72,636,918</b>	<b>\$ 59,884,651</b>

### District Budget – Revenues and Expenditures Five-Year Forecast



#### General Fund Forecast

The General Fund reflects financial activity that is non-proprietary and non-special revenues and expenditures. Primary revenue sources in this fund are State and Federal awards, Fees & Licenses, CARB Subvention, Sales/Use Tax (Measure A), and Fines/Forfeits/Penalties. Major expenditure categories are Employee Services, Services and Supplies (Operating Expenses), and Capital Expenses.

The five-year forecast indicates that the General Fund will operate at a deficit with projected expenditures exceeding projected revenues without the influx of additional revenue. This is primarily due to labor costs outpacing revenue increases of major funding sources; insufficient administrative allocation from incentive grants to cover the cost of administering and implementing the programs; investment in aging infrastructure; and funding the pension/OPEB liability.

Staff identified several potential funding strategies to generate new revenue to address the forecasted gap to fund these important programs. Preliminary assessments of new funding amounts, as well as possible implementation timelines, have been performed and shared with the Board of Directors. Staff will continue working with the Board on each strategy described in detail in this section, to further explore and develop the strategies.

The table and chart that follow provide the five-year forecast for the General Fund and an illustration of the five-year forecast of revenues to expenditures.

#### General Fund (100) Five-Year Forecast

Classification	FY 23/24 Approved	FY 23/24 Year-end Projection	FY24/25 Approved	FY25/26 Forecast	FY26/27 Forecast	FY27/28 Forecast	FY28/29 Forecast
<b>Beginning Fund Balance</b>	\$ 20,895,504	\$ 20,895,504	\$ 27,440,409	\$ 24,362,314	\$ 20,950,889	\$ 17,879,361	\$ 14,808,539
<b>Revenues</b>							
Revenues	\$ 25,097,233	\$ 33,564,814	\$ 26,942,104	\$ 23,706,074	\$ 23,340,230	\$ 23,364,054	\$ 23,787,893
<b>Revenues Total</b>	\$ 25,097,233	\$ 33,564,814	\$ 26,942,104	\$ 23,706,074	\$ 23,340,230	\$ 23,364,054	\$ 23,787,893
<b>Expenses</b>							
Operating Expense	\$ 28,701,835	\$ 28,329,982	\$ 30,998,840	\$ 28,213,068	\$ 27,586,988	\$ 27,695,597	\$ 28,447,541
Capital Expense	1,238,500	729,066	1,168,000	804,430	781,770	754,990	621,090
Interfund Charges	(2,115,503)	(2,039,139)	(2,146,641)	(1,900,000)	(1,957,000)	(2,015,710)	(2,076,181)
<b>Expenses Total</b>	\$ 27,824,832	\$ 27,019,909	\$ 30,020,199	\$ 27,117,498	\$ 26,411,758	\$ 26,434,877	\$ 26,992,450
Surplus / (Deficit)	\$ (2,727,599)	\$ 6,544,905	\$ (3,078,095)	\$ (3,411,425)	\$ (3,071,528)	\$ (3,070,822)	\$ (3,204,557)
<b>Ending Fund Balance</b>	\$ 18,167,905	\$ 27,440,409	\$ 24,362,314	\$ 20,950,889	\$ 17,879,361	\$ 14,808,539	\$ 11,603,982

The preceding General Fund forecast assumes the following:

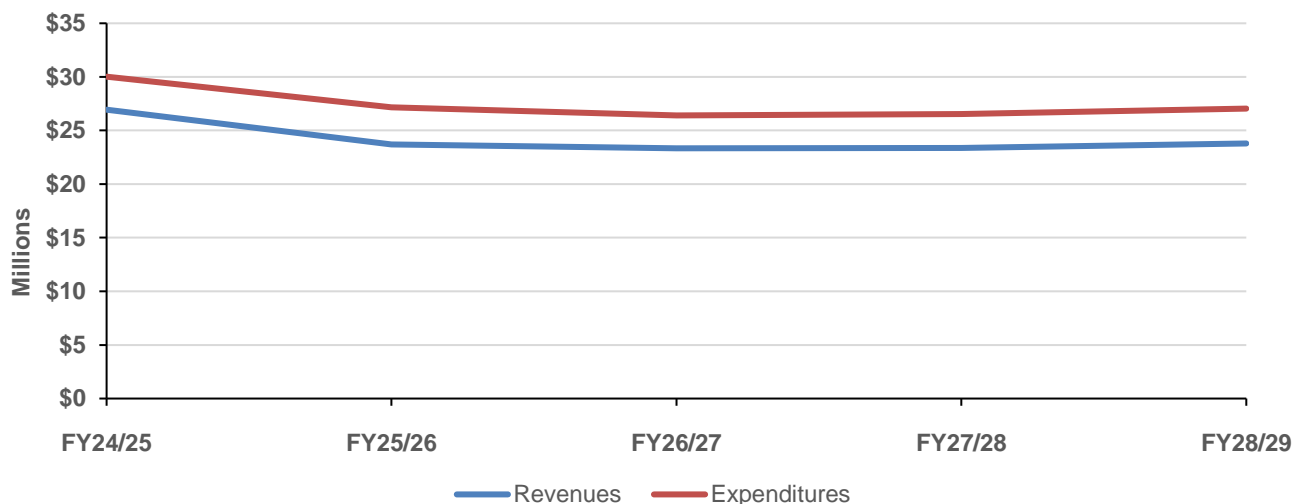
Revenues:

- Federal revenues for FY24/25 are assumed to be stable with the FY23/24 projection. These revenues are expected to decline in FY25/26 and again in FY26/27 with the winddown of the Target Airshed Grant (TAG) projects. The District facilitates the federal TAG projects for neighboring air districts through the pass-through of grant funds. Federal revenues for FY27/28 and FY28/29 are constant at about \$1.9 million per year for recurring grants.
- State revenues peak in the FY23/24 projection due to the advance payment of about \$5.2 million of funding the two-year Community Emissions Reduction Plan (CERP) grant that begins July 1, 2024. The recurring state revenues (DMV, AB617 Monitoring, etc.) will be stable for FY24/25 through the end of the forecast period at approximately \$7.3 million per year.
- Sales/Use Tax (Measure A) amounts are per the most recent Sacramento Transportation Authority (STA) forecast. The cumulative annual growth rate for Measure A is about 2.97%.
- The annual CPI adjustment for Stationary Sources fees is forecasted at 3%.
- Interest revenue declines due to the decrease in fund balance.
- No new revenue is included in the base five-year forecast.

Expenditures:

- Over the next four years, the FTE count is held constant at 105.8 with no additional positions included in the forecast.
- Employee Services increases an average of 3% per year for wages and benefits; retirement contributions grow at a slightly higher rate based on historical trends.
- After adjusting for one-time items included in the FY24/25 Approved Budget related to non-recurring grants (e.g., CERP, CC4A, and CPRG projects), Services and Supplies increase by a projected CPI of 3% per year. Sub-recipient distributions under the TAG projects are included in Services and Supplies through the end of the grant term in FY26/27 and are offset by corresponding Federal revenues each year.
- Capital expenditures include the replacement of elements of an aging fleet and air monitoring network and Information Services infrastructure improvements.
- Interfund charges consist of grant administrative funds received in the Special Revenue Fund and transferred to the General Fund to offset the program implementation costs, mainly employee services expenditures.

**General Fund (100) Revenues and Expenditures Five-Year Forecast**





### District Priorities and Potential Funding Strategies

District staff works diligently to maintain core activities and identify priorities in pursuit of its goals. While the District has managed its resources efficiently, additional funds are required to eliminate the forecasted structural deficit associated with continuing programs necessary to achieve its mission.

Ongoing discussions of existing and potential new funding strategies to address the projected deficit regularly occur with the Board of Directors during budget deliberations and Board meetings. The overall objective is to generate funding from various sources to ensure sufficient resources for programs in each of three main categories: stationary, mobile, and other.

The general restrictions for the use of the funds, given that revenue streams are frequently restricted to funding specific programs, and a summary of various programs that need funding from these sources are shown in the table below followed by a description of each strategy.

#### **Potential Funding Strategies**

Type	Use Category	Programs in Need of Funding
Grant Administration Funding Increase – Legislation	Mobile	Moyer and Other Incentive Grant programs
Community Health Impact Fee	All	AB 617 Community Air Protection Program
Full Cost Recovery – Fee Adjustment	Stationary and Other	Permitting, Enforcement, Planning, Emission Inventory, Rule Development, and Air Monitoring
Per Capita Fee	All	Check Before You Burn, Land Use and Transportation Planning, Public Complaint Response, Community Air Protection, Air Monitoring

*Senate Bill 1158 (Archuleta), 2023-24 California State Legislative Session 2023-24.* This bill aims to simplify and update the funding and administrative processes for the Carl Moyer Program, which has been highly successful in reducing emissions. The program's effectiveness relies heavily on the resources invested by the District, particularly in staff. With the rapidly evolving regulations for mobile sources, air district staff must constantly stay informed, leading to an increased workload in evaluating projects. Moreover, the number and complexity of project applications have risen significantly, demanding more thorough review before funding. Once funded, projects under the Moyer program are monitored for up to 15 years to ensure they achieve the expected emission reductions, resulting in numerous long-term contracts that require continuous reporting and adjustments. These factors have led to additional administrative costs for air districts.

To address these challenges, this bill proposes increasing the ceiling for indirect administrative costs for the largest air districts from 6.25% to 12.5%. This increase will provide the necessary funds to implement the Moyer program effectively, support applicants, and select projects that offer the highest emission reductions for disadvantaged communities.

*Community Health Impact Fee (All)* – To recover District costs associated with the growing AB 617 Community Air Protection Program that exceed the direct funding provided by the State, a new “Community Health Impact” fee is being evaluated. Other air districts have implemented this fee and it is necessary to implement programs at the levels mandated by state law. It is anticipated that this new fee would be assessed to each permitted facility proportional to their emission of pollutants that may impact public health in communities, which is a primary driver of the health risk that created the need for AB 617. Implementation of this fee is also intended to help the District secure additional funding in the State legislature by showing it has taken action to fund the AB 617 effort locally.

*Full Cost Recovery – Rule 301, 304, etc. (Stationary and Other)* – The District has the authority to assess fees to fully recover the costs of implementing its regulatory programs for stationary sources. In addition, it is the District's policy to set user fees at full cost recovery levels, except where a greater public benefit is demonstrated to the satisfaction of the Board, or when it is not cost-effective to do so. There are a significant number of staff assigned to implementing regulatory enforcement, permitting, monitoring, emission inventory and rule development of these stationary sources and the District collects various fees for related programs; however, not all fees fully recover the associated program costs. Therefore, the goal is to propose fee adjustments where needed to fully cover program expenses so that these regulatory programs are self-sustaining.



*Per Capita Fee (All)* – Under California Health and Safety Code (CHSC) §40701.5(b), the Board is authorized to assess an annual per capita fee on the county and on those cities within the District that have a member on the Board. Per capita fees mean that the cities and the county are charged a set amount for each person residing in their jurisdiction. While the Board of Directors' decision was to postpone the adoption of a Per Capita Fee in 2019, staff were instructed to explore alternative funding approaches and to reintroduce this matter for Board review at a later date.

### **Proprietary Fund Forecast**

The Proprietary Fund five-year forecast is shown in the following table. The main funding source for this fund is rent income (mainly District rent). The District building is relatively new and annual operating expenses are anticipated to be consistent over the planning period. Capital expenses include the projected replacement of building systems/components. The debt associated with the building will be paid off in FY26/27. The existing third-party lease agreements expired in FY22/23 and FY23/24 and the tenant did not review the leases. The District evaluated several facility options and decided to sell the current building and relocate to a smaller footprint; the plan is to lease the new District headquarters facility to provide flexibility for the future. The building is currently on the market for sale. Since The District is not certain of the timing or terms for the sale of the building and relocation to a smaller facility, the five-year forecast was developed on a status-quo basis. No third-party tenant is assumed in this break-even projection.

### **Proprietary Fund (400) Five-Year Forecast**

Classification	FY 23/24 Approved	FY 23/24 Year-end Projection	FY24/25 Approved	FY25/26 Forecast	FY26/27 Forecast	FY27/28 Forecast	FY28/29 Forecast
<b>Beginning Fund Balance</b>	\$ 5,302,609	\$ 5,302,609	\$ 5,575,402	\$ 5,575,402	\$ 5,575,402	\$ 5,575,402	\$ 5,575,403
<b>Revenues</b>							
Revenues	\$ 1,170,002	\$ 1,317,199	\$ 1,075,834	\$ 1,257,221	\$ 1,277,081	\$ 900,407	\$ 770,917
<b>Revenues Total</b>	<b>\$ 1,170,002</b>	<b>\$ 1,317,199</b>	<b>\$ 1,075,834</b>	<b>\$ 1,257,221</b>	<b>\$ 1,277,081</b>	<b>\$ 900,407</b>	<b>\$ 770,917</b>
<b>Expenses</b>							
Operating Expense	\$ 506,901	\$ 496,306	\$ 512,234	\$ 546,364	\$ 562,754	\$ 579,637	\$ 597,026
Capital Expense	955,000	140,000	155,000	302,357	311,427	320,770	173,891
Debt Service	408,100	408,100	408,600	408,500	402,900	-	-
<b>Expenses Total</b>	<b>\$ 1,870,001</b>	<b>\$ 1,044,406</b>	<b>\$ 1,075,834</b>	<b>\$ 1,257,221</b>	<b>\$ 1,277,081</b>	<b>\$ 900,407</b>	<b>\$ 770,917</b>
Surplus / (Deficit)	\$ (699,999)	\$ 272,793	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Ending Fund Balance</b>	<b>\$ 4,602,610</b>	<b>\$ 5,575,402</b>	<b>\$ 5,575,402</b>	<b>\$ 5,575,402</b>	<b>\$ 5,575,402</b>	<b>\$ 5,575,403</b>	<b>\$ 5,575,402</b>

The preceding Proprietary Fund forecast assumes the following:

#### Revenues:

- Revenues include rent from the District (to which it pays itself) for space on the third and second floors and parking fees; no external tenant is assumed.
- The building fund is an Internal Service Fund since its revenue is from the District and as such, overall District rent revenue adjusts (in most years) to ensure that the net surplus/deficit is zero. It is a breakeven budget with no source or use of fund balance.

#### Expenses:

- Operating Expense represents the day-to-day costs of operating the building and includes utilities, custodial services, parking, property management fees, general repairs and maintenance, etc., and reflects an average annual increase of 3%.
- Capital expenditures were based on historical actuals, excluding leasehold improvements for the previous third-party tenants; the actuals were increased by 3% annually.

- The debt service forecast reflects the principal and interest payments on Certificates of Participation (COPs) issued for the purchase of the building and will be fully paid off in FY26/27.

### Special Revenue Fund Forecast

The Special Revenue Fund accounts for the proceeds of restricted revenue sources, predominantly low-emission incentive grants. The following five-year forecast is projected using historical grant amounts and anticipated grant amounts in the near term. There is growing uncertainty as to the sustainability of new potential funding to replace current one-time grants.

#### Special Revenue Fund (500) Five-Year Forecast

Classification	FY 23/24 Approved	FY 23/24 Year-end Projection	FY24/25 Approved	FY25/26 Forecast	FY26/27 Forecast	FY27/28 Forecast	FY28/29 Forecast
<b>Beginning Fund Balance</b>	<b>\$ 55,863,979</b>	<b>\$ 55,863,979</b>	<b>\$ 91,561,473</b>	<b>\$ 86,082,245</b>	<b>\$ 76,528,377</b>	<b>\$ 63,842,629</b>	<b>\$ 52,252,976</b>
<b>Revenues</b>							
Revenues	\$ 30,840,382	\$ 58,964,635	\$ 31,022,194	\$ 23,246,016	\$ 17,544,182	\$ 14,642,226	\$ 12,912,221
<b>Revenues Total</b>	<b>\$ 30,840,382</b>	<b>\$ 58,964,635</b>	<b>\$ 31,022,194</b>	<b>\$ 23,246,016</b>	<b>\$ 17,544,182</b>	<b>\$ 14,642,226</b>	<b>\$ 12,912,221</b>
<b>Expenses</b>							
Operating Expense	\$ 26,916,766	\$ 21,228,002	\$ 34,354,781	\$ 30,899,884	\$ 28,272,929	\$ 24,216,169	\$ 20,383,750
Interfund Charges	2,115,503	2,039,139	2,146,641	1,900,000	1,957,000	2,015,710	2,076,181
<b>Expenses Total</b>	<b>\$ 29,032,269</b>	<b>\$ 23,267,141</b>	<b>\$ 36,501,422</b>	<b>\$ 32,799,884</b>	<b>\$ 30,229,929</b>	<b>\$ 26,231,879</b>	<b>\$ 22,459,931</b>
Surplus / (Deficit)	\$ 1,808,113	\$ 35,697,494	\$ (5,479,228)	\$ (9,553,868)	\$ (12,685,748)	\$ (11,589,653)	\$ (9,547,710)
<b>Ending Fund Balance</b>	<b>\$ 57,672,092</b>	<b>\$ 91,561,473</b>	<b>\$ 86,082,245</b>	<b>\$ 76,528,377</b>	<b>\$ 63,842,629</b>	<b>\$ 52,252,976</b>	<b>\$ 42,705,267</b>

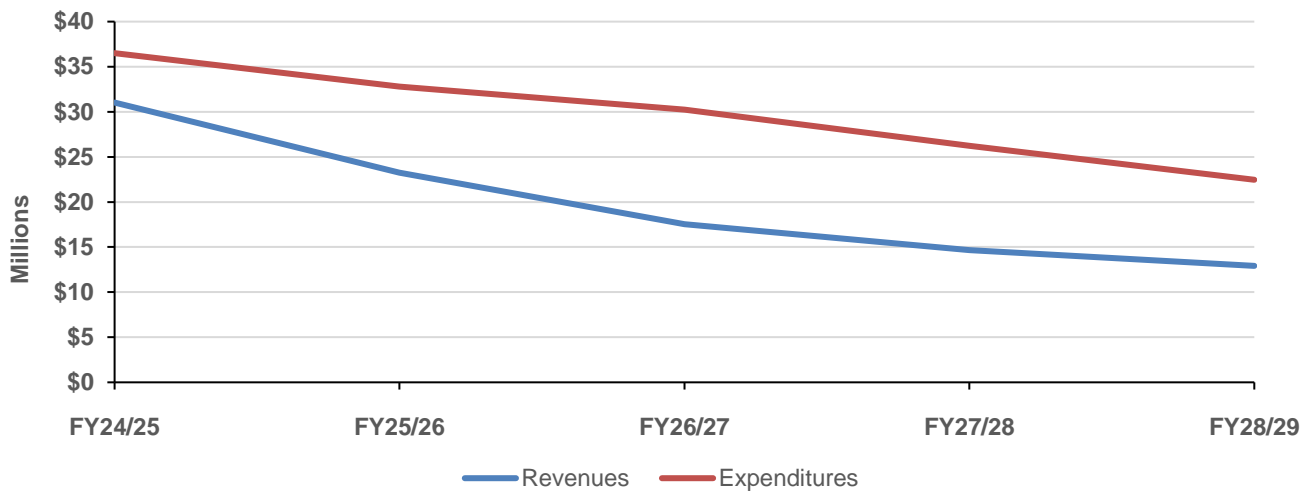
The preceding Special Revenue Fund forecast assumes the following revenue for DMV \$2 and various grants:

#### Special Revenue Fund (500) Five-Year Forecast by Funding Source

Classification	FY 23/24 Approved	FY 23/24 Year-end Projection	FY24/25 Approved	FY25/26 Forecast	FY26/27 Forecast	FY27/28 Forecast	FY28/29 Forecast
DMV \$2	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,626,000	\$ 2,652,260	\$ 2,678,783	\$ 2,705,570
Moyer	11,420,750	13,217,920	12,725,249	6,200,000	6,200,000	6,200,000	6,200,000
SECAT	3,450,000	1,725,000	3,205,960	6,117,647	4,000,000	1,176,471	-
Community Car Share	-	400,000	700,000	-	-	-	-
GMERP	-	1,903,840	-	-	-	-	-
Community Air Protection Program (CAPP)	6,688,458	13,934,288	6,521,247	3,500,000	3,500,000	3,500,000	3,500,000
Clean Cars 4 All	5,060,000	6,455,000	4,045,000	3,500,000	-	-	-
FARMER	816,600	1,395,450	408,300	500,000	500,000	500,000	-
CalSTA Grant - H2 Locomotive	-	15,646,000	-	-	-	-	-
Fines/Forfeits/Penalties	-	5,700	-	-	-	-	-
Other	804,574	1,681,438	816,438	802,369	691,922	586,973	506,651
<b>Revenues Total</b>	<b>\$ 30,840,382</b>	<b>\$ 58,964,635</b>	<b>\$ 31,022,194</b>	<b>\$ 23,246,016</b>	<b>\$ 17,544,182</b>	<b>\$ 14,642,226</b>	<b>\$ 12,912,221</b>

Incentive projects are funded from multiple revenue sources as shown above and expenditures fluctuate over time resulting in a variable annual pattern as shown in the line graph below.

### Special Revenue Fund (500) Revenues and Expenditures Five-Year Forecast (Line Graph)



### Capital Expenditures Forecast

The District currently budgets capital expenses on an annual basis. District recurring and non-recurring projects are included in the five-year forecast and include capital expenses primarily related to the air monitoring network, fleet, information systems equipment, and improvements to the District's administrative building as noted in the next table.

### Capital Expenses Five-Year Forecast

Fund Program	FY 23/24 Approved	FY23/24 Projection	FY24/25 Approved	FY25/26 Forecast	FY26/27 Forecast	FY27/28 Forecast	FY28/29 Forecast
<b>General Fund (100)</b>							
Air Monitoring	\$ 983,500	\$ 310,000	\$ 886,000	\$ 541,780	\$ 513,970	\$ 538,690	\$ 466,590
Fleet	180,000	344,066	200,000	159,650	164,800	113,300	113,300
Information Systems	75,000	75,000	82,000	103,000	103,000	103,000	41,200
<b>Subtotal</b>	<b>\$ 1,238,500</b>	<b>\$ 729,066</b>	<b>\$ 1,168,000</b>	<b>\$ 804,430</b>	<b>\$ 781,770</b>	<b>\$ 754,990</b>	<b>\$ 621,090</b>
<b>Proprietary Fund (400)</b>							
Building Improvements	\$ 955,000	\$ 140,000	\$ 155,000	\$ 302,357	\$ 311,427	\$ 320,770	\$ 173,891
<b>Subtotal</b>	<b>\$ 955,000</b>	<b>\$ 140,000</b>	<b>\$ 155,000</b>	<b>\$ 302,357</b>	<b>\$ 311,427</b>	<b>\$ 320,770</b>	<b>\$ 173,891</b>
<b>Total Capital Expense</b>	<b>\$ 2,193,500</b>	<b>\$ 869,066</b>	<b>\$ 1,323,000</b>	<b>\$ 1,106,787</b>	<b>\$ 1,093,197</b>	<b>\$ 1,075,760</b>	<b>\$ 794,981</b>

### Significant Capital Expenses in the Forecast and Impacts on Operating Budgets

#### Air Monitoring Stations

Capital expenses for air monitoring are related to the District's regulatory network of six air monitoring stations and the monitoring network for the Community Air Protection Program AB 617. The District plans to replace the Del Paso Manor, North Highlands and Bruceville stations and equipment during the forecast period. The replacement of air monitoring stations is a non-recurring expense. The District anticipates that the replacement of these structures will help reduce ongoing maintenance costs associated with these aging facilities. Additionally, repair or replacement of air monitoring equipment will be needed. The replacement of equipment for the air monitoring stations is a recurring capital expense as equipment will need to be replaced as it reaches the end of its lifecycle.

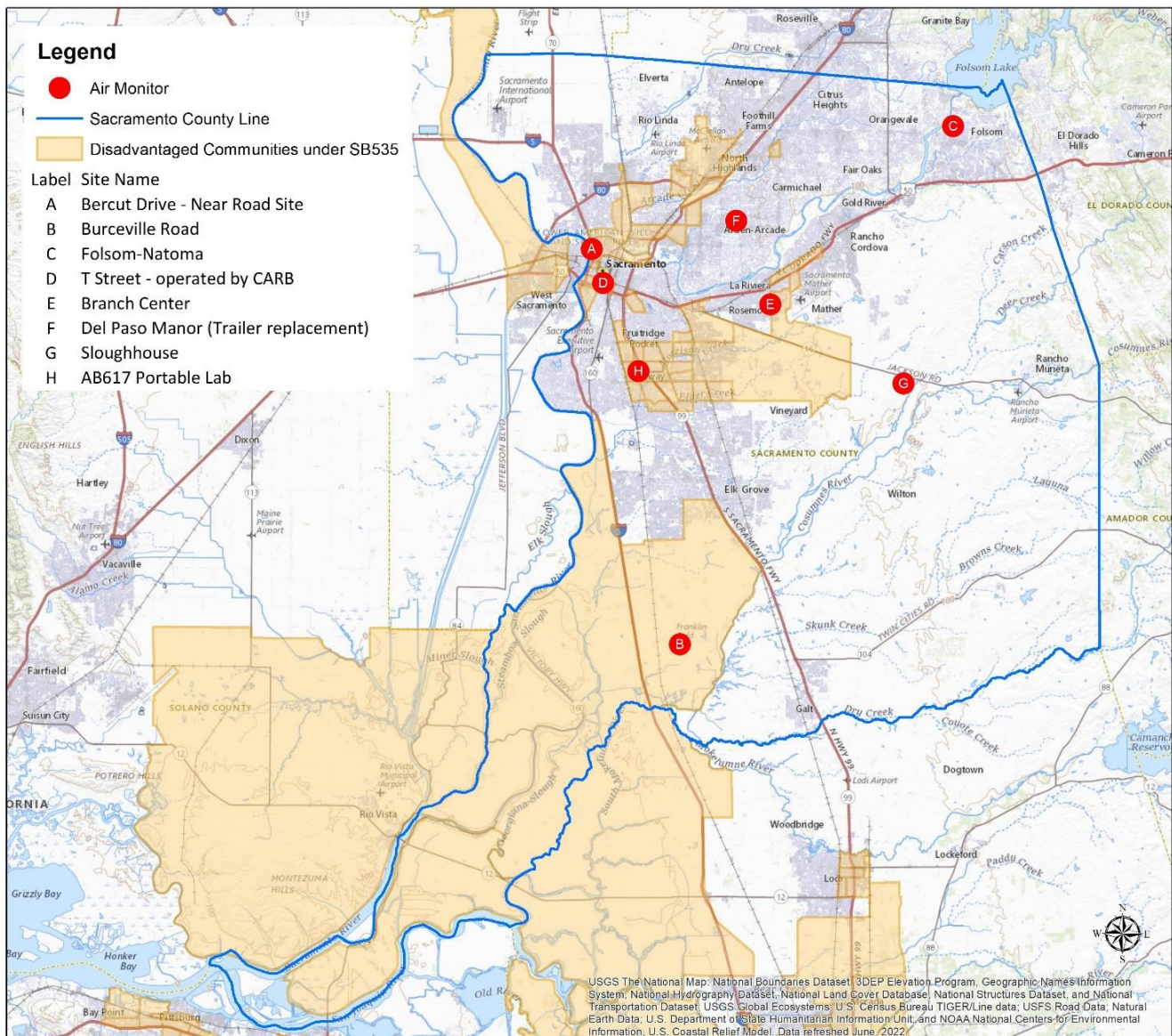
The District's ambient air monitoring stations are used to collect monitoring data for criteria pollutants to determine compliance with the NAAQS and to support regional air quality forecasting. These sites will also be an important

foundation for future monitoring approaches under Community Air Protection Program AB 617. A new mobile air monitoring station was added to the existing air monitoring network as part of the District's AB 617 efforts.

In FY22/23, the District was contacted by KB Homes, the new property owner of the North Highlands – Blackfoot Way site to immediately remove the District's air monitoring trailer and equipment from their property since they are developing 250 residential homes on the site. The District removed all equipment and demolished the air monitoring trailer to vacate the premises per the request of the new property owners; a plan to identify a location and construct a new station in North Highlands is underway.

The replacement of Del Paso Manor station (F) will be completed in FY24/25, followed by a new North Highlands station to be built in FY25/26 and FY26/27, and either the Bruceville (B) or Sloughhouse (G) stations will be replaced during FY27/28 and FY28/29. Each station replacement project is anticipated to take two years to complete. Below is a map of the existing air monitoring stations.

**Map of Air Monitoring Stations in Sacramento County**



#### Rule 301 (Permitting and Enforcement) Fleet

The five-year forecast includes funds to replace aging fleet vehicles, which will be replaced with zero- and low-emission vehicles consistent with the District's goal of reducing vehicle emissions. Fleet replacement, averaging \$150,000 per year for the forecast, is a recurring capital outlay due to vehicles having an estimated operational life



of 10-15 years. Incorporating new zero- and near-zero-emission vehicles into the fleet is anticipated to reduce operating expenses related to fuel and maintenance.

#### Information Systems

Information Systems' capital expenditures reflect existing systems' updates and investment into additional security and disaster recovery solutions. These are recurring capital expenses and have been projected in the five-year forecast. Increasing threats of cyber activity against government agencies require new tools and equipment to combat and deter service interruptions. The district is expanding security protection for remote devices and facilities and implementing solutions for secure backups to protect against cyber data attacks. The district continues to invest and develop strategies for work anywhere, anytime, and anyplace to ensure district activities continue without interruption.

#### Covell Building

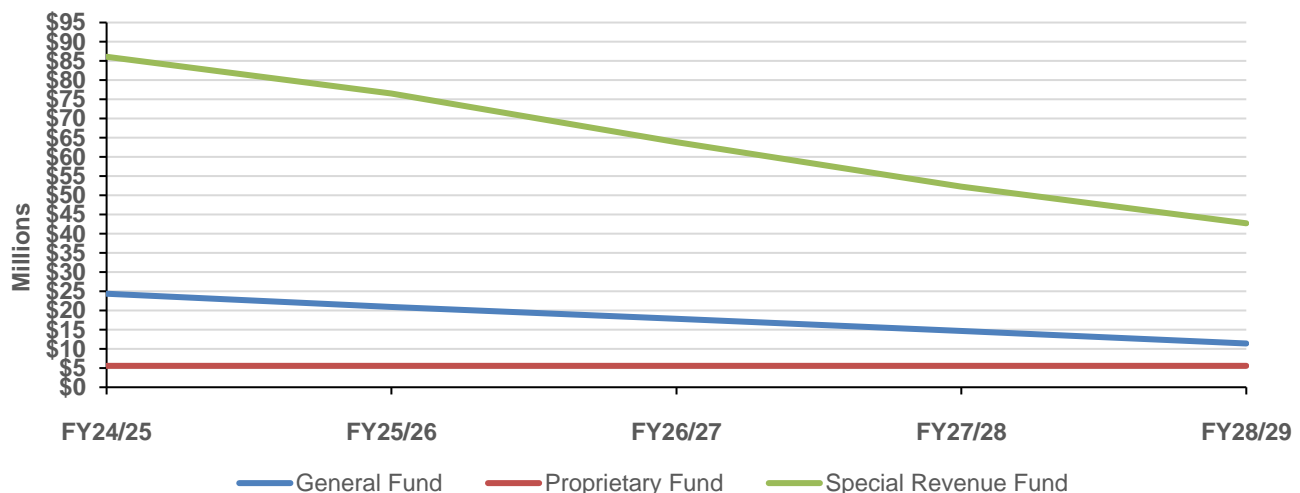
The capital forecast for the Covell Building includes expenditures for building systems (e.g., HVAC, etc.) and annual amounts to fund minor non-recurring building improvements. Funding for these capital expenses primarily comes from rent income.

### **FUND BALANCE FORECAST**

In summary, based on the projected revenues and expenditures described in this section, the fund balance forecast line graph below indicates 1) annual decreases in the General Fund balance over the planning horizon, 2) stability with projected rent income sufficient to support projected expenditures for the Proprietary Fund, and 3) a decrease in the Special Revenue Fund indicating efficient deployment of incentive projects.

The General Fund projected fund balance at the end of FY24/25 complies with the District's fund balance reserve policy of a minimum of 120 days, but no less than 60 days, of General Fund expenditures. However, without additional funding sources, the General Fund unencumbered fund balance is projected to decrease by over 50% in the five-year outlook with the FY28/29 fund balance at only 23 days over the minimum fund balance level. When the target is not met, the policy requires that a plan be developed and implemented to replenish the funds used. The Proprietary Fund balance is compliant with policy and stable throughout the five years. The Special Revenue Fund accounts for various incentive grants that are intended to be fully expended. Therefore, no reserve targets are established for the Special Revenue Fund.

**District Budget – Fund Balance Five-Year Forecast**



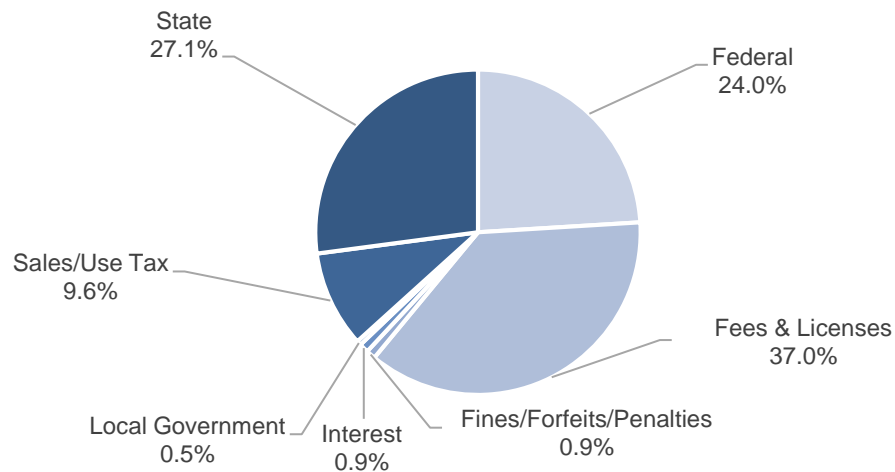
## SECTION 5 - Fund Information

This section contains descriptions of District funds and associated approved budgets for FY24/25. It also includes information on fund budgets (revenues and expenditures by classification and activities, historical trends, and fund balances) to provide additional context for the approved budget.

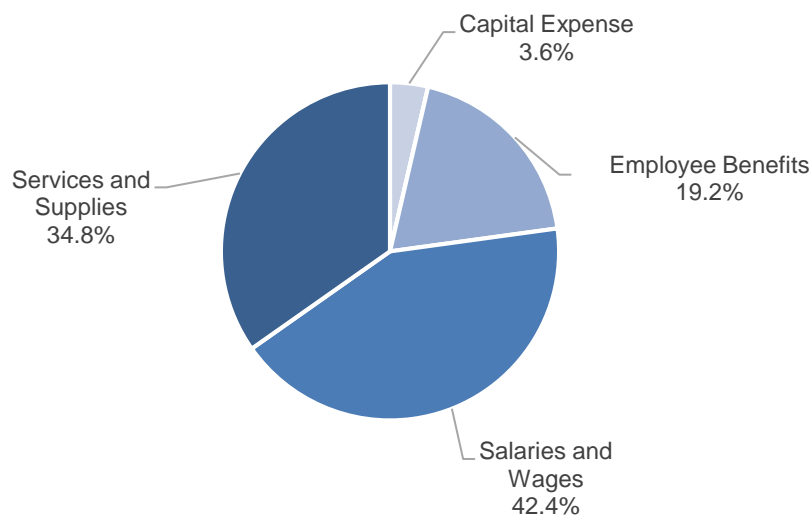
### GENERAL FUND 100

The total FY24/25 Approved General Fund Budget is \$26.9 million in revenue and \$30.0 million in expenditures. Below are charts detailing the revenues and expenditures by classification as a percentage of the total General Fund Budget.

#### General Fund Budget – Revenues by Classification (\$26.9 million)



#### General Fund Budget – Expenditures by Classification (\$30.0 million)



The FY24/25 General Fund Budget includes revenues of \$26.9 million and expenditures of \$30.0 million resulting in a \$3.1 million use of fund balance. Approximately \$2.5 million of this deficit is related to the AB 617 Community Emission Reduction Plan (CERP) grant. The CERP is a two-year program that begins July 1, 2024. Most of the funding for the state-funded program will be received and revenue recognized in FY23/24. Accordingly, the grant funding is included in the ending fund balance on June 30, 2024. The FY24/25 and FY25/26 expenditures related to the CERP project will be funded by the grant revenues included in the opening fund balance for FY24/25.

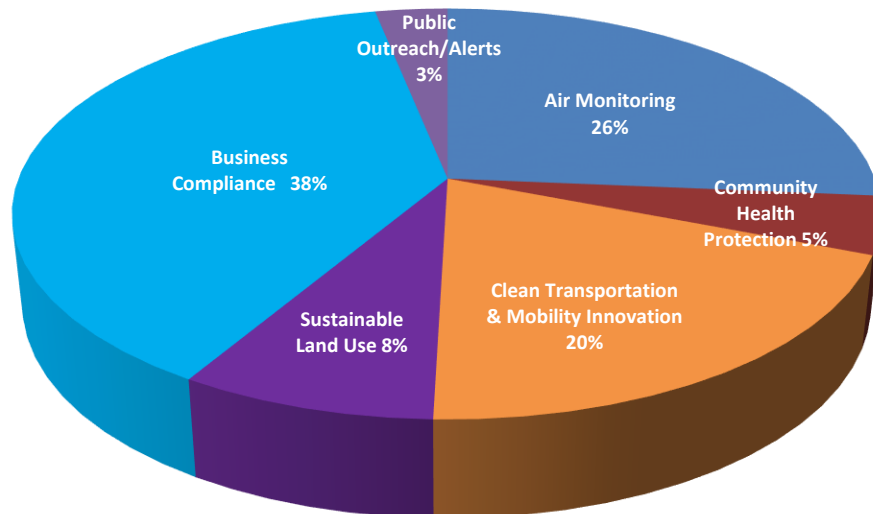
Historically, the District has performed under budget for expenditures due to savings in Employees Services and Professional Services, and therefore, has not fully expended the amount of budgeted expenditures. For the FY24/25 budget, the District implemented two adjustments to minimize variances to the budget. The first adjustment is a vacancy credit in Employee Services to allow for open positions during the recruitment process. In addition, professional services contracts were assessed against District priorities for the fiscal year and critical contracts were included at their expected cost. The remaining services were pooled, and the total “pooled” amount was reduced by about 60% to forecast expenditures more accurately. District divisions will share the pooled budget for these potential professional services contracts as needs arise.

The District expects to operate fully staffed in FY24/25 and to expend the “right-sized” Professional Services budget. The District has adequate operating reserves to fund the remaining (unrelated to the CERP) \$600,000 use of fund balance for FY 24/25. The ending fund balance on June 30, 2025, in the Approved Budget, will comply with the District’s operating reserve policy.

### ***Operating Expenses by District Activities***

As described in Section 2 – About the District, under District Activities, the District’s services and programs are grouped into categories. The chart below illustrates the percentage of the General Fund expenditure budget allocated to each of the District activities.

**Allocation of FY24/25 Operating Expenses by District Activity**



### General Fund Trends

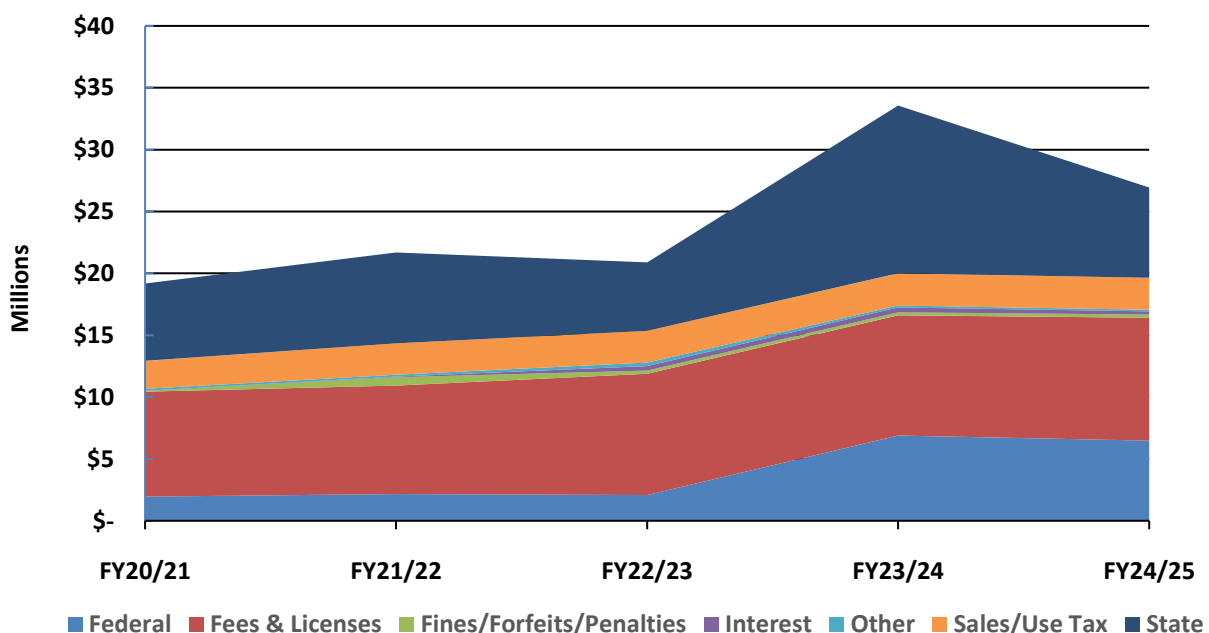
The Five-Year Revenues Trend graph displays revenues by account type. The trend shows federal grant revenues fluctuating over time depending on changes in EPA 103, EPA 105, CPRG and TAG project funding. The EPA has historically provided federal grants to the District to enforce federal air pollution rules and regulations; these grants are restricted to specific usage and may consist of one-time grants. The CPRG program provides funding to develop a plan for reducing greenhouse gas emissions in the Sacramento region; the District is the lead agency for this grant. The District administers the TAG project funds for several neighboring air districts. Both the CPRG planning grant and the TAG projects are non-recurring grants.

Stationary Source fees are collected from businesses that have equipment that emits pollutants into the air; these fees are based on the type and size of the equipment and the amount of pollutants emitted. The District is proposing a 4.17% CPI increase in fees for FY24/25. This adjustment is based on the annual change in the California Consumer Price Index in accordance with the Health and Safety Code.

State revenues fluctuate over the period. Included in this category are the DMV registration fee surcharge (DMV) and state grants. DMV revenue is dependent on the number of vehicle registrations in the State of California with the District receiving a set amount per registration. Community Air Protection Program state incentives related to Assembly Bill AB 617 are included in this line item. State grant revenue may contain one-time grants that create year-to-year variability in this category, for example, the two-year CERP funding for AB617 will be recognized in FY23/24 and will fund project activities for the next two fiscal years.

Sales and Use Tax revenue is based on a sales tax proposition (Measure A) that allocates a portion of the sales tax collected to the District for emission reduction activities and community education.

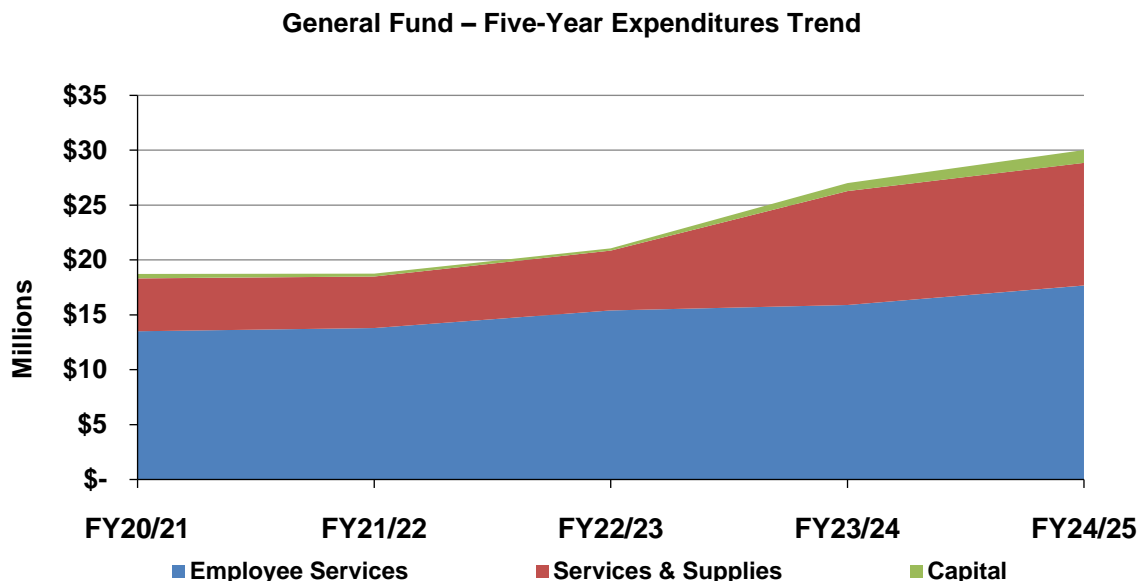
**General Fund – Five-Year Revenues Trend**



The Five-Year Expenditures Trend of the General Fund graph shown below reflects an increase in Employee Services (Salaries, Wages, and Employee Benefits) due to 1) an increase in staff Full Time Equivalents (FTE) to support expanding mandates and grant activity and 2) keeping pace with the cost of living and 3) addressing health care and pension costs. For FY24/25 Services and Supplies are expected to increase mainly due to program distributions related to a federal pass-through grant (TAG projects) and professional services expenditures to support expanded grant activity. Capital outlays will increase in FY24/25 primarily due to the completion of the Del Paso Manor air monitoring station renovation.



The following graph illustrates the five-year expenditures trend for the General Fund by classification.

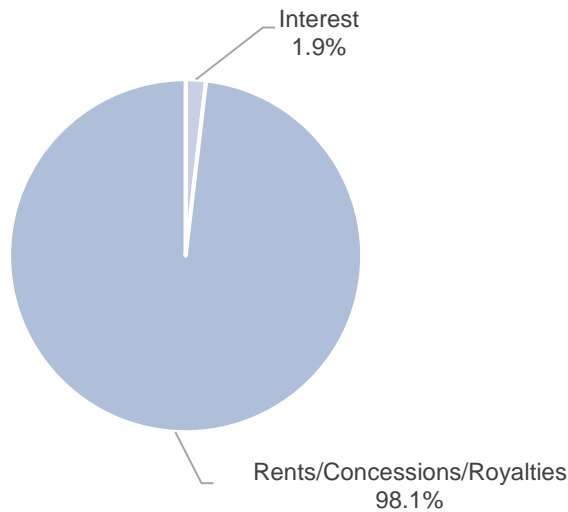


#### PROPRIETARY FUND 400

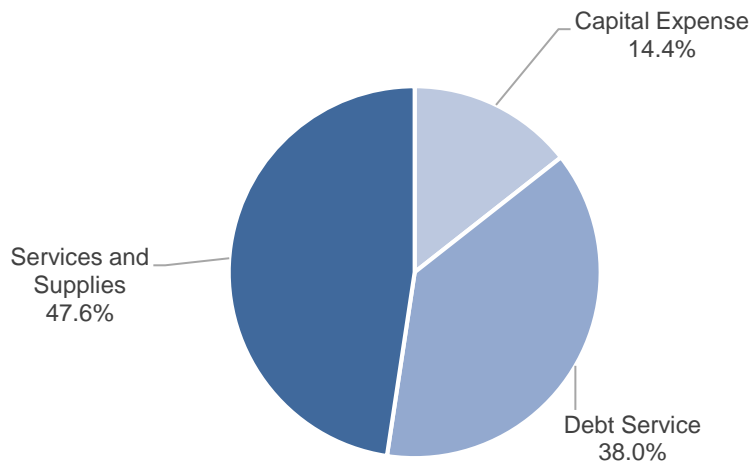
The Proprietary Fund is an Internal Service Fund that supports the financial activities of the District administration (Covell) building. The Covell Building is a three-story commercial office building, located at 777 12<sup>th</sup> Street in Sacramento, California, containing two floors of office space with paid parking on the first floor. The District moved into the building as a tenant in 1999 and purchased the building in 2002 through the issuance of the Certificates of Participation (COPs) discussed below, along with other funding. The District occupies roughly 23,000 square feet, including the entire third floor and about 4,000 square feet on the second floor. The third-party tenant that historically occupied the remaining rentable 15,000 square feet on the second floor notified the District that they would not renew their two leases. As a result, the District evaluated several options for the overall Covell Building and decided to sell the building and move to smaller more efficient office space. The building is currently offered for sale and the FY24/25 budget was planned on a “status quo” basis without major improvements or a third-party tenant and is assumed to breakeven.

The total FY24/25 Approved Proprietary Fund Budget is \$1.0 million in revenues (rent from the District) and \$1.0 million in expenditures. The following are charts detailing the revenues and expenditures by classification as a percentage of the total Proprietary Fund Budget.

### Proprietary Fund Budget – Revenues by Classification (\$1.0 million)



### Proprietary Fund Budget – Expenditures by Classification (\$1.0 million)



In FY24/25, the District's share of building rent will decrease by \$12,193 (from \$1,000,567 to \$988,374). Total FY24/25 parking rent of \$67,460 is expected to remain stable with the FY23/24 projected parking income. Overall, rent revenue, which accounts for nearly all Proprietary Fund revenues, is projected to decrease by \$94,168 over FY23/24 budgeted rent revenue. The decrease in rent revenue is due to the third-party tenant in the building opting to not renew their leases. The budget expenditures are comprised of \$512,234 for services and supplies (day-to-day operating expenses), \$155,000 for capital expenses, and \$408,600 for debt service. Expenses are projected to decrease by \$794,165 over the prior year's budget; this change is primarily due to a decrease of \$800,000 in capital expenses, offset by a combined increase of \$5,835 in Services and Supplies and Debt service costs. The decrease in capital outlay is mainly because the FY23/24 budget included \$700,000 in leasehold improvements for the District portion of the building to facilitate a hybrid workplace. This project was not initiated due to the decision to sell the building.

**Debt Service**

The District issued \$5,835,000 worth of Certificates of Participation (COPs) in February 2002 and refinanced the original COPs in March of 2012. The new COPs, issued by California Special District Association Finance Corporation, were issued for \$4,350,000, with the interest rates ranging from 3.0% to 4.0% and a bond premium of \$72,382 to be amortized over the life of the COPs. The debt is supported by rent paid by the District. The rent expense in the General Fund is projected to be stable over the remaining life of the debt. Upon sale of the building, the debt will be paid off; there is no penalty for early payoff of the COPs.

The District may “incur” long-term debt, such as the purchase of real property, but is not authorized to “issue” long-term debt. The District does not have a formal debt issuance policy with criteria such as debt limits and the level of authority required to incur new debt. The District’s only long-term debt is for the purchase of its building, and the financial activity is recorded in the Proprietary Fund. The District does not anticipate incurring any additional long-term debt at this time.

The principal balance outstanding on June 30, 2025, will be \$1,150,000. In FY24/25, a \$370,000 principal payment will be made. The purchase obligation will be fully paid off in FY26/27 unless it is extinguished upon the sale of the building. The principal and interest payments are included in the Proprietary Fund budget. The certificates mature as shown in the table below:

**Debt Repayment Schedule**

Fiscal Year Ending June 30	Principal	Interest	Total
2025	370,000	38,600	408,600
2026	385,000	23,500	408,500
2027	395,000	7,900	402,900
Totals	\$ 1,150,000	\$ 70,000	\$ 1,220,000

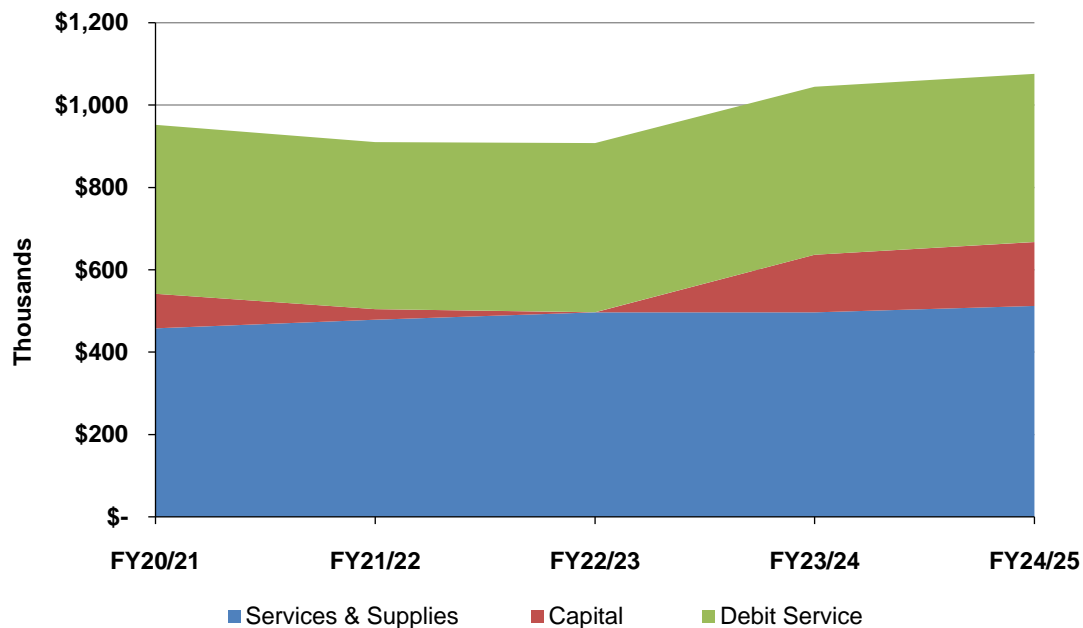
**Proprietary Fund Trends**

Building revenues consist primarily of tenant rents. There is also revenue generated from daily/monthly parking passes, though this is less than 1% of the total revenue. The Approved FY24/25 tenant rent decreases by approximately \$194,365 from the FY23/24 projected tenant rent. In the past, the third-party tenant leased two spaces in the building. The tenant opted to not renew the leases at expiration and as a result, tenant rent decreased for FY24/25.

**Proprietary Fund – Five-Year Trend of Rent Revenues**

Account	FY20/21 Actuals	FY21/22 Actuals	FY22/23 Actuals	FY23/24 Projection	FY24/25 Approved
District Rent	\$ 871,025	\$ 818,650	\$ 991,211	\$ 1,068,215	\$ 1,055,834
Tenant Rent	323,157	336,012	358,510	181,984	-
<b>Total Rents</b>	<b>\$ 1,194,182</b>	<b>\$ 1,154,662</b>	<b>\$ 1,349,721</b>	<b>\$ 1,250,199</b>	<b>\$ 1,055,834</b>

### Proprietary Fund – Five-Year Trend of Services and Supplies, Capital Expense, and Debt Service



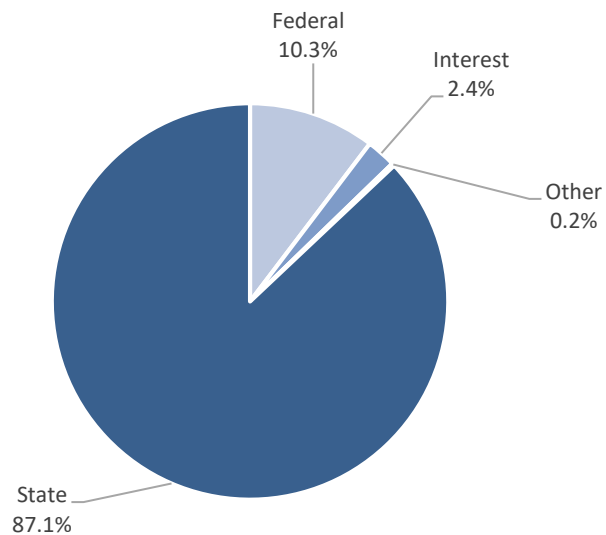
Capital expenses in FY24/25 include funding for potential systems (HVAC) replacements and a relatively minor amount for other unexpected capital improvement projects.

### SPECIAL REVENUE FUND 500

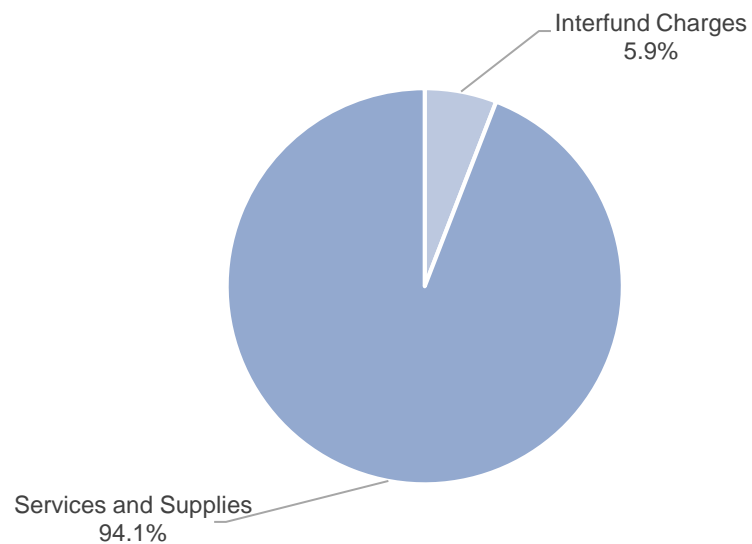
The Special Revenue Fund accounts for the financial activity of restricted funds, generally reflecting grants to provide businesses with incentive funds to upgrade to cleaner technology. Typical awards are made to owners of heavy and light-duty on-road vehicles, and owners of off-road equipment, such as that used in agriculture and construction, to modernize their equipment with lower or zero-emission options. Options include re-power, retrofit, and replacement of the equipment, in addition to providing funds for charging and fueling infrastructure. Awards are also made to programs such as Our Community CarShare, in which residents in disadvantaged communities have access to low- and zero-emission transit options, and Clean Cars 4 All, which provides incentives for income-qualified individuals to purchase or lease an electric vehicle.

The total FY24/25 Approved Special Revenue Fund Budget is \$31.0 million in revenues and \$36.5 million in expenditures. Below are charts detailing the revenues and expenditures by classification as a percentage of the total Special Revenue Fund budget.

**Special Revenue Fund – Revenues by Classification (\$31.0 million)**



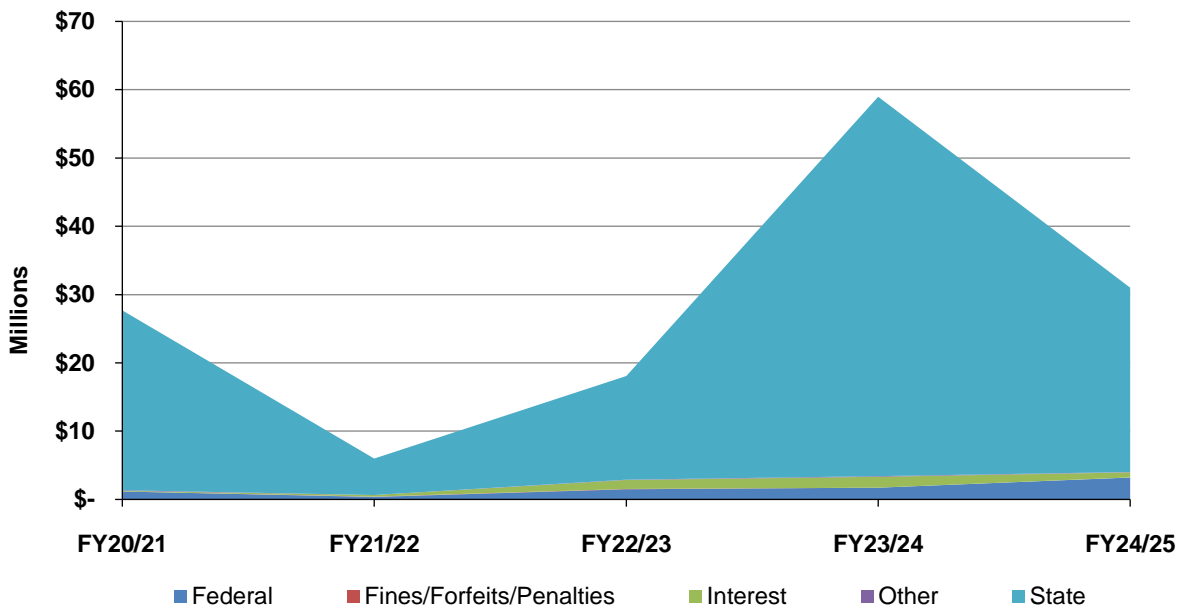
**Special Revenue Fund – Expenditures by Classification (\$36.5 million)**



### Special Revenue Trends

The majority of Special Revenue Funds are from DMV registration fee surcharges (DMV), and state and federal grants including Moyer, GMERP Heavy Duty Trucks & Locomotive, Community Air Protection Program (CAPP), Clean Cars 4 All (CC4A), SECAT Phase III, and SECAT Green Region. Funding for the Special Revenue Fund is much more volatile than the General or Proprietary Funds due to one-time grants, the nature of funding received, and the timing of disbursements. DMV and Moyer (included in the State revenue) are relatively stable and ongoing revenue streams. However, historically one-time grants, such as GMERP (State revenue) and SECAT (Federal revenue), can vary in amount over time. The increase in revenues for FY23/24 reflects additional State grant funding (mainly CAPP, CC4A, and a one-time CalSTA funding). The following graph illustrates the five-year trend of the Special Revenue Fund revenues by account type.

**Special Revenue Fund – Five-Year Revenues Trend**

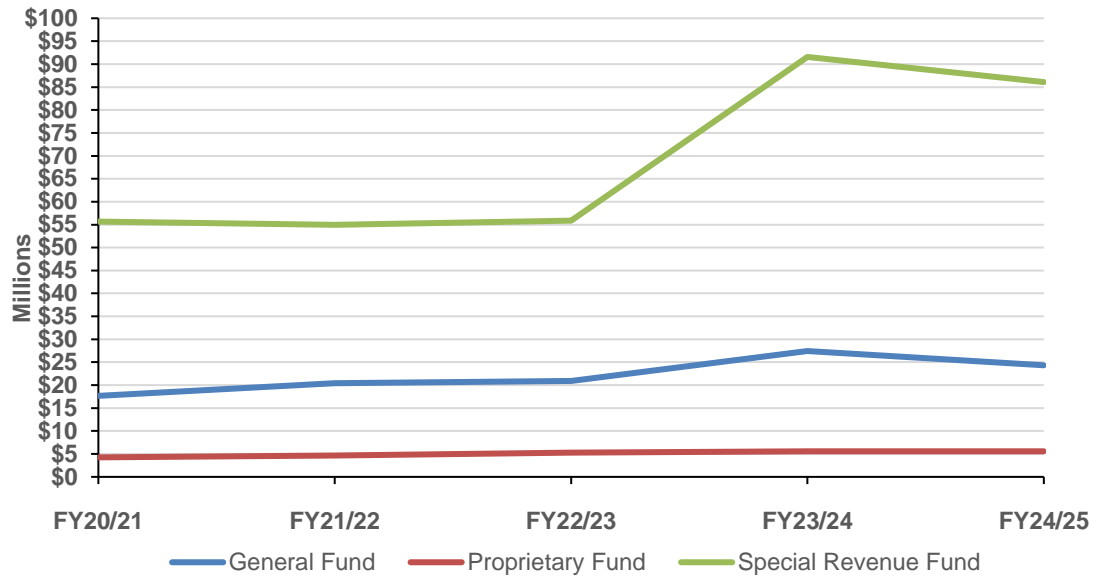


### FUND BALANCE

The District closely manages each fund balance to ensure they remain at adequate and sustainable levels. The fund balance for the General Fund gradually increased over recent years as the District implemented steps to cautiously manage expenses, particularly during the economic uncertainty of the COVID-19 pandemic. These steps included temporarily keeping vacant positions open and reducing professional services and capital expenditures. In FY24/25 and beyond, the District anticipates there will be increases in employee services costs, capital expense requirements, and inadequate administrative allocations for implementing grant-related programs. Management will closely evaluate and prioritize District programs to ensure resources are allocated appropriately to continue the essential functions of the District while pursuing additional funding.

The Proprietary Fund is stable with the revenues from building rent covering the recurring operating and capital expenses. The Special Revenue Fund is more fluid with the fluctuation of state and federal revenues, mainly representing one-time grants for the incentive program. Large multi-year federal and state grants temporarily increase the fund balance. These funds are restricted to specific grant projects and are expected to be fully expended. The graph below shows the fund balance trends for each of the Funds and the District overall.

### All Funds - Five-Year Trend of Fund Balances by Fund



## SECTION 6 - Budget Schedules

This section presents budget schedules for the District Budget and each of the District funds. The budget tables show the FY22/23 Actuals, the FY23/24 Approved Budget, the FY23/24 Projection, the FY24/25 Approved Budget, as well as the variance between the FY23/24 Approved and FY24/25 Approved Budgets.

Also included in this section are the schedules for FY24/25 Approved Capital Expenses and the Summary of Financial Sources, Uses, and Fund Balance, which shows the projected year-end fund balance for the current year and FY24/25.

### DISTRICT BUDGET

#### District Budget – Summary of Revenues, Expenditures and Budgeted Fund Balances

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Revenues</b>					
Federal	\$ 4,075,034	\$ 8,911,056	\$ 8,610,552	\$ 9,674,793	\$ 763,737
Fees & Licenses	9,799,468	9,379,397	9,721,015	9,953,047	573,650
Fines/Forfeits/Penalties	304,037	350,000	255,700	250,000	(100,000)
Interest	1,700,614	950,000	2,057,000	1,020,000	70,000
Local Government	276,582	36,533	131,533	121,851	85,318
Other	83,611	83,962	106,121	84,962	1,000
Rents/Concessions/Royalties	1,349,721	1,150,002	1,250,199	1,055,834	(94,168)
Sales/Use Tax	2,569,539	2,590,825	2,590,825	2,584,321	(6,504)
State	20,874,232	33,655,842	69,123,703	34,295,324	639,482
<b>Revenues Total</b>	<b>\$ 41,032,838</b>	<b>\$ 57,107,617</b>	<b>\$ 93,846,648</b>	<b>\$ 59,040,132</b>	<b>\$ 1,932,515</b>
<b>Expenses</b>					
Salaries and Wages	\$ 11,492,787	\$ 12,822,050	\$ 12,473,038	\$ 13,642,460	\$ 820,410
Employee Benefits	4,832,575	5,589,552	5,451,886	6,175,562	586,010
Services and Supplies	21,997,746	37,713,900	32,129,366	46,047,833	8,333,935
Capital Expense	221,024	2,193,500	869,066	1,323,000	(870,500)
Debt Service	410,591	408,100	408,100	408,600	500
<b>Expenses Total</b>	<b>\$ 38,954,722</b>	<b>\$ 58,727,102</b>	<b>\$ 51,331,456</b>	<b>\$ 67,597,455</b>	<b>\$ 8,870,355</b>
<b>Fund Balance Source / (Use)</b>	<b>\$ 2,078,116</b>	<b>\$ (1,619,485)</b>	<b>\$ 42,515,192</b>	<b>\$ (8,557,323)</b>	



**GENERAL FUND BUDGET****General Fund 100 – Summary of Revenues, Expenditures and Budgeted Fund Balances**

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Revenues</b>					
Federal	\$ 2,575,872	\$ 5,461,056	\$ 6,885,552	\$ 6,468,833	\$ 1,007,777
Fees & Licenses	9,799,468	9,379,397	9,721,015	9,953,047	573,650
Fines/Forfeits/Penalties	270,176	350,000	250,000	250,000	(100,000)
Interest	349,456	191,865	390,000	250,000	58,135
Local Government	276,582	36,533	131,533	121,851	85,318
Other	19,237	17,524	24,683	18,524	1,000
Sales/Use Tax	2,569,539	2,590,825	2,590,825	2,584,321	(6,504)
State	5,709,931	7,070,033	13,571,206	7,295,528	225,495
<b>Revenues Total</b>	<b>\$ 21,570,261</b>	<b>\$ 25,097,233</b>	<b>\$ 33,564,814</b>	<b>\$ 26,942,104</b>	<b>\$ 1,844,871</b>
<b>Expenses</b>					
Salaries and Wages	\$ 11,492,787	\$ 12,822,050	\$ 12,473,038	\$ 13,642,460	\$ 820,410
Employee Benefits	4,832,575	5,589,552	5,451,886	6,175,562	586,010
Services and Supplies	5,435,112	10,290,233	10,405,058	11,180,818	890,585
Capital Expense	221,024	1,238,500	729,066	1,168,000	(70,500)
Interfund Charges	(909,730)	(2,115,503)	(2,039,139)	(2,146,641)	(31,138)
<b>Expenses Total</b>	<b>\$ 21,071,768</b>	<b>\$ 27,824,832</b>	<b>\$ 27,019,909</b>	<b>\$ 30,020,199</b>	<b>\$ 2,195,367</b>
<b>Source / (Use) Fund Balance</b>	<b>\$ 498,493</b>	<b>\$ (2,727,599)</b>	<b>\$ 6,544,905</b>	<b>\$ (3,078,095)</b>	

## General Fund 100 – Revenues by Account

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Revenues</b>					
<b>Federal</b>					
EPA 103	\$ 42,895	\$ 78,800	\$ 128,000	\$ 128,000	\$ 49,200
EPA 105	1,138,908	1,150,000	1,199,943	1,199,943	49,943
Federal	636,976	3,461,836	4,687,189	4,440,890	979,054
FHW-CMAQ	757,093	770,420	870,420	700,000	(70,420)
<b>Subtotal Federal</b>	<b>2,575,872</b>	<b>5,461,056</b>	<b>6,885,552</b>	<b>6,468,833</b>	<b>1,007,777</b>
<b>Fees &amp; Licenses</b>					
Ag Burn	24,995	22,000	28,000	12,000	(10,000)
Asbestos	418,273	356,000	214,500	218,000	(138,000)
Fees & Licenses	14,333	5,860	20,507	22,292	16,432
Mitigation Fees	285,431	274,632	133,730	150,000	(124,632)
Rule 301	8,631,979	8,300,000	8,900,000	9,100,000	800,000
SEED Loan-Non Labor	3,404	43,000	48,166	36,051	(6,949)
SEED Renewal	59,403	71,447	62,112	64,704	(6,743)
Title V	151,980	101,553	90,000	120,000	18,447
Toxics AB2588	209,670	204,905	224,000	230,000	25,095
<b>Subtotal Fees &amp; Licenses</b>	<b>9,799,468</b>	<b>9,379,397</b>	<b>9,721,015</b>	<b>9,953,047</b>	<b>573,650</b>
<b>Fines/Forfeits/Penalties</b>					
Fines/Forfeits/Penalties	270,176	350,000	250,000	250,000	(100,000)
<b>Subtotal Fines/Forfeits/Penalties</b>	<b>270,176</b>	<b>350,000</b>	<b>250,000</b>	<b>250,000</b>	<b>(100,000)</b>
<b>Interest</b>					
Interest Earned	349,456	191,865	390,000	250,000	58,135
<b>Subtotal Interest</b>	<b>349,456</b>	<b>191,865</b>	<b>390,000</b>	<b>250,000</b>	<b>58,135</b>
<b>Local Government</b>					
Local Government	276,582	36,533	131,533	121,851	85,318
<b>Subtotal Local Government</b>	<b>276,582</b>	<b>36,533</b>	<b>131,533</b>	<b>121,851</b>	<b>85,318</b>
<b>Other</b>					
Other	19,237	17,524	24,683	18,524	1,000
<b>Subtotal Other</b>	<b>19,237</b>	<b>17,524</b>	<b>24,683</b>	<b>18,524</b>	<b>1,000</b>
<b>Sales/Use Tax</b>					
Sales/Use Tax	2,569,539	2,590,825	2,590,825	2,584,321	(6,504)
<b>Subtotal Sales/Use Tax</b>	<b>2,569,539</b>	<b>2,590,825</b>	<b>2,590,825</b>	<b>2,584,321</b>	<b>(6,504)</b>
<b>State</b>					
ARB Oil & Gas	42,000	42,000	42,000	42,000	-
ARB PERP	174,189	180,000	255,401	260,000	80,000
ARB Subvention	359,033	359,033	362,000	362,000	2,967
DMV	5,122,126	5,200,000	5,200,000	5,260,000	60,000
State	12,583	1,289,000	7,711,805	1,371,528	82,528
<b>Subtotal State</b>	<b>5,709,931</b>	<b>7,070,033</b>	<b>13,571,206</b>	<b>7,295,528</b>	<b>225,495</b>
<b>Revenues Total</b>	<b>\$ 21,570,261</b>	<b>\$ 25,097,233</b>	<b>\$ 33,564,814</b>	<b>\$ 26,942,104</b>	<b>\$ 1,844,871</b>

## General Fund 100 – Expenses by Account

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Expenses</b>					
<b>Salaries and Wages</b>					
Salaries & Wages-Extra Help	\$ 64,140	\$ 98,388	\$ 73,461	\$ 144,769	\$ 46,381
Salaries & Wages-OT	75,281	68,432	64,111	92,535	24,103
Salaries & Wages-Premium Pay	61,189	61,132	68,115	63,327	2,195
Salaries & Wages-Regular	11,292,176	12,594,098	12,267,351	13,341,829	747,731
<b>Subtotal Salaries and Wages</b>	<b>11,492,787</b>	<b>12,822,050</b>	<b>12,473,038</b>	<b>13,642,460</b>	<b>820,410</b>
<b>Employee Benefits</b>					
Employee Assistance Program	3,327	5,000	5,000	5,000	-
FICA/Medicare-Employer OASDHI	808,374	919,288	894,361	978,908	59,620
Group Insurance	1,561,804	1,893,336	1,845,053	2,036,257	142,921
OPEB GASB 68	700	700	700	700	-
Retirement	2,347,114	2,619,767	2,553,573	3,001,030	381,263
Unemployment-SUI	12,265	26,461	26,461	28,667	2,206
Workers Compensation Insurance	98,991	125,000	126,738	125,000	-
<b>Subtotal Employee Benefits</b>	<b>4,832,575</b>	<b>5,589,552</b>	<b>5,451,886</b>	<b>6,175,562</b>	<b>586,010</b>
<b>Services and Supplies</b>					
<b>Subtotal Services and Supplies</b>	<b>5,435,112</b>	<b>10,290,233</b>	<b>10,405,058</b>	<b>11,180,818</b>	<b>890,585</b>
<b>Capital Expense</b>					
FA-Computer & Network	22,514	75,000	75,000	82,000	7,000
FA-Lab Equipment	168,767	388,500	235,000	231,000	(157,500)
FA-Monitoring Structures	19,582	595,000	75,000	655,000	60,000
FA-Vehicles	10,161	180,000	344,066	200,000	20,000
<b>Subtotal Capital Expense</b>	<b>221,024</b>	<b>1,238,500</b>	<b>729,066</b>	<b>1,168,000</b>	<b>(70,500)</b>
<b>Interfund Charges</b>					
Transfer-In	(909,730)	(2,115,503)	(2,039,139)	(2,146,641)	(31,138)
<b>Subtotal Interfund Charges</b>	<b>(909,730)</b>	<b>(2,115,503)</b>	<b>(2,039,139)</b>	<b>(2,146,641)</b>	<b>(31,138)</b>
<b>Expenses Total</b>	<b>\$ 21,071,768</b>	<b>\$ 27,824,832</b>	<b>\$ 27,019,909</b>	<b>\$ 30,020,199</b>	<b>\$ 2,195,367</b>

Note: Services and Supplies expenses by account are presented on the next page.

## General Fund 100 – Expenses by Account (Continued)

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Expenses</b>					
<b>Services and Supplies</b>					
Advertising, Comm & Outreach	\$ 1,005,071	\$ 1,074,500	\$ 1,044,511	\$ 1,028,236	\$ (46,264)
Alternative Transit	18,920	31,410	20,830	25,550	(5,860)
Banking & Finance	1,158	3,620	1,235	2,435	(1,185)
Books/Periodicals/Subscriptions	29,424	29,029	27,779	32,173	3,144
Breakroom Supplies	1,454	1,800	1,500	1,800	-
Business Meetings	158,285	168,150	137,248	233,400	65,250
Collaborations	80,508	147,000	90,726	102,000	(45,000)
Document Storage & Handling	34,795	32,000	33,000	33,200	1,200
Education & Training	33,396	97,050	98,979	144,900	47,850
Food	397	-	33	-	-
Fuel & Lubricants	16,914	20,300	16,100	16,680	(3,620)
Internship	7,375	7,375	7,400	8,000	625
IS Data Processing Services	38,491	46,400	47,900	49,400	3,000
IS Hardware	64,539	93,350	93,350	146,444	53,094
IS Internet	33,289	34,840	34,800	36,232	1,392
IS Mobile Devices/Services	46,415	36,360	44,499	51,962	15,602
IS SaaS-Software as a Service	403,054	1,100,334	666,949	717,499	(382,835)
IS Software	75,005	117,623	118,725	87,337	(30,286)
IS Supplies	13,260	16,000	15,563	15,564	(436)
Lab Analysis	18,922	130,000	57,000	106,000	(24,000)
Laboratory Equipment & Supplies	58,721	68,000	57,000	68,000	-
Legal Services	6,801	61,000	61,000	33,000	(28,000)
Legislative Advocacy	60,700	66,250	66,250	66,250	-
Maintenance & Repairs	23,645	38,500	20,600	27,000	(11,500)
Medical Services	694	3,000	3,000	3,000	-
Membership Dues	46,529	49,444	50,874	64,140	14,696
Mileage/Parking	30,885	33,370	31,710	32,510	(860)
Miscellaneous	1,221	100	(20)	100	-
Office Equipment/Furniture	378	13,500	7,000	8,500	(5,000)
Office Services	525	1,000	1,000	1,000	-
Office Supplies	(662)	9,000	5,813	8,500	(500)
Postage/Shipping/Messenger	10,623	13,750	16,400	18,950	5,200
Printing	4,988	8,700	7,200	10,200	1,500
Prof Svc-Consulting	1,179,714	1,874,500	1,896,387	2,420,650	546,150
Program Distribution-EPA Grant	512,107	3,278,836	4,032,525	3,863,031	584,195
Property & Liability Insurance	205,417	227,650	252,300	298,700	71,050
Property Management	14,211	25,000	10,000	25,000	-
Public Notices	2,618	32,800	19,075	28,750	(4,050)
Recognition	9,363	13,550	13,900	21,300	7,750
Recording Fees	-	200	100	200	-
Recruitment	9,867	10,000	42,000	10,000	-
Rent/Lease-Equipment	74,803	81,635	77,825	79,835	(1,800)
Rent/Lease-Real Property	973,497	1,021,327	1,014,572	1,005,834	(15,493)
Safety Supplies	4,406	7,000	3,100	5,000	(2,000)
Stipends	9,500	20,100	21,200	63,600	43,500
Telephone Services	26,124	27,180	25,300	24,936	(2,244)
Temporary Staffing	-	20,000	50,000	80,000	60,000
Tools/Small Equipment	35,733	30,200	3,320	6,120	(24,080)
Utilities	15,441	22,000	18,000	20,400	(1,600)
Vehicle Maintenance	36,590	45,500	39,500	47,500	2,000
<b>Subtotal Services and Supplies</b>	<b>5,435,112</b>	<b>10,290,233</b>	<b>10,405,058</b>	<b>11,180,818</b>	<b>890,585</b>

**PROPRIETARY FUND BUDGET****Proprietary Fund 400 – Summary of Revenues, Expenditures and Budgeted Fund Balances**

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Revenues</b>					
Interest	\$ 52,346	\$ 20,000	\$ 67,000	\$ 20,000	\$ -
Rents/Concessions/Royalties	1,349,721	1,150,002	1,250,199	1,055,834	(94,168)
<b>Revenues Total</b>	<b>\$ 1,402,068</b>	<b>\$ 1,170,002</b>	<b>\$ 1,317,199</b>	<b>\$ 1,075,834</b>	<b>\$ (94,168)</b>
<b>Expenses</b>					
Services and Supplies	\$ 496,965	\$ 506,901	\$ 496,306	\$ 512,234	\$ 5,335
Capital Expense	-	955,000	140,000	155,000	(800,000)
Debt Service	410,591	408,100	408,100	408,600	500
<b>Expenses Total</b>	<b>\$ 907,556</b>	<b>\$ 1,870,001</b>	<b>\$ 1,044,406</b>	<b>\$ 1,075,834</b>	<b>\$ (794,165)</b>
<b>Fund Balance Source / (Use)</b>	<b>\$ 494,512</b>	<b>\$ (699,999)</b>	<b>\$ 272,793</b>	<b>\$ 0</b>	

**Proprietary Fund 400 – Revenues and Expenses by Account**

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Revenues</b>					
<b>Interest Earned</b>					
Interest Earned	\$ 52,346	\$ 20,000	\$ 67,000	\$ 20,000	\$ -
<b>Subtotal Interest</b>	<b>52,346</b>	<b>20,000</b>	<b>67,000</b>	<b>20,000</b>	<b>-</b>
<b>Rents/Concessions/Royalties</b>					
Parking	81,461	70,660	67,648	67,460	(3,200)
Rents/Concessions/Royalties	1,268,260	1,079,342	1,182,552	988,374	(90,968)
<b>Subtotal Rents/Concessions/Royalties</b>	<b>1,349,721</b>	<b>1,150,002</b>	<b>1,250,199</b>	<b>1,055,834</b>	<b>(94,168)</b>
<b>Revenues Total</b>	<b>\$ 1,402,068</b>	<b>\$ 1,170,002</b>	<b>\$ 1,317,199</b>	<b>\$ 1,075,834</b>	<b>\$ (94,168)</b>
<b>Expenses</b>					
<b>Services and Supplies</b>					
Banking & Finance	\$ 2,173	\$ -	\$ 2,173	\$ 2,173	\$ -
Maintenance & Repairs	31,465	43,900	35,971	35,663	(8,235)
Mileage/Parking	178,296	160,000	157,378	160,000	-
Office Equipment/Furniture	1,421	2,500	1,600	785	(1,715)
Office Services	84,451	87,036	86,009	86,578	1,715
Prof Svc-Consulting	2,600	-	-	-	-
Property & Liability Insurance	38,307	44,052	46,000	54,000	9,948
Property Management	24,000	26,000	24,000	24,000	(2,000)
Security	19,776	26,090	23,266	23,960	(2,130)
Tax/Lic/Assessment	3,634	3,700	3,667	3,851	151
Utilities	110,842	113,623	116,242	121,224	7,601
<b>Subtotal Services and Supplies</b>	<b>496,965</b>	<b>506,901</b>	<b>496,306</b>	<b>512,234</b>	<b>5,335</b>
<b>Capital Expense</b>					
FA-Leasehold Improvement	-	955,000	140,000	155,000	(800,000)
<b>Subtotal Capital Expense</b>	<b>-</b>	<b>955,000</b>	<b>140,000</b>	<b>155,000</b>	<b>(800,000)</b>
<b>Debt Service</b>					
Interest Expense	65,591	53,100	53,100	38,600	(14,500)
Principal	345,000	355,000	355,000	370,000	15,000
<b>Subtotal Debt Service</b>	<b>410,591</b>	<b>408,100</b>	<b>408,100</b>	<b>408,600</b>	<b>500</b>
<b>Expenses Total</b>	<b>\$ 907,556</b>	<b>\$ 1,870,001</b>	<b>\$ 1,044,406</b>	<b>\$ 1,075,834</b>	<b>\$ (794,165)</b>

**SPECIAL REVENUE FUND BUDGET****Special Revenue Fund 500 – Summary of Revenues, Expenditures and Budgeted Fund Balances**

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Revenues</b>					
Federal	\$ 1,499,161	\$ 3,450,000	\$ 1,725,000	\$ 3,205,960	\$ (244,040)
Fines/Forfeits/Penalties	33,862	-	5,700	-	-
Interest	1,298,812	738,135	1,600,000	750,000	11,865
Other	64,374	66,438	81,438	66,438	-
State	15,164,301	26,585,809	55,552,497	26,999,796	413,987
<b>Revenues Total</b>	<b>\$ 18,060,510</b>	<b>\$ 30,840,382</b>	<b>\$ 58,964,635</b>	<b>\$ 31,022,194</b>	<b>\$ 181,812</b>
<b>Expenses</b>					
Interfund Charges	\$ 909,730	\$ 2,115,503	\$ 2,039,139	\$ 2,146,641	\$ 31,138
Services and Supplies	16,065,669	26,916,766	21,228,002	34,354,781	7,438,015
<b>Expenses Total</b>	<b>\$ 16,975,398</b>	<b>\$ 29,032,269</b>	<b>\$ 23,267,141</b>	<b>\$ 36,501,422</b>	<b>\$ 7,469,153</b>
<b>Fund Balance Source / (Use)</b>	<b>\$ 1,085,111</b>	<b>\$ 1,808,113</b>	<b>\$ 35,697,494</b>	<b>\$ (5,479,228)</b>	

**Special Revenue Fund 500 – Revenues and Expenses by Account**

Classification Account	FY22/23 Actuals	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Revenues</b>					
<b>Federal</b>					
FHW-SECAT	\$ 1,499,161	\$ 3,450,000	\$ 1,725,000	\$ 3,205,960	\$ (244,040)
<b>Fines/Forfeits/Penalties</b>					
Fines/Forfeits/Penalties	33,862	-	5,700	-	-
<b>Interest</b>					
Interest Earned	1,298,812	738,135	1,600,000	750,000	11,865
<b>Other</b>					
Auction	64,374	66,438	81,438	66,438	-
<b>State</b>					
DMV	2,561,063	2,600,000	2,600,000	2,600,000	-
State	12,603,238	23,985,809	52,952,497	24,399,796	413,987
<b>Revenues Total</b>	<b>\$ 18,060,510</b>	<b>\$ 30,840,382</b>	<b>\$ 58,964,635</b>	<b>\$ 31,022,194</b>	<b>\$ 181,812</b>
<b>Expenses</b>					
<b>Services and Supplies</b>					
Incentive Projects	\$ 15,859,020	\$ 26,801,766	\$ 21,113,002	\$ 34,054,781	\$ 7,253,015
Prof Svc-Consulting	206,649	115,000	115,000	300,000	185,000
<b>Interfund Charges</b>					
Transfer-Out	909,730	2,115,503	2,039,139	2,146,641	31,138
<b>Expenses Total</b>	<b>\$ 16,975,398</b>	<b>\$ 29,032,269</b>	<b>\$ 23,267,141</b>	<b>\$ 36,501,422</b>	<b>\$ 7,469,153</b>

**CAPITAL EXPENSES BUDGET****Capital Expenses – by Fund**

Fund Description		FY24/25 Approved
<b>100 General</b>		
New vehicle replacements	\$	200,000
PM10 continuous		30,000
Storage array		16,500
Storage server for storage Array		5,500
Simplivity node		60,000
Data logger		8,000
Chart recorder		22,000
FEM BAM1020		50,000
H2 generator		10,000
N2 generator		10,000
Ozone analyzer		30,000
Transfer standard		30,000
Zero air generator		15,000
Non-Methane hydrocarbon analyzer		26,000
A/C unit replacement		20,000
DPM finish replacement		610,000
DPM construction		25,000
<b>100 General Subtotal</b>		<b>1,168,000</b>
<b>400 Proprietary</b>		
HVAC replacements	\$	115,000
Miscellaneous - annual improvements		40,000
<b>400 Proprietary Subtotal</b>		<b>155,000</b>
<b>Capital Expenses Total</b>	<b>\$</b>	<b>1,323,000</b>

**SUMMARY OF FINANCIAL SOURCES, USES, AND FUND BALANCE**

Fund	Type	Fund Balance 06/30/23	FY23/24 Projected Revenues	FY23/24 Projected Expenditures	Fund Balance Sources (Uses)	Projected Fund Balance 06/30/24
100	General Fund	\$ 20,895,504	\$ 33,564,814	\$ 27,019,909	\$ 6,544,905	\$ 27,440,409
400	Proprietary Fund	5,302,609	1,317,199	1,044,406	272,793	5,575,402
500	Special Revenue Fund	55,863,979	58,964,635	23,267,141	35,697,494	91,561,473
<b>Total</b>		<b>\$ 82,062,092</b>	<b>\$ 93,846,648</b>	<b>\$ 51,331,456</b>	<b>\$ 42,515,192</b>	<b>\$ 124,577,284</b>

Fund	Type	Projected Fund Balance 06/30/24	FY24/25 Approved Revenues	FY24/25 Approved Expenditures	Fund Balance Sources (Uses)	Projected Fund Balance 06/30/25
100	General Fund	\$ 27,440,409	\$ 26,942,104	\$ 30,020,199	\$ (3,078,095)	\$ 24,362,314
400	Proprietary Fund	5,575,402	1,075,834	1,075,834	0	5,575,402
500	Special Revenue Fund	91,561,473	31,022,194	36,501,422	(5,479,228)	86,082,245
<b>Total</b>		<b>\$ 124,577,284</b>	<b>\$ 59,040,132</b>	<b>\$ 67,597,455</b>	<b>\$ (8,557,323)</b>	<b>\$ 116,019,961</b>

The increase in the FY23/24 General Fund fund balance is mainly because of the \$5.4 million of project revenue from the CERP grant that will be recognized upon receipt before June 30, 2024. Expenditures to support the two-year grant will be funded in subsequent years from the revenues received in FY23/24. The increase in the FY23/24 Special Revenue Fund fund balance is primarily due to the timing of revenue for CAPP and CC4A incentives and a hydrogen locomotive project (CalSTA).

The use of fund balance in the General Fund for FY24/25 is primarily due to expenditures for the CERP grant and to a lesser extent recurring operational costs exceeding annual revenue increases. The FY24/25 fund balance decrease for the Special Revenue Fund is due to the normal variation in receipt and disbursement of incentive grant funds.



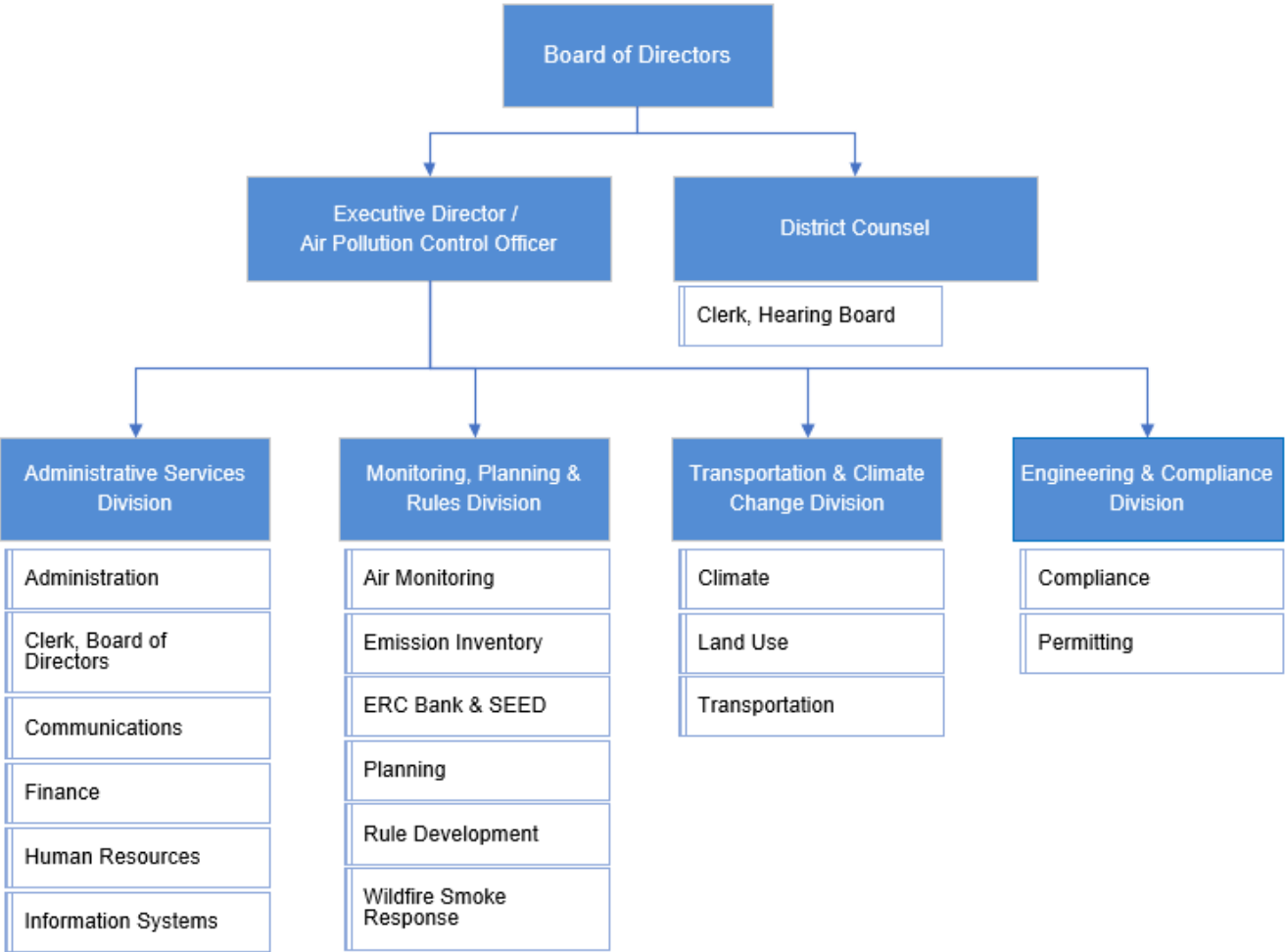
# SECTION 7 - Organizational Overview

This section includes the District’s organizational structure, staffing and pay schedules, division budgets, as well as division functions, program summaries, key initiatives for FY24/25 as well as major accomplishments. The District is organized into divisions that administer various programs and undertake initiatives to support the District’s mission and strategic goals.

## ORGANIZATIONAL STRUCTURE

The District Governing Board is composed of 14 members, including all five Sacramento County Supervisors, four members of the Sacramento City Council, one member each from the Cities of Citrus Heights, Elk Grove, Folsom, and Rancho Cordova, and one member representing the cities of Galt and Isleton. The Board appoints the agency’s Executive Director/APCO and District Counsel. The District’s organizational structure is comprised of the offices of the Executive Director (EXEC) and the District Counsel (DC), and four operating divisions: Administrative Services (ASD); Monitoring, Planning and Rules (MPR); Transportation & Climate Change (TCC); and Engineering and Compliance (ECD).

Organization Chart



**STAFFING**

The FY24/25 Approved Budget includes 105.8 Full Time Equivalent (FTE) positions. Each year, the District reassesses the priorities, critical needs, and funding capacity and then recommends positions to be funded in the budget. The Board amended the FY23/24 position budget, adding four FTEs, to initiate the recruitment process of critical resources; however, additional funding for the positions was not allocated at that time as salary savings were leveraged. In the FY24/25 Approved Budget, an additional four positions are included, with funding for all eight positions reflected in the FY24/25 Approved Budget. These additional resources will support expanded grant activities and operational requirements. The following two staffing schedules represent the approved FTE, first displaying positions by classification and then positions by division.

**Positions by Classification**

Classification	FY22/23 Amended	FY23/24 Approved	FY23/24 Amended	Change	FY24/25 Approved
<b>AUTHORIZED</b>					
<b>Regular</b>					
Accountant	-	-	-	1.0	1.0
Admin Supervisor/Clerk of Board	1.0	1.0	1.0	-	1.0
Administrative Specialist	4.0	4.0	4.0	-	4.0
Air Pollution Control Officer	1.0	1.0	1.0	-	1.0
Air Quality Engineer	19.0	19.0	21.0	-	21.0
Air Quality Instrument Specialist	3.0	3.0	3.0	-	3.0
Air Quality Planner/Analyst	10.0	10.0	10.0	1.0	11.0
Air Quality Specialist	21.6	21.6	22.8	1.0	23.8
Communication & Marketing Specialist	1.0	1.0	2.0	-	2.0
Controller	1.0	1.0	1.0	-	1.0
District Counsel	1.0	1.0	1.0	-	1.0
Division Director	4.0	4.0	4.0	-	4.0
Financial Analyst	1.0	1.0	1.0		1.0
Human Resource Technician	1.0	1.0	1.0	-	1.0
Human Resources Officer	1.0	1.0	1.0	-	1.0
Information Systems Analyst	3.0	3.0	3.0	-	3.0
Information Systems Manager	1.0	1.0	1.0	-	1.0
Legal Assistant	1.0	1.0	1.0	-	1.0
Office Assistant	3.0	3.0	3.0	2.0	5.0
Program Manager	5.0	5.0	5.0	-	5.0
Program Supervisor	12.0	12.0	12.0	-	12.0
Senior Accountant	1.0	1.0	1.0	-	1.0
Statistician	1.0	1.0	1.0	-	1.0
<b>Limited Term</b>					
Air Quality Engineer/Specialist/Planner	1.0	1.0	1.0	-1.0	-
<b>AUTHORIZED Total</b>	<b>97.6</b>	<b>97.6</b>	<b>101.8</b>	<b>4.0</b>	<b>105.8</b>

## Approved FY24/25 Positions by Division

Classification	ASD	DC	EXEC	MPR	ECD	TCC	Total FTE
<b>AUTHORIZED</b>							
<b>Regular</b>							
Accountant	1.0	-	-	-	-	-	1.0
Admin Supervisor/Clerk of Board	1.0	-	-	-	-	-	1.0
Administrative Specialist	4.0	-	-	-	-	-	4.0
Air Pollution Control Officer	-	-	1.0	-	-	-	1.0
Air Quality Engineer	-	-	-	4.0	11.0	6.0	21.0
Air Quality Instrument Specialist	-	-	-	3.0	-	-	3.0
Air Quality Planner/Analyst	-	-	-	3.0	-	8.0	11.0
Air Quality Specialist	-	-	-	5.0	13.8	5.0	23.8
Communication & Marketing Specialist	2.0	-	-	-	-	-	2.0
Controller	1.0	-	-	-	-	-	1.0
District Counsel	-	1.0	-	-	-	-	1.0
Division Director	1.0	-	-	1.0	1.0	1.0	4.0
Financial Analyst	1.0	-	-	-	-	-	1.0
Human Resource Technician	1.0	-	-	-	-	-	1.0
Human Resources Officer	1.0	-	-	-	-	-	1.0
Information Systems Analyst	3.0	-	-	-	-	-	3.0
Information Systems Manager	1.0	-	-	-	-	-	1.0
Legal Assistant	-	1.0	-	-	-	-	1.0
Office Assistant	3.0	-	-	-	-	2.0	5.0
Program Manager	1.0	-	-	1.0	2.0	1.0	5.0
Program Supervisor	1.0	-	-	3.0	5.0	3.0	12.0
Senior Accountant	1.0	-	-	-	-	-	1.0
Statistician	-	-	-	1.0	-	-	1.0
<b>AUTHORIZED Total</b>	<b>22.0</b>	<b>2.0</b>	<b>1.0</b>	<b>21.0</b>	<b>32.8</b>	<b>26.0</b>	<b>105.8</b>

**PAY SCHEDULE**

The following monthly pay schedule includes a cost-of-living adjustment (COLA) of 3.6% consistent with the terms of the Memorandum of Understanding between Management and the Sacramento Air District Employees' Association and the Unrepresented Personnel Resolution.

**Pay Schedule  
Effective July 1, 2024**

<b>Classification</b>	<b>Monthly</b>	
	<b>Minimum</b>	<b>Maximum</b>
Accountant	7,395.03	8,988.71
Administrative Specialist I	6,826.27	8,297.37
Administrative Specialist II	7,395.03	8,988.71
Administrative Supervisor/Clerk of the Board	8,284.19	11,082.25
Air Pollution Control Officer (contract by Board of Directors)	23,767.83	23,767.83
Air Quality Engineer (Assistant)	7,849.01	9,540.52
Air Quality Engineer (Associate)	9,116.21	11,080.81
Air Quality Instrument Specialist I	6,500.26	7,901.11
Air Quality Instrument Specialist II	7,475.58	9,086.61
Air Quality Planner/Analyst (Assistant)	7,849.01	9,540.52
Air Quality Planner/Analyst (Associate)	9,116.21	11,080.81
Air Quality Specialist (Assistant)	7,849.01	9,540.52
Air Quality Specialist (Associate)	9,116.21	11,080.81
Communications & Marketing Specialist (Assistant)	7,849.01	9,540.52
Communications & Marketing Specialist (Associate)	9,116.21	11,080.81
Controller	10,946.32	14,668.64
District Counsel (contract by Board of Directors)	23,005.20	23,005.20
Director	12,582.18	16,860.83
Financial Analyst	7,988.76	9,710.39
Human Resources Officer	8,284.19	11,082.25
Human Resources Technician I	5,305.64	6,449.04
Human Resources Technician II	6,102.06	7,417.09
Information Systems Analyst (Assistant)	7,335.01	8,915.75
Information Systems Analyst (Associate)	8,434.90	10,252.67
Information Systems Manager	10,946.32	14,668.64
Legal Assistant I	5,533.47	6,725.97
Legal Assistant II	6,086.27	7,397.90
Office Assistant I	3,678.72	4,471.51
Office Assistant II	4,125.35	5,014.39
Office Assistant III	4,620.38	5,616.10
Program Manager	10,946.32	14,668.64
Program Supervisor	9,521.89	12,760.59
Senior Accountant	7,988.76	9,710.39
Statistician	9,116.21	11,080.81

Note: In addition to the wages listed above, the District provides special compensation as follows: Directors receive a board-approved 5% management pay differential. Employees may receive incentive pay equal to 5% of their base pay if they have earned professional certifications or licenses relevant to their job, such as Professional Engineer or Certified Public Accountant or job-relevant doctorate degrees per board-approved Memorandum of Understanding.

**DIVISION BUDGETS**

The budgets for the offices of the Executive Director and District Counsel, the four operating divisions, and the Non-Departmental program are presented below. All positions are budgeted in the General Fund.

For the FY24/25 Approved Budget, The large decrease in Capital for the Non-Departmental program is due to a planned building renovation that was included in the FY23/24 Proprietary Fund budget that did not occur and is not included in the FY24/25 budget due to the decision to sell the District headquarters building. The increase in Services and Supplies for MPR is primarily due to additional federal grant passthrough payments to the TAG grant sub-recipients and increased professional services expenditures for the AB 617 CERP grant in FY24/25. For FY24/25 TCC Services and Supplies will increase as more state grant special revenue incentives will be distributed to participants.

**DISTRICTWIDE – Expenditures by Division by Classification**

Classification Account	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Administrative Services</b>				
Salaries and Wages	\$ 2,492,880	\$ 2,473,104	\$ 2,812,950	\$ 320,070
Employee Benefits	1,065,275	1,127,872	1,281,872.00	216,597
Services and Supplies	1,871,122	1,835,690	1,689,435.00	(181,687)
Capital Expense	255,000	130,562	282,000.00	27,000
<b>Subtotal Administrative Services</b>	<b>5,684,277</b>	<b>5,567,228</b>	<b>6,066,257</b>	<b>381,980</b>
<b>District Counsel</b>				
Salaries and Wages	361,713	361,022	374,721	13,008
Employee Benefits	165,943	153,237	187,038	21,095
Services and Supplies	99,958	99,938	64,563	(35,395)
<b>Subtotal District Counsel</b>	<b>627,614</b>	<b>614,197</b>	<b>626,322</b>	<b>(1,292)</b>
<b>Executive Office</b>				
Salaries and Wages	294,144	298,624	304,397	10,253
Employee Benefits	130,673	120,068	147,464	16,791
Services and Supplies	452,425	216,904	248,350	(204,075)
<b>Subtotal Executive Office</b>	<b>877,242</b>	<b>635,596</b>	<b>700,211</b>	<b>(177,031)</b>
<b>Non-Departmental</b>				
Salaries and Wages	-	-	(345,256)	(345,256)
Employee Benefits	129,500	129,501	(24,744)	(154,244)
Services and Supplies	1,748,528	1,760,738	2,060,968	312,440
Capital Expense	955,000	140,000	155,000	(800,000)
Debt Service	408,100	408,100	408,600	500
<b>Subtotal Non-Departmental</b>	<b>3,241,128</b>	<b>2,438,339</b>	<b>2,254,568</b>	<b>(986,560)</b>
<b>Monitoring, Planning and Rules</b>				
Salaries and Wages	2,654,728	2,566,451	2,718,609	63,881
Employee Benefits	1,085,232	1,005,363	1,162,180	76,948
Services and Supplies	4,362,549	4,862,617	5,399,893	1,037,344
Capital Expense	983,500	310,000	886,000	(97,500)
<b>Subtotal Monitoring, Planning and Rules</b>	<b>9,086,009</b>	<b>8,744,431</b>	<b>10,166,682</b>	<b>1,080,673</b>
<b>Engineering and Compliance</b>				
Salaries and Wages	3,959,447	3,856,628	4,435,334	475,887
Employee Benefits	1,682,386	1,781,500	2,015,863	333,477
Services and Supplies	1,044,632	553,405	659,443	(385,189)
Capital Expense	-	288,504	-	-
<b>Subtotal Engineering and Compliance</b>	<b>6,686,465</b>	<b>6,480,037</b>	<b>7,110,640</b>	<b>424,175</b>
<b>Transportation &amp; Climate Change</b>				
Salaries and Wages	3,059,138	2,917,209	3,341,705	282,567
Employee Benefits	1,330,543	1,134,345	1,405,889	75,346
Services and Supplies	28,134,686	22,800,074	35,925,181	7,790,495
<b>Subtotal Transportation &amp; Climate Change</b>	<b>32,524,367</b>	<b>26,851,628</b>	<b>40,672,775</b>	<b>8,148,408</b>
<b>Expenses Total</b>	<b>\$ 58,727,102</b>	<b>\$ 51,331,456</b>	<b>\$ 67,597,455</b>	<b>\$ 8,870,353</b>

**FUND 100 – General Fund Expenditures by Division by Classification**

Classification Account	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Administrative Services</b>				
Salaries and Wages	\$ 2,492,880	\$ 2,473,104	\$ 2,812,950	\$ 320,070
Employee Benefits	1,065,275	1,127,872	1,281,872	216,597
Services and Supplies	1,871,122	1,835,690	1,689,435	(181,687)
Capital Expense	255,000	130,562	282,000	27,000
<b>Subtotal Administrative Services</b>	<b>5,684,277</b>	<b>5,567,228</b>	<b>6,066,257</b>	<b>381,980</b>
<b>District Counsel</b>				
Salaries and Wages	361,713	361,022	374,721	13,008
Employee Benefits	165,943	153,237	187,038	21,095
Services and Supplies	99,958	99,938	64,563	(35,395)
<b>Subtotal District Counsel</b>	<b>627,614</b>	<b>614,197</b>	<b>626,322</b>	<b>(1,292)</b>
<b>Executive Office</b>				
Salaries and Wages	294,144	298,624	304,397	10,253
Employee Benefits	130,673	120,068	147,464	16,791
Services and Supplies	452,425	216,904	248,350	(204,075)
<b>Subtotal Executive Office</b>	<b>877,242</b>	<b>635,596</b>	<b>700,211</b>	<b>(177,031)</b>
<b>Non-Departmental</b>				
Salaries and Wages	-	-	(345,256)	(345,256)
Employee Benefits	129,500	129,501	(24,744)	(154,244)
Services and Supplies	1,241,627	1,264,432	1,548,734	307,107
<b>Subtotal Non-Departmental</b>	<b>1,371,127</b>	<b>1,393,933</b>	<b>1,178,734</b>	<b>(192,393)</b>
<b>Monitoring, Planning and Rules</b>				
Salaries and Wages	2,654,728	2,566,451	2,718,609	63,881
Employee Benefits	1,085,232	1,005,363	1,162,180	76,948
Services and Supplies	4,362,549	4,862,617	5,399,893	1,037,344
Capital Expense	983,500	310,000	886,000	(97,500)
<b>Subtotal Monitoring, Planning and Rules</b>	<b>9,086,009</b>	<b>8,744,431</b>	<b>10,166,682</b>	<b>1,080,673</b>
<b>Engineering and Compliance</b>				
Salaries and Wages	3,959,447	3,856,628	4,435,334	475,887
Employee Benefits	1,682,386	1,781,500	2,015,863	333,477
Services and Supplies	1,044,632	553,405	659,443	(385,189)
Capital Expense	-	288,504	-	-
<b>Subtotal Engineering and Compliance</b>	<b>6,686,465</b>	<b>6,480,037</b>	<b>7,110,640</b>	<b>424,175</b>
<b>Transportation &amp; Climate Change</b>				
Salaries and Wages	3,059,138	2,917,209	3,341,705	282,567
Employee Benefits	1,330,543	1,134,345	1,405,889	75,346
Services and Supplies	1,217,920	1,572,072	1,570,400	352,480
Interfund Charges	(2,115,503)	(2,039,139)	(2,146,641)	(31,138)
<b>Subtotal Transportation &amp; Climate Change</b>	<b>3,492,098</b>	<b>3,584,487</b>	<b>4,171,353</b>	<b>679,255</b>
<b>Expenses Total</b>	<b>\$ 27,824,832</b>	<b>\$ 27,019,909</b>	<b>\$ 30,020,199</b>	<b>\$ 2,195,367</b>

**FUND 400 – Proprietary Fund Expenditures by Division by Classification**

Classification Account	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Non-Departmental</b>				
Services and Supplies	\$ 506,901	\$ 496,306	\$ 512,234	\$ 5,333
Capital Expense	955,000	140,000	155,000	(800,000)
Debt Service	408,100	408,100	408,600	500
<b>Subtotal Non-Departmental</b>	<b>1,870,001</b>	<b>1,044,406</b>	<b>1,075,834</b>	<b>(794,167)</b>
<b>Expenses Total</b>	<b>\$ 1,870,001</b>	<b>\$ 1,044,406</b>	<b>\$ 1,075,834</b>	<b>\$ (794,167)</b>

**FUND 500 – Special Revenue Fund Expenditures by Division by Classification**

Classification Account	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
<b>Transportation &amp; Climate Change</b>				
Services and Supplies	\$ 26,916,766	\$ 21,228,002	\$ 34,354,781	\$ 7,438,015
Interfund Charges	2,115,503	2,039,139	2,146,641	31,138
<b>Subtotal Transportation &amp; Climate Change</b>	<b>29,032,269</b>	<b>23,267,141</b>	<b>36,501,422</b>	<b>7,469,153</b>
<b>Expenses Total</b>	<b>\$ 29,032,269</b>	<b>\$ 23,267,141</b>	<b>\$ 36,501,422</b>	<b>\$ 7,469,153</b>

**PROGRAM BUDGETS**

The approved District expenditures by program for each fund are shown below.

**FUND 100 – General Fund Expenditures by Program**

Program	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
Administration	\$ 1,359,285	\$ 1,256,504	\$ 1,411,910	\$ 52,625
Agricultural	148,673	130,818	219,510	70,837
Air Monitoring	3,052,001	2,293,698	2,947,368	(104,633)
Asbestos	338,080	373,460	379,249	41,169
Asbestos NOA	8,386	7,292	7,710	(676)
Board of Directors	14,051	16,601	13,901	(150)
Communications	1,227,611	1,172,346	1,163,564	(64,047)
Complaints	241,888	155,389	254,012	12,124
District Counsel	627,564	614,147	626,222	(1,342)
Emission Credit Program	42,598	14,885	41,706	(892)
Emission Inventory	344,739	274,088	313,215	(31,524)
Exchange Programs	12,912	2,687	1,500	(11,412)
Finance	1,234,523	1,215,726	1,453,459	218,936
GHG	1,134,454	1,446,803	2,021,592	887,138
Government Affairs	3,278,836	4,032,525	3,863,031	584,195
Hearing Board	8,648	8,179	6,148	(2,500)
Human Resources	434,699	492,318	442,120	7,421
Information Systems	1,392,924	1,358,073	1,508,507	115,583
Non-Departmental	1,371,127	1,393,933	1,178,734	(192,393)
PERP	23,608	31,146	39,365	15,757
Planning	1,421,522	1,365,031	2,254,533	833,011
Rule 301	5,435,098	5,506,380	5,493,201	58,103
Rule 421	246,539	246,729	245,322	(1,217)
Rule Development	773,552	634,630	644,027	(129,525)
Strategic Partners	863,166	605,590	686,260	(176,906)
Title V	160,631	170,189	206,352	45,721
Toxics AB2588	222,895	48,426	232,554	9,659
Transportation Planning & Assist	1,525,537	1,384,854	1,476,764	(48,773)
Vehicle & Equipment Technology	879,285	762,033	888,363	9,078
<b>Program Expenses Total</b>	<b>\$ 27,824,832</b>	<b>\$ 27,019,909</b>	<b>\$ 30,020,199</b>	<b>\$ 2,195,367</b>



**FUND 400 – Proprietary Fund Expenditures by Program**

Program	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
Covell Building	\$ 1,870,001	\$ 1,044,406	\$ 1,075,834	\$ (794,165)
<b>Program Expenses Total</b>	<b>\$ 1,870,001</b>	<b>\$ 1,044,406</b>	<b>\$ 1,075,834</b>	<b>\$ (794,165)</b>

**FUND 500 – Special Revenue Fund Expenditures by Program**

Program	FY23/24 Approved	FY23/24 Projection	FY24/25 Approved	Variance FY25 Approved / FY24 Approved
GHG	\$ 16,285,831	\$ 9,079,895	\$ 17,878,442	\$ 1,592,611
Vehicle & Equipment Techn	12,746,438	14,187,246	18,622,980	5,876,542
<b>Program Expenses Total</b>	<b>\$ 29,032,269</b>	<b>\$ 23,267,141</b>	<b>\$ 36,501,422</b>	<b>\$ 7,469,153</b>

## DISTRICT DIVISIONS AND OPERATIONAL INITIATIVES

The District's organizational structure consists of the offices of the Executive Director and District Counsel and four operating divisions and supports the complex relationships between tasks, workflows, responsibilities, and authorities. This section describes the main programs of the organization along with key initiatives for each of the four operating divisions, which are developed each year in support of the District's mission and strategic goals.

### *Offices of the Executive Director/APCO and District Counsel*

Program	Description
<b>Executive Office/APCO</b>	<p>Under direction from the Board, the Executive Director/APCO is responsible for the overall management and operation of the agency. This includes overseeing the establishment of program priorities, policies, and procedures; formulation of a strategic vision and mission objectives; day-to-day administration and oversight of District activities; and development and implementation of air quality and climate change programs to advance the capital region towards clean air and a low-carbon future for all.</p> <p>The Executive Office also leads the District's legislative advocacy at the local, state, and federal levels and provides direction to the agency's legislative advocate. In collaboration with the District legislative advocate, the Executive Office monitors and analyzes state and federal legislation with a potential impact on air quality and climate change programs in the capital region.</p>
<b>District Counsel</b>	<p>Under direction from the Board, the District Counsel provides legal services to the Board and District management and staff including advising staff on various legal issues including human resources, air quality enforcement, new legislation, and contracts; reviews all proposed resolutions, rules and regulations, and other Board matters for legal adequacy; assists divisions in the implementation of key initiatives; and represents the District before the Hearing Board and in litigation activities.</p> <p>District Counsel also provides administrative support to the District's Hearing Board, which is a quasi-judicial panel that hears petitions for variances, and abatement orders, as well as appeals of the Executive Officer's permit and emission reduction credit determinations. Members are appointed by but act independently of the Sacramento Metropolitan Air Quality Management District Board. The Hearing Board membership includes a person from the medical profession, a professional engineer, an attorney, and two at large members of the public.</p>

**Administrative Services Division**

Program	Description
Administration	Oversees building management contracts, parking garage, tenant improvements, and vehicle fleet acquisition and maintenance; coordinates building and air monitoring facilities maintenance, rehabilitation, and replacement needs; supervises document management to ensure efficient organization, maintenance, and utilization, encompassing storage, retrieval, and control throughout their lifecycle, leveraging document management software and technological solutions; provides administrative support to the Executive Director/APCO; greets customers, addresses inquiries, directs questions to appropriate staff, records complaints, and processes public information requests; records permit information and processes customer payments; purchases and maintains office supplies and equipment.
Clerk, Board of Directors	Facilitates the smooth functioning of board meetings and ensures the integrity of governance processes, including preparing and distributing meeting agendas, recording accurate minutes of proceedings, maintaining official records and documents, managing communications with board members and stakeholders, coordinating logistics for meetings, and ensuring compliance with legal and procedural requirements.
Communications	Builds regional identity for the District as a resource for clean air and climate action; promotes programs to engage and inform residents and organizations about Sacramento's air quality and opportunities to protect public health by reducing emissions via programs such as the "Spare The Air", "Check Before You Burn", Clean Cars 4 All, Community Air Protection and zero-emission mobility; integrates equity and environmental justice into District communication practices; manages social media and media relations, and coordinates communications activities with federal, state, and local agencies; distributes consistent and clear materials to businesses and elected officials that promote clean air goals and solicit funding; secures annual funding for the regional Spare The Air campaign.
Finance	Ensures compliance with accounting regulations and requirements, manages the development of the District's annual operating budgets, coordinates financial audits by source agencies and independent auditors, ensures timely and accurate tracking of payroll expenditures, oversees grant administration, provides financial reports to management and the operating divisions, and administers contracts – develops new contracts and contract amendments, oversees the request for proposals process, develops and maintains contract database, prepares routine contract status reports.
Human Resources	Conducts recruitments and provides guidance in the retention of high-quality staff, ensures compliance with federal and state employment laws and regulations and District personnel policies, coordinates personnel-related training, manages labor relations, processes payroll, and administers district benefits.
Information Systems	Manages and ensures the security of information technology encompassing both computer technology and telecommunications, provides technology solutions, coordinates hardware and software acquisition and maintenance services, provides desktop support, maintains the District website, and oversees related contracts.

**FY24/25 Key Initiatives****Administration**

- Oversee the relocation of the Air District headquarters to a smaller facility in response to and in alignment with the District's commitment to a hybrid work model
- Complete record retention milestones for both paper and digital documents, including digitizing 1,500 boxes of documents located offsite
- Facilitate the development of a district-wide Title VI compliance and monitoring program
- Implement a new solution for administering board meeting agendas and minutes

**Communications**

- Increase the number of “Spare The Air” regional partners by 50
- Implement newly created branding and promotion procedures for incentive projects
- Attend 10 events regionally to promote the Spare The Air program and educate residents about the harmful health effects of air pollution and what they can do to improve air quality
- Create and launch a new SpareTheAir.com mobile-friendly website

**Finance**

- Automate the Clean-Cars-for-All accounts payable invoice approval process within the Fluxx system
- Formalize quarterly close processes and procedures
- Lead the billing module component for the Permitting/Compliance and Transportation Incentive software implementation

**Human Resources**

- Implement employee-focused activities to support the new hybrid work strategy and retain talented and engaged employees
- Oversee the implementation of the performance management framework
- Leverage unused components of the District’s third-party recruitment solution to enhance efficiency
- Consolidate and update the administrative policies into a single document
- Conduct and implement a District-wide classification and compensation study

**Information Systems**

- Serve as Technical Lead for the Permitting/ Compliance and Transportation software solution implementation
- Migrate Application Xtender data repositories to SharePoint
- Launch Skynet Online, migrate files from the district File Share to SharePoint, and implement document retention handling for SharePoint
- Evaluate and install new Office365 G5 security enhancements
- Implement Teams phone system
- Upgrade Windows 10 to Windows 11
- Update Technology process policies

### ***Transportation and Climate Change Division***

Program	Description
Climate Change	<p>Promotes clean air and public health by providing technical assistance and advocacy in the land use and transportation sectors. Works to reduce mobile source and area emissions through a reduction in vehicle trips, miles traveled, and increased energy efficiency by developing and implementing strategies that influence transportation planning and programming, land use planning, and project development.</p> <p>Works on climate change mitigation and adaptation through regional coordination, tracking state policy, supporting local action, and building a regional collaboration to respond to the impacts and opportunities of climate change.</p> <p>Reduces exposure to toxic air contaminants through best practices and mitigation measures implemented by lead agencies on construction and operations of projects.</p>
Transportation	<p>Develops and implements strategies and demonstrates innovative zero- and near-zero-emission technology available to fleet owners and the public aimed at reducing emissions from vehicular sources.</p>

#### ***FY24/25 Key Initiatives***

##### **Climate Change**

- Complete the Comprehensive Climate Action Plan and promote the Priority Climate Action Plan (PCAP) as a regional guide to priority climate-related activities. Actively pursue funding opportunities to implement the measures in the PCAP.
- Encourage all jurisdictions within Sacramento County to adopt qualified Climate Action Plans
- Ensure all projects exceeding thresholds of significance mitigate to appropriate emissions levels and verify the implementation of all required measures
- Update all guidance, tools, and reviewed documents to be consistent with the state of the practice
- Build a strong regional collaborative to improve resilience to extreme heat, drought, flood, wildfire, and other impacts, focusing specifically on efforts to reduce the urban heat island effect, improve public health, increase business resilience, and bridge the urban-rural divide

##### **Transportation**

- Work with CAPCOA and CARB on the Clean Transportation Incentive Programs to provide additional flexibility for the various programs
- Develop infrastructure projects to support zero- and near-zero-emission technologies
- Collaborate with agency partners to develop an electric vehicle charging mobility hub strategy for Sacramento and implement the strategy in transportation deserts by deploying projects like CarShare, e-Bikes, and micro-transit
- Work with CAPCOA to address mobile emission impacts in AB 617 identified communities and determine funding opportunities to mitigate emission impacts
- Collaborate with Community-Based Organizations (CBOs) to determine mobility needs within low-income and disadvantaged communities
- Leverage the Civic Spark program to reduce air pollution and vehicle miles traveled while building local capacity for action on climate adaptation and mitigation, including work on the Clean Cars 4 All grant creating culturally and linguistically tailored outreach materials

**Monitoring, Planning and Rules Division**

Program	Description
<b>Air Monitoring</b>	Performs continuous monitoring of criteria pollutants and their precursors (ozone, hydrocarbons, carbon monoxide, nitrogen oxides, sulfur oxides, lead, and inhalable particulate matter (PM <sub>10</sub> and PM <sub>2.5</sub> )), meteorological conditions, and other air quality indicators at six sites throughout the County. Continue community-scale monitoring for the South Sacramento-Florin community selected as one of the first AB 617 communities.
<b>Emission Inventory</b>	Estimates actual emissions from stationary and area sources, and assists with evaluations of mobile source emissions. Provides emissions data used in developing rules and State Implementation Plans. Collects and reports emissions data required by the Criteria and Toxics Reporting (CTR) regulation.
<b>Emission Reduction Credit Bank &amp; SEED</b>	Maintains the registry of stationary and mobile source credit banks, coordinates and assists credit generators and users, identifies new opportunities for credit use, includes the military base and essential public services accounts, and funds incentive programs to reduce emissions.
<b>Planning &amp; Data Analysis</b>	Develops plans to ensure compliance with state and federal clean air acts, prepares the District's annual reports on progress toward achieving state and federal clean air standards, participates in air quality studies to assess the effectiveness of control strategies, and projects future air quality. Continues collaboration with the AB 617 South Sacramento-Florin community to better understand the localized air quality and develop a Community Emission Reduction Plan (CERP).
<b>Rule Development</b>	Develops regulations to achieve emission reductions and fulfill commitments in air quality plans and for expedited Best Available Retrofit Control Technologies (BARCT) under AB 617, performs comparative analyses of District rules with RACT, BARCT, and BACT standards, and develops new control measures and strategies to incorporate into air quality plans.

**FY24/25 Key Initiatives****Air Monitoring**

- Continue sampling of criteria pollutants and their precursors in the mobile lab within the AB 617 South Sacramento-Florin Community to further understand the air quality impact in underserved areas.
- Ensure air monitoring complies with all state and federal quality assurance and control requirements
- Prepare and submit the 2024 Annual Network Plan which aids in air monitoring transparency and program effectiveness.

**Emission Inventory**

- Review and update one-third of the area source emission inventories in the District
- Update inventories for all point sources emitting greater than 10 tons of any one pollutant
- Develop more accurate methodologies to estimate emissions from area sources
- Collect and report emission inventory data for sources subject to the CTR regulation

**Emission Reduction Credit Bank & SEED**

- Maintain the credit registry when credits are sold or used, and evaluate applications for new credits from voluntary emission reduction activities
- Continue to provide SEED loans to area businesses for emission offsets and alternative compliance
- Use revenue from SEED loans to fund emission-reducing strategies, such as replacing high-polluting fireplaces and wood stoves or other incentive programs; bank emission reduction credits from SEED-funded projects; and work to secure additional funding from the state's Cap-and-Trade program revenues

### **Planning & Data Analysis**

- Continue to coordinate meetings and work collaboratively with the AB 617 Air Quality Steering Committee
- Analyze and report to the community the monitoring data from the selected AB 617 community
- Start the development of the CERP for the selected AB 617 community
- Adopt SIP revisions related to the contingency measures element in the State Implementation Plan for the 2008 and 2015 Ozone NAAQS
- Track the Sacramento region's progress in meeting the 2008 Ozone NAAQS
- Develop the redesignation request for the 1979 and 1997 ozone NAAQS

### **Rule Development**

- Adopt contingency measures for the attainment plan for the 2008 and 2015 federal ozone standards
- Adopt rules to expedite the implementation of Best Available Retrofit Control Technology (BARCT) for sources subject to AB 617
- Amend rules to incorporate current EPA SIP requirements
- Develop fee rules as applicable to provide full cost recovery for District programs

**Engineering and Compliance Division**

Program	Description
Compliance	<p>Compliance is charged with enforcing local, state, and federal air pollution regulations to ensure businesses and residents comply with the laws. Compliance encompasses a wide variety of programs that impact businesses and residents throughout Sacramento County.</p> <p><b>Asbestos</b> — Regulates commercial construction and land development projects to ensure the safe handling and removal of asbestos in building materials and naturally occurring asbestos.</p> <p><b>Public Complaints</b> — Investigates public complaints of illegal air pollution.</p> <p><b>Permitted Inspections</b> — Regularly inspects businesses to verify compliance with permit requirements and air quality regulations.</p> <p><b>Compliance Education and Outreach</b> – Assists businesses and residents in complying with air quality regulations via advisories, business assistance, workshops, and various outreach materials such as letters, brochures, flyers, webpage updates, eblasts, etc.</p> <p><b>Annual Reporting</b> – Provides outreach and assistance to permitted sources for annual report submittals. Assist the permitting section to perform quality assurance reviews of submitted data to ensure compliance with local, state, and federal requirements.</p> <p><b>Burning</b> — Regulates the different types of burning that occur in Sacramento, such as agricultural burning, wood burning (Check Before You Burn), and other outdoor burning.</p> <p><b>Violation Resolution</b> — Promotes compliance and swift resolution of violations by administering a Mutual Settlement Program that resolves violations in lieu of litigation.</p> <p><b>State Programs</b> — Partners with the California Air Resources Board to inspect and enforce regulations that apply to many different types of sources such as portable engines and natural gas wells.</p>
Permitting	<p>Permitting ensures compliance with applicable local, state, and federal regulations by reviewing project proposals, granting conditional approvals, and authorizing operation by verifying that the equipment can operate in compliance with all applicable regulations. Permitting staff work with sources to help them understand and comply with complex state and federal regulations.</p> <p><b>Title V</b> — Title V is the federal permitting program for major sources of air pollution and is implemented by the District's permitting section.</p> <p><b>AB2588 Toxic "Hot Spots" Program</b> – Maintain program, toxics emissions inventory and ensure that the toxic emissions from facilities are within acceptable levels.</p> <p><b>Annual Reporting</b> – Set up methodology to determine criteria and toxic emissions from permitted sources, and coordinate with the Compliance section on program requirements. Perform quality assurance reviews of submitted data to ensure compliance with local, state, and federal requirements.</p>

**FY24/25 Key Initiatives**

- Continue to streamline data collection from our stationary sources by the rollout of our annual reporting program that will report data to the California Air Resources Board Criteria and Toxic Reporting Program, making actual emissions available to the public
- Implement the AiriA software solution that will increase staff efficiency, improve quality control, enhance management processes, and improve the customer experience through a new online portal
- Contribute to the Community Air Protection Program through involvement in the Community Emission Reduction Plan (CERP) development process
- Enhance and improve communication and outreach to our business sector through coordination with business partners and other business-related entities, to improve understanding of regulations and increase compliance rates
- Increase protection for public health by reviewing, providing oversight and enforcement of sources of toxic air pollution, and looking for opportunities to enhance our programs



- Update Division Policies & Procedures to ensure consistency and proper program implementation
- Continue implementation of CARB's GHG Oil and Gas inspection program
- Continue staff development through internal and external training efforts
- Continue work related to the AB2588 Air Toxics "Hot Spots" program
- Review and process permit and Title V permit applications in a timely manner that meets statutory guidelines
- Evaluate programmatic work through the lens of community air protection and the potential for local reductions of emission impacts in disadvantaged communities
- Continue ongoing work related to community air protection like our innovative Supplemental Environmental Projects (SEP) program and our Unidentified Source Inspection Program (USIP)

## DIVISION ACCOMPLISHMENTS

The Divisions achieved numerous accomplishments in support of District strategic goals. The following are the highlights:

<b>Administrative Services</b>
Evaluated the near and long-term space needs of the District headquarters in light of the new hybrid work environment and departure of tenants, and launched the project to relocate the headquarters
Secured an additional pooled investment account to prudently manage and invest the increasing volume of incentive funds
Continued District-wide efforts to ensure compliance with the District's records management and compliance policy
Recruited and appointed ten new employees
Replaced the outdated support backup solution with a new system capable of handling larger volumes and providing support for district data
Implemented state-of-the-art firewalls to protect Air Monitoring sites and block cyber threats
Successfully passed the Technology Audit with no issues
Enhanced Microsoft security by adding new controls and features to improve security and risk management capabilities
Met goal of increasing downloads of the Sac Region Air Quality App by 5%
Met goal of increasing the number of Spare The Air regional partners by 100
Distributed quarterly newsletter with a 38% open rate, a 10% higher open rate than the industry average
Informed the public and the media of District programs/achievements, smoke impacts, Spare The Air, mutual settlements, partnerships and grant recipients via the distribution of 9 press releases
Coordinated 30 media interviews (Broadcast and print/Spanish & English)
Redesigned "Scooter's World," the microsite for students and teachers to learn/teach about air pollution through interactive exercises, games and lessons
Managed the development and implementation of a Spare The Air survey to quantify program awareness, participation, and emission reductions
Supported and/or promoted over ten major events that resulted in international, national, state, and/or local media coverage
<b>Transportation and Climate Change</b>
Completed the Priority Climate Action Plan as part of the Federal Inflation Reduction Act award the District received in March of 2023. The Plan was the first seven-county collaboration aimed at reducing climate and other air pollutants from all sectors of our region
Applied for the Climate Pollution Reduction Grant Phase 2 Implementation Funds, under the Federal Inflation Reduction Act. This application was the result of months of regional collaboration by District staff and partner agencies and culminated in the submission of a three-area implementation program focused on infill development, mobility hubs, and carbon farming
Funded about 100 new low-emission and zero-emission vehicles and equipment as part of the Community Air Quality Grant Programs, deploying the latest innovative and transformative technology
Provided funding for 75 additional electric school buses, now totaling 175 EV buses in the Sacramento Region

CC4All teams' partnership with SMUD led to collaboration on six different ride-and-drive events located around the Sacramento County Area and 61 completed EVSE installations in CC4All participant homes

CC4All program continues to help low-income residents of Sacramento County transition to cleaner technology vehicles. Over 750 individual residents of Sacramento County were awarded grant letters and over 500 vehicles were permanently scrapped

CC4All team set a goal to increase dealership participation in the program in April of 2023 by improving the dealer experience. As of March 2024, the program now has 57 participating dealers, and the team continues to get requests monthly from dealers asking to be a part of the program

CC4All program has been awarded an additional \$12 million in funding by the California Air Resources Board. This will allow the program to expand to all zip codes in Sacramento County, increase the maximum grant amount to \$12,000, and offer incentives to go towards the purchase of e-bikes instead of a vehicle

CC4All team will continue to work with local Community-Based Organizations to outreach the program to those residents of Sacramento County that need it most

Collaborated with AB 617 Steering Committee volunteers to develop the 2024 Community Air Quality Grant solicitation for supporting infrastructure and to reduce air pollution from cars, trucks, buses, and other mobile sources in the Sacramento region

*Our Community CarShare* program continues to explore and expand within the District's disadvantaged communities to include several sites with charging stations and electric vehicles

#### Monitoring, Planning and Rules

Hosted collaborative steering committee meetings to continue work within the AB 617 community

Deployment and operation of the mobile lab in the South Sacramento-Florin Community sampling for both criteria and non-criteria pollutants

Deployed 200 low-cost sensors to schools and community members and completed the mobile monitoring within the city of Sacramento with a one-time investment from the Sacramento City Council

Continued to sample for toxics and particulate matter in the South Sacramento-Florin AB 617 community and north Sacramento Community using funds that were awarded through an EPA toxics grant

Submitted the 2023 Annual Network Plan to EPA which aids in air monitoring transparency and program effectiveness

Maintained the District's NCore, PAMS, SLAMS, and special-purpose monitoring stations

Initiated the Del Paso Manor air monitoring station replacement

Adopted the regional ozone plan for the federal 2015 Ozone NAAQS

Developed and submitted to EPA a request for clean data for the federal 1997 Ozone NAAQS

Updated and submitted to EPA the regional Exceptional Event Mitigation Plan

Performed 65 facility emissions inventory surveys and completed annual criteria pollutant emission inventories for point sources and reported emissions to CARB

Performed 46 surveys of toxic pollutant emissions for sources subject to the Criteria and Toxics Reporting regulation and reported emissions to CARB

Updated four area source emission inventories and submitted them to CARB

Provided three loans of emission reduction credits to Sacramento area businesses and government agencies and renewed 34 loans

Amended Rule 442 – Architectural Coatings to incorporate contingency provisions
Adopted Reasonably Available Control Technology permits for major stationary sources of NOx and submitted to EPA for SIP inclusion
<b>Engineering and Compliance</b>
Issued 184 Authority to Construct permits and 296 Permits to Operate (for FY22/23)
Developed 13 Best Available Control Technology determinations (for FY22/23)
Incorporated AB 2588 reporting into the District's new Annual Reporting program. The District received annual reports for 692 additional permits for the 2022 data reporting year and received reports from 826 companies for the 2023 data reporting year. Screened toxics data for 1,206 diesel engines and 134 gasoline dispensing facilities
Enforced 16 wood-burning curtailment days for the Check Before You Burn (CBYB) program and responded to 179 fireplace, wood stove, and open burn complaints during the 2023 CBYB season
Conducted a total of 3,249 stationary source inspections (2023 calendar year)
Responded to 627 public complaints (2023 calendar year)
Successfully resolved more than 98% of 112 issued violations through the Mutual Settlement Program (2023 calendar year)
Reviewed and processed 677 asbestos notifications, which included 134 demolitions, 333 asbestos abatement projects, and 4 naturally occurring asbestos dust mitigation plans and geologic evaluations (2023 calendar year)
Funded one Supplemental Environmental Project that provided funding to a community organization to help improve air quality and health in local communities for a total of \$50,405.
Issued 117 agricultural burn permits for a total of 6,469 acres and approved 1009 acres of pruning and other wastes under the Ag Burn program to be burned. Made daily burn day determinations, of which 193 were permissive burn days and 172 were no burn (2023 calendar year)
Continued efforts to reduce greenhouse gas and criteria emissions from oil and gas producing sites by enforcing the State Oil and Gas regulation
Associate Air Quality Specialist, Daniel Noakes, was awarded the Rodney A. Swartzendruber Award, which is the annual Inspector of the Year awarded by the California Air Pollution Control Officers Association (CAPCOA). It is to honor top quality inspectors and is typically awarded to only three air quality inspectors out of all 35 air districts every year.
Coordinated with eight other air districts in the Sacramento Valley Basinwide Air Pollution Control Council to develop and host a conference on Agricultural Biomass. The conference brought speakers from around the state from both private and public sectors with over 100 attendees during a two-day event in October 2023.
Continued development of the annual emission reporting structure and integration into the AiriA software solution to collect data from all permitted sources to comply with State Criteria and Toxics Reporting Regulation
Continued development work with a contracted vendor to replace the permitting and compliance and billing databases with a custom-built comprehensive enterprise software solution – AiriA

## SECTION 8 - Statistical Information

### FINANCIAL STATISTICS

Unless otherwise noted, the statistical information is based on the District's fiscal years (July 1 – June 30).

#### Balances of Governmental Funds (Modified Accrual)

## FY24/25 Approved Budget

	2014	2015 (a)	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Nonspendable	\$ -	\$ 155,110	\$ 171,675	\$ 190,202	\$ 402,380	\$ 152,580	\$ 98,462	\$ 131,192	\$ 136,174	\$ 92,472
Restricted	10,998,388	10,287,274	8,796,696	8,061,391	7,811,623	9,572,931	12,588,465	13,459,160	15,861,714	16,090,972
Assigned	320,000	320,000	320,000	320,000	320,000	2,607,673	1,737,431	3,013,705	1,696,179	2,727,599
Unrestricted	792,734	1,395,878	1,798,521	1,737,137	2,043,980	-	2,298,950	1,059,724	2,709,060	1,984,461
<b>Total General Fund</b>	<b>\$ 12,111,122</b>	<b>\$ 12,158,262</b>	<b>\$ 11,086,892</b>	<b>\$ 10,308,730</b>	<b>\$ 10,577,983</b>	<b>\$ 12,333,184</b>	<b>\$ 16,723,308</b>	<b>\$ 17,663,781</b>	<b>\$ 20,403,127</b>	<b>\$ 20,895,504</b>
<b>Special Revenue Fund (b)</b>										
Restricted	\$ 8,277,548	\$ 9,549,952	\$ 15,185,241	\$ 14,623,422	\$ 22,438,751	\$ 26,130,091	\$ 39,377,251	\$ 55,633,856	\$ 54,960,056	\$ 55,863,979
<b>Total Special Revenue Fund</b>	<b>\$ 8,277,548</b>	<b>\$ 9,549,952</b>	<b>\$ 15,185,241</b>	<b>\$ 14,623,422</b>	<b>\$ 22,438,751</b>	<b>\$ 26,130,091</b>	<b>\$ 39,377,251</b>	<b>\$ 55,633,856</b>	<b>\$ 54,960,056</b>	<b>\$ 55,863,979</b>

Notes: (a) GASB Statement 54 replaced the categories that previously had been used to classify fund balance. This schedule reclassifies non-spendable from restricted per that statement.  
(b) The Special Revenue Fund was previously referred to as the Emission Technology Fund.

Source: Annual Comprehensive Financial Report: Balance Sheet – Governmental Funds

### Changes in Fund Balance of Governmental Funds (Modified Accrual)

	2014	2015	2016	2017	2018
<b>REVENUES</b>					
Taxes	\$ 8,334,914	\$ 8,533,576	\$ 8,990,702	\$ 9,141,145	\$ 9,185,904
Intergovernmental	10,507,331	14,342,930	15,445,047	9,232,418	13,718,592
Licenses/Permits	6,741,800	7,416,470	7,646,441	8,001,079	8,395,134
Use of Money/Property	18,965	60,372	(31,188)	226,170	1,004,824
<b>Total Revenue</b>	<b>\$ 25,603,010</b>	<b>\$ 30,353,348</b>	<b>\$ 32,051,002</b>	<b>\$ 26,600,812</b>	<b>\$ 32,304,454</b>
<b>EXPENDITURES</b>					
Current:					
Stationary Sources	\$ 5,741,059	\$ 6,016,226	\$ 6,501,339	\$ 6,799,202	\$ 6,725,548
Mobile Source	11,475,645	14,932,141	11,367,756	11,916,194	8,048,476
Program Coordination	3,832,332	3,943,621	4,571,752	4,734,782	4,384,116
Strategic Planning	3,770,076	3,918,802	4,517,235	4,168,340	4,861,221
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	259,652	239,283	529,002	322,275	200,510
<b>Total Expenditures</b>	<b>\$ 25,078,764</b>	<b>\$ 29,050,073</b>	<b>\$ 27,487,084</b>	<b>\$ 27,940,793</b>	<b>\$ 24,219,871</b>
Excess (Deficiency) of Revenue over Expenditures	\$ 524,246	\$ 1,303,275	\$ 4,563,918	\$ (1,339,981)	\$ 8,084,583
<b>OTHER FINANCING SOURCES (USES)</b>					
Gain on sale of capital assets	-	16,270	-	-	-
<b>Net change in fund balances</b>	<b>\$ 524,246</b>	<b>\$ 1,319,545</b>	<b>\$ 4,563,918</b>	<b>\$ (1,339,981)</b>	<b>\$ 8,084,583</b>

Note: For the Fiscal Year Ending 06/30/2019, activity categories were redefined. Therefore, this page includes the six-year period ending 06/30/2018. See the next page for fiscal years subsequent to 06/30/2018.

Source: Annual Comprehensive Financial Report: Changes in Fund Balances – Governmental Funds

### Changes in Fund Balance of Governmental Funds (Modified Accrual)

	2019	2020	2021	2022	2023
<b>REVENUES</b>					
Sales Tax	\$ 1,940,485	\$ 1,938,341	\$ 2,264,451	\$ 2,551,772	\$ 2,569,539
Intergovernmental	27,729,654	39,318,096	36,193,700	15,288,362	25,225,851
Fees and Licenses	8,109,883	8,823,399	8,484,401	8,765,312	9,799,466
Use of Money/Property	1,340,691	1,844,719	421,100	106,174	1,848,613
Total Revenue	\$ 39,120,713	\$ 51,924,555	\$47,363,652	\$26,711,620	\$39,443,469
<b>EXPENDITURES</b>					
Current:					
Business Compliance	\$ 6,771,994	\$ 6,579,044	\$ 7,334,384	\$ 7,868,485	\$ 8,220,645
Air Monitoring	3,545,919	3,798,537	3,698,370	3,687,463	4,860,572
Sustainable Land Use	2,347,083	2,383,320	2,571,041	2,226,768	1,959,275
Clean Transportation and Mobility Innovation	18,826,749	18,820,962	14,022,933	8,615,440	20,728,882
Community Health Protection	2,067,758	2,198,364	2,142,385	1,993,961	1,941,602
Debt Service:					
Principal	-	-	-	-	110,879
Interest	-	-	-	-	4,291
Capital Outlay	114,569	507,044	397,461	253,957	221,023
Total Expenditures	\$ 33,674,072	\$ 34,287,271	\$30,166,574	\$24,646,074	\$38,047,169
Net change in fund balances	\$ 5,446,641	\$ 17,637,284	\$17,197,078	\$ 2,065,546	\$ 1,396,300

Note: For Fiscal Year Ending 06/30/2019, activity categories were redefined. Therefore, this page includes the four-year period after 06/30/2018. See the prior page for fiscal years prior to 06/30/2019.

Source: Annual Comprehensive Financial Report: Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

### Schedule of General Government Expenditures by Major Object (Budgetary Basis)

Fiscal Year	Salaries & Benefits	Services & Supplies	Equipment/ Capital Assets	Interfund Charges	Total
13-14	\$ 12,472,301	\$ 5,939,276	\$ 180,532	\$ -	\$ 18,592,109
14-15	13,018,613	6,742,313	564,532	-	20,325,458
15-16	13,396,624	7,157,659	798,332	-	21,352,615
16-17	13,898,555	7,327,432	1,747,000	-	22,972,987
17-18	14,969,998	6,493,742	881,800	-	22,345,540
18-19	15,811,786	6,728,496	1,164,200	(1,947,586)	21,756,896
19-20	16,688,251	6,489,409	1,905,500	(2,116,371)	22,966,789
20-21	16,378,640	6,795,570	984,500	(1,721,108)	22,437,602
21-22	16,681,622	7,649,772	1,127,000	(1,332,812)	24,125,582
22-23	17,886,807	8,808,754	601,000	(2,117,830)	25,178,731

Note: The budgeted expenditures represent the adopted budget adjusted for Board approved amendments, if applicable, based on new or modified expenditures.

Source: Approved Budget General Fund 100 – Summary of Revenues, Expenditures and Budgeted Fund Balances

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**Schedule of General Government Expenditures by Major Object (Actual)**

Fiscal Year	Salaries & Benefits	Services & Supplies	Equipment/ Capital Assets	Interfund Charges	Total
13-14	\$ 12,011,320	\$ 4,217,453	\$ 259,652	\$ -	\$ 16,488,425
14-15	12,112,938	4,858,855	239,283	-	17,211,076
15-16	12,959,077	5,584,127	529,002	-	19,072,206
16-17	13,199,676	5,541,055	322,275	-	19,063,006
17-18	13,660,805	5,236,263	200,510	-	19,097,578
18-19	13,619,667	4,836,842	114,569	(1,513,730)	17,057,348
19-20	14,518,535	4,604,776	507,044	(1,249,271)	18,381,084
20-21	14,924,266	4,830,240	394,643	(1,420,507)	18,728,642
21-22	15,231,426	4,710,878	253,957	(1,442,924)	18,753,337
22-23	16,325,362	5,435,115	221,023	(909,730)	21,071,770

Source: Annual Comprehensive Financial Report: Budgetary Schedules at Legal Level of Budgetary Control – General Funds

### Schedule of General Government Revenues by Source

Fiscal Year	Taxes (a)	Intergovernmental (a)	Licenses/ Permits	Use of Money & Property	Other	Total
13-14	\$ 6,095,314	\$ 4,082,326	\$ 6,741,800	\$ 9,934	\$ -	\$ 16,929,374
14-15	6,283,412	3,516,824	7,416,470	25,241	-	17,241,947
15-16	6,609,429	3,739,523	7,779,365	5,438	-	18,133,755
16-17	6,764,376	3,437,689	8,001,079	81,700	-	18,284,844
17-18	6,859,462	3,336,946	9,016,456	153,968	-	19,366,832
18-19	1,940,485	8,238,416	8,281,069	257,341	95,238	18,812,549
19-20	1,938,341	11,097,630	8,823,399	853,233	58,605	22,771,208
20-21	2,264,451	8,678,334	8,484,401	195,224	49,530	19,671,940
21-22	2,551,772	9,591,877	8,765,312	540,764	42,958	21,492,683
22-23	2,569,539	8,562,389	9,799,466	608,738	24,015	21,564,147

Notes: Before FY2019, the DMV surcharge was included in the Taxes revenue category. Starting in FY2019, the DMV surcharge is more appropriately classified as Intergovernmental revenue.

Source: Annual Comprehensive Report: Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (General Fund)

### Permit Revenue

Year	Active Permits (a)	Actual Revenue (b)
2014	4,331	4,465,746
2015	4,346	5,059,167
2016	4,344	5,098,778
2017	4,397	5,622,626
2018	4,411	6,393,690
2019	4,461	6,197,766
2020	4,437	7,231,406
2021	4,434	6,977,427
2022	4,446	7,045,970
2023	4,425	7,975,746

Note: (a) Stationary Source Database as of June 30. Active permits are Annual Renewal only.

(b) Annual permit revenue from Annual Report Working Trial Balance for FY 2014-2018. Annual permit revenue from Revenue by Payment Type report from Tyler New World (NW) system for FY2019 forward. NW Report on Receipts by Payment Code Report for the reporting FY with the following status: Posted; Report Detail: Detail; Selected Payment Code(s): RNW (Air Toxics, Permit, Reinspection, Source Test & Title V).

Source: Sacramento Metropolitan Air Quality Management District



## Full-Time Equivalent Employees as of June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Classification</b>										
Accountant I/II	-	-	-	-	-	-	-	-	-	-
Administrative Assistant I/II	2.0	2.0	2.0	2.0	-	-	-	-	-	-
Administrative Specialist I/II	-	-	-	-	2.0	2.0	2.0	3.0	3.0	4.0
Administrative Supervisor/Clerk of the Board	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0
Air Pollution Control Officer /Executive Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Air Quality Engineer	19.5	19.5	20.5	20.5	20.5	19.5	19.5	15.5	16.5	19.0
Air Quality Engineer/Specialist/Planner	-	-	-	-	-	5.5	5.5	5.0	3.0	3.0
Air Quality Instrument Specialist I/II	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Air Quality Planner/Analyst	10.0	10.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0
Air Quality Specialist	18.6	18.6	18.6	18.6	19.6	18.6	18.6	18.6	19.6	19.6
Assistant Air Pollution Control Officer	-	-	-	1.0	1.0	-	-	-	-	-
Clerical Services Supervisor	1.0	1.0	1.0	1.0	-	-	-	-	-	-
Communications & Marketing Specialist	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.0	1.0	1.0
Controller	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
District Counsel	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Division Manager	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Executive Assistant/Clerk to the Board	1.0	1.0	1.0	1.0	-	-	-	-	-	-
Financial Analyst	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fiscal Assistant I/II	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-
Human Resource Assistant I/II	2.0	2.0	2.0	2.0	-	-	-	-	-	-
Human Resource Technician I/II	-	-	-	-	2.0	1.0	1.0	1.0	1.0	1.0
Human Resources Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Information Systems Administrator	1.0	1.0	1.0	-	-	-	-	-	-	-
Information Systems Analyst	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Information Systems Manager	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Legal Assistant I/II	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Office Assistant I/II	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Program Coordinator	12.0	12.0	12.0	12.0	-	-	-	-	-	-
Program Manager	-	-	-	-	5.0	5.0	5.0	5.0	5.0	5.0
Program Supervisor	5.0	5.0	5.0	5.0	12.0	12.0	12.0	12.0	12.0	12.0
Senior Accountant	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Statistician	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Subtotal Funded Positions</b>	<b>93.0</b>	<b>94.0</b>	<b>96.0</b>	<b>97.0</b>	<b>98.0</b>	<b>99.5</b>	<b>99.5</b>	<b>94.1</b>	<b>94.1</b>	<b>97.6</b>
Administrative/Legal Analyst	1.0	1.0	1.0	1.0	1.0	-	-	-	-	-
Air Quality Engineer	2.0	2.0	1.0	1.0	1.0	1.0	1.0	5.0	4.0	-
Air Quality Engineer/Specialist/Planner	-	-	-	-	-	-	-	0.5	-	-
Air Quality Planner/Analyst	1.0	1.0	-	-	1.0	-	-	-	-	-
Air Quality Specialist	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	2.0	-
Communication & Marketing Specialist	-	-	-	-	-	-	-	1.0	1.0	-
Division Manager	1.0	-	-	-	-	-	-	-	-	-
Human Resource Technician I/II	-	-	-	-	-	1.0	1.0	1.0	1.0	-
Information Systems Analyst	-	-	-	-	-	-	-	-	1.0	-
Office Assistant I/II	1.0	1.0	1.0	1.0	-	-	-	-	-	-
Program Coordinator	1.0	1.0	1.0	-	-	-	-	-	-	-
Program Supervisor	-	-	-	1.0	1.0	-	-	-	-	-
<b>Subtotal Unfunded Positions</b>	<b>9.0</b>	<b>8.0</b>	<b>6.0</b>	<b>5.0</b>	<b>5.0</b>	<b>3.0</b>	<b>3.0</b>	<b>8.5</b>	<b>9.0</b>	<b>-</b>
<b>Total Funded + Unfunded Positions</b>	<b>102.0</b>	<b>102.0</b>	<b>102.0</b>	<b>102.0</b>	<b>103.0</b>	<b>102.5</b>	<b>102.5</b>	<b>102.6</b>	<b>103.1</b>	<b>97.6</b>

Source: Approved/Amended Budget

The Positions by Classification and Positions by Operating Division tables previously included unfunded positions. Beginning with this budget cycle, FY22/23, only funded positions are included in the budget.

## SECTION 9 - Appendices

### APPENDIX A – FINANCIAL MANAGEMENT POLICIES

#### PURPOSE

The Financial Management Policies are the tools used to ensure that the District is financially able to meet its immediate and long-term service objectives. The policies contained herein serve as guidelines for both the financial planning and internal financial management of the District, including regulation, supervision, and oversight of the financial and payment systems. These policies safeguard the fiscal stability necessary to achieve the District's goals and have the following objectives:

- Guide the Board of Directors (Board) and management policy decisions that have a significant fiscal impact
- Set forth operating principles that minimize the cost of government and financial risk
- Maintain appropriate financial capacity for present and future needs
- Promote sound financial management by providing accurate and timely information on the District's financial condition
- Provide adequate resources to meet the provisions of the District's debt obligations
- Ensure the legal use of financial resources through an effective system of internal controls

#### GOVERNING AUTHORITY

The District's financial activities for all funds must be operated in conformance with applicable federal, state, and other legal requirements, including authorizing sections of the California Health and Safety Code, and relevant covenants of any existing debt.

Unless specifically stated in these policies or otherwise authorized by resolution of the Board of Directors, the Board assigns its responsibility for managing and coordinating all financial activities to the District Executive Director/Air Pollution Control Officer and/or their designee (referred to hereafter collectively as APCO). As necessary, the APCO will consult District Counsel, i.e., selecting and managing outside legal counsel (e.g., bond and/or disclosure counsel), providing independent verification of the District's compliance with all applicable laws and regulations, and document preparation and review.

#### POLICIES

##### *Budget Adoption*

The District shall prepare and make available to the public at least 30 days before a public hearing a summary of its budget and any supporting documents, including, but not limited to, a schedule of fees to be imposed by the district to fund its programs per California Health and Safety Code (HSC §40131). The District shall notify each person who was subject to fees imposed by the District in the preceding year of the availability of information. The District shall notice and hold two public hearings at a meeting of the Sacramento Metropolitan Air Quality Management District Board (Board) for the exclusive purpose of reviewing the budget and providing the public with the opportunity to comment upon the proposed District budget.

The Board adopts the District budget on a basis that includes encumbrances and expenditures at the fund level. Expenditure authority is at the fund level. All regular and limited-term positions and capital projects require Board approval, normally through the budget process. The APCO is authorized to modify FTE classifications as necessary to implement reclassifications and studies as authorized by the Board-approved Human Resources policies. All appropriations that remain unspent and unencumbered (unobligated) on June 30, will revert to the available fund balance of the respective funds.

##### *Structurally Balanced Budget*

The APCO presents a "balanced" budget to the Board annually, where funding sources (including the use of reserves if applicable) match expenditures. The budget includes revenues and expenditures for the prior year (actual), current year (budget), and upcoming year (approved budget). If a structural imbalance exists in which the Financial Forecast indicates the use of reserves beyond the established minimums, a plan will be developed and implemented to bring the budget back into structural balance.

### *Budget Amendments*

Changes to the budget and service levels during the fiscal year will be minimized. Changes during the fiscal year will generally be limited to technical adjustments, emergency funding, unforeseen circumstances, time-sensitive opportunities or issues, or new grants or awards. Requests for a new program, modification in service levels, staffing, or other increases in expenditures, without associated revenues or reimbursements, must include a proposed spending offset at the time of the request (if costs are known) or justification for the use of reserves. Changes outside of the annual budget process should primarily be considered during a mid-year budget review.

Unexpected revenue shortfalls or other significant issues that may create a budget shortfall during the fiscal year are to be reported to the Board with recommendations by the APCO as to whether a mid-year budget adjustment should be made. Budget amendments are considered and adopted by the Board.

### *General and Internal Service Funds Reserves*

The District shall make every effort to maintain a General Fund Operating Reserve equivalent to a minimum of 120 days, but no less than 60 days, of General Fund expenditures. The District must maintain sufficient unencumbered fund balance to allow for: (1) unforeseen operational or capital needs, (2) cash flow requirements, (3) local disasters, and/or (4) other economic uncertainties or financial hardships. If these reserves are projected to fall below these levels as a result of Board-approved budgets, a plan will be developed and implemented to replenish the funds used. The Special Revenue Fund accounts for various incentive grants that are intended to be fully expended. Therefore, no reserve targets are established for the Special Revenue Fund.

### *Debt Management*

Long-term debt may be used to finance the costs of acquiring or improving land, infrastructure, facilities, or equipment if it is appropriate to spread these costs over more than one budget year. Long-term debt may also be used to fund capitalized interest, costs of issuance, required reserves, and any other financing-related costs that may be legally capitalized. Long-term debt may not be used to fund District operating costs.

Short-term debt may be used as an interim source of funding before the issuance of long-term debt, to address short-term cash-flow requirements during a given fiscal year, or to bridge the gap in financing before long-term debt is issued to meet the ongoing capital needs of a project or series of projects. Short-term debt may not exceed three years.

The District may pursue other financing mechanisms—such as pay-as-you-go financing, inter-fund borrowing, lines of credit, and lease financing—for debt less than three million dollars. Small-equipment lease financing may occur with a demonstrated need (e.g., legal, environmental, cash flow).

Annual payments of principal and interest (debt service payments) on General Fund long-term debt shall not exceed five percent of annual general fund operating revenues. The APCO may obligate the District to long-term debt, such as the purchase of real property, only with sufficient justification and prior Board approval. The APCO may obligate the District to short-term debt and/or other financing mechanisms within the APCO purchasing authority. Short-term debt or other financing mechanisms above the APCO's purchasing authority require Board approval. The APCO is not authorized to "issue" long-term debt.

### *Investments*

The District invests funds in the Local Agency Investment Fund (LAIF) under the California State Treasurer's Office and the California Asset Management Program (CAMP) in accordance with Board resolution. The APCO may research and propose alternative investment strategies, such as community banking, but may only invest funds in those alternatives with prior Board approval.

Per California Government Code §53646(a)(2), the District may annually present to the Board a statement of investment policy for consideration at a public meeting. The Investment Policy of the Pooled Money Investment Account (PMIA) is published by the Office of State Treasurer. The LAIF represents one of three primary sources of funds in the PMIA. Therefore, the PMIA Investment Policy applies to investments made in the LAIF. The CAMP fund is a short-term cash reserve fund that invests in obligations of the United States Government and its agencies, high-quality debt obligations of U.S. Companies and financial institutions, and reports its investment policy in their Program Guide.

### *Long-Term Financial Planning*

Each year, staff performs multi-year (for the next three to five years) forecasts of operating expenditures and revenue, and capital expenditures to promote long-term planning of resources. The forecast will be updated and included in the annual budget process. As part of the budget message, the APCO will advise the Board of potential long-term positive and adverse trends along with his/her analysis of the trends.

### *Accounting, Auditing, and Financial Reporting*

State law requires that a certified public accountant or public accountant annually audit the accounts and records of every special district. The District conforms with accounting principles generally accepted in the United States (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). An Annual Comprehensive Financial Report (Annual Report) will be prepared each fiscal year per GAAP and audited by an independent public accounting firm. Additional financial reporting may include the following:

- Interim Financial Reports: Staff will prepare interim reports for the Budget and Personnel Committee of the Board that analyze and evaluate financial performance, and forward them to the full Board as directed by the Committee
- Mid-year Budget Update: Staff will prepare a Mid-year Budget report to advise the Board if a troubling and/or positive financial situation exists or is anticipated, including an assessment of the impact on the District budget and financial condition

### *Internal Control and Risk Management*

The District is committed to the identification, monitoring, and management of risks associated with its business activities, and will maintain a system of internal control to safeguard its assets against loss, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

The APCO is ultimately responsible to the Board for the District's system of internal controls and risk management. District managers are accountable to the APCO and have established several controls within its management and reporting systems to provide reasonable assurance that control measures are being met, including:

- A clear organizational structure detailing lines of authority and control responsibilities
- Operating and strategic planning processes
- Annual budgeting and periodic reporting systems to monitor progress against financial and operational performance targets
- Guidelines and limits for approval of purchases and capital expenditures
- A Conflict-of-Interest policy and codes of conduct that apply to all employees
- Other internal controls practices, including segregation of duties in accounting functions; account reconciliation and analysis; physical and inventory controls; hiring and termination checklists; security controls to protect against unauthorized access to systems, networks and data; and desk procedures and cross-training

### *Procurement*

The authority to develop and maintain the Procurement Manual, which includes purchasing procedures consistent with the Board-approved Purchasing Policy, along with other procurement procedures, is delegated to the APCO. The APCO may modify the Procurement Manual as needed to reflect administrative updates, changes in regulation or law, and/or to maintain compliance with the Board-approved Purchasing Policy. The Purchasing Policy outlines the protocols and authority to procure materials, supplies, equipment, and services in the District's best interest through diligent action and fair dealing, thus securing the best price within a reasonable time frame to adequately meet the District's needs.

### *Capital Asset Management*

The District shall operate and maintain its physical assets in a manner that protects the public investment and ensures the achievement of their maximum useful life. A capital asset is defined as land, building structures, leasehold improvements, vehicles, equipment, machinery, furnishings, or other property having a value of \$5,000 or more and intended for long-term use. Leases will be accounted for under the guidelines established by the GASB.

Capital expenditures of \$5,000 or more are initially recorded as assets, and are then subject to the following general types of accounting transactions:

- Periodic depreciation (for tangible assets) or amortization (for intangible assets); land is not depreciated
- Impairment write-downs (if the value of an asset declines below its net book value)
- Disposition (once assets are disposed of)

For financial reporting purposes, the District maintains a schedule of capital assets with values of \$5,000 or more and having a useful (depreciable life) of one year or more. All items with an original value of less than \$5,000, or with an estimated useful life of less than one year, are recorded as operating expenditures.

Tangible assets, primarily technology-related, valued at less than \$5,000, are subject to regular monitoring and documentation to ensure accountability and prevent loss or misuse.

The APCO is authorized to dispose of unused District Property and administers the disposition process.

#### *Petty Cash*

The District does not operate a Petty Cash fund. Most minor, inexpensive District purchases made during the normal course of operations are performed using a District purchase card. Small purchases made by employees are reimbursed by check or ACH following District purchasing procedures.

#### *Collaborations*

The APCO is authorized to approve collaboration requests, i.e., provide funds to other entities when funds are used to further the mission of the District, per the District's Purchasing Policy and within the approved collaboration budget.

#### *User Fees and Charges*

The District is empowered to recapture, through fees, up to the full cost of providing specific services. Regular and consistent review of all fees is necessary to ensure that the costs associated with the delivery of individual services have been appropriately identified and that the District is fully recovering those costs. It is the District's policy to set user fees at full cost recovery levels, except where a greater public benefit is demonstrated to the satisfaction of the Board, or when it is not cost-effective to do so. The District will follow established laws and rules in adopting fees, including California Health and Safety Code (HSC §42311), related to Stationary Source Permit Fees. Under this section, the District may adopt a schedule of annual fees for the evaluation, issuance, and renewal of permits to cover the cost of district programs related to permitted stationary sources. The fees assessed for any fiscal year may not exceed the actual costs for District programs for the immediately preceding fiscal year with an adjustment up to the change in the annual California Consumer Price Index (CPI) for the preceding year, as determined according to Section 2212 of the Revenue and Taxation Code. Fee revenues received by the District that exceed the cost of the programs shall be carried over for expenditure in the subsequent fiscal year, and the schedule of fees shall be changed to reflect that carryover.

#### *Memorandum of Understanding (MoU)*

The APCO may enter into an MoU with local, state, or federal agencies, non-governmental organizations, or non-profits to further the mission of the District. Acceptance and/or obligation of funds, if applicable, and/or terms and conditions of the MoU must comply with the APCO's contracting authority as outlined within the District's Purchasing Policy.

#### *Grants*

District staff will seek out, apply for and effectively administer federal, state, and other grants that address the District's priorities and policy objectives and provide a positive benefit to the District. Before any grant is pursued, staff shall make a good faith effort to prepare a detailed pro forma that addresses the immediate and long-term costs and benefits to the District.

### *Federal Awards*

In the performance of its mission, the District utilizes several funding sources including grants provided by the Federal government. To utilize these funds for the reimbursement of costs, the District and its sub-recipients are required to follow Uniform Guidance in 2 CFR, Part 200, Subpart E - Cost Principles when accounting for expenditures. The District charges costs that are reasonable, allowable, and allocable to an award directly or indirectly. All unallowable costs are appropriately segregated from allowable costs in the general ledger to ensure that unallowable costs are not charged to any awards. The District's sub-recipients are required to follow these same practices.

In addition to the Cost Principles related to allowable costs, the District is responsible for maintaining internal controls regarding the management of Federal program funds, and ensuring that subgrantees are aware of the cash management and requirements in 2 CFR part 200, subpart D. The District will monitor its cash drawdowns and those of its sub-recipients to assure substantial compliance with the standards of timing and amount of advances. Additionally, the District will minimize the amount of time between the drawdown and the expenditure of funds from their bank accounts. Funds must be drawn only to meet a District's immediate cash needs for each grant. Finally, the District will periodically complete a sub-recipient risk assessment to guide oversight efforts.

### *Acceptance of Non-District Funds*

The APCO may accept funds from local, state, or federal agencies, nongovernmental sources, or any other entity as long as the funds will be used to further the mission of the District and, where applicable, the use of the funds complies with any terms, conditions or guidelines imposed by the funding source.



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## APPENDIX B – DESCRIPTION OF FUNDING SOURCES

**Agricultural Burning** — Burn permit fees are collected from growers and other agricultural interests to partially fund the District's Agricultural Burn Permit program.

**Air Quality Improvement Program Funds** — A voluntary incentive program administered by the California Air Resources Board (CARB) to fund clean vehicle and equipment projects, research biofuel production and the air quality impacts of alternative fuels, and workforce training.

**Asbestos Plan Check Fees** — Fees collected from building owners and contractors undertaking demolitions or renovations subject to regulation under the District's asbestos rules. Fees generate revenues used for the review of abatement plans, site inspections, complaint responses, and enforcement case development.

**Assembly Bill 197 Emission Inventory (AB 197)** — State funds provided to the District to review facility information and emission data.

**CARB Subvention and Enforcement Grant** — Grant funds used for Stationary Source program expenditures not offset by permit fees, including Engineering, Compliance/Enforcement, Air Monitoring, Rule Development, and Planning.

**City of Sacramento Air Monitoring Program** — Funds provided by the City of Sacramento to be used for the deployment of portable air quality monitors, and a one-time air monitoring program that includes street-level mobile air quality monitoring and related outreach, research, and education in underserved communities.

**Civil Settlements** — Revenues derived from penalties for violations of federal, state, and District regulations. Amounts are determined by the Mutual Settlement Program approved by the Board.

**Climate Pollution Reduction Grants (CPRG) Program** — Federal funds provided by EPA to design priority climate action plans that incorporate greenhouse gas reduction measures. Phase 2 of the program is a competitive process to apply for funds to implement greenhouse gas reduction measures included in an applicable priority climate action plan.

**Community Air Protection Program** — Authorized by AB 617 (C. Garcia), funded by the Greenhouse Gas Reduction Fund, and overseen by the California Air Resources Board (CARB), this program conducts stakeholder and community outreach in impacted communities (designated by CARB) to guide the creation and implementation of monitoring plans (CAMP) and community emission reduction plans (CERP).

**Community Air Protection Program Incentives** — California State grants, funded by the Greenhouse Gas Reduction Fund and overseen by the California Air Resources Board, are appropriated for this program to conduct stakeholder and community outreach in impacted communities designated by the Sac Metro Air District that guides the spending of incentives funds on eligible emission-reducing projects impacting these communities.

**Community Air Protection Program Incentives (Enhanced)** — Funds received through the authorized sale of salvaged vehicles turned in through the Community Air Protection Incentive program. Revenue from the vehicle sales is reintroduced into the Community Air Protection Program to continue funding vehicles.

**Congestion Mitigation and Air Quality Improvement (CMAQ) Grants** — Federal funds used to support the Spare The Air program, the State Implementation Plan, and heavy-duty, low-emission vehicle and infrastructure programs through the federal SECAT program.

**DMV Surcharge** — Per enacting legislation AB4355, revenues are used to implement the Air Quality Improvement Strategy with respect to the reduction in emissions from vehicular sources, including a clean fuels program, motor vehicle use reduction measures, and a public education program. Additional revenues will be provided by AB923 - \$2 surcharge. Revenues are restricted to programs that achieve emission reductions from vehicular sources and off-road engines, replacing old polluting engines with new cleaner engines.

**Enhanced Fleet Modernization Program - Green House Gas Reduction Fund** — The 2018 California Air Resources Board Climate Investments are used to implement a diverse set of investments while maintaining the transparency of outcomes and ensuring meaningful community benefits from these investments and reflect the increasingly important role of California Climate Investments in facilitating the reduction of greenhouse gases while also reducing air pollution, helping communities adapt to the impacts of climate change, and providing meaningful benefits to disadvantaged communities, low-income communities, and low-income households.

**EPA 103 Grant** — Revenues are restricted to uses achieving the program objectives of the fine particulate monitoring network and community toxics grant.

**EPA 105 Grant** — Revenues are restricted to uses achieving the program objectives as submitted to US EPA but may not be used to cover costs associated with Title V permitting. Allowed uses include compliance and enforcement, air monitoring, transportation, land-use programs, and development and maintenance of AIRS data.

**Funding Agriculture Replacement for Emission Reductions (FARMER) Program** — California State grants, funded by the Greenhouse Gas Reduction Fund, and overseen by the California Air Resources Board, are appropriated for this program to replace old agricultural equipment with cleaner agricultural equipment.

**Funding Agriculture Replacement for Emission Reductions (FARMER) - Enhanced Program** — Funds received through the authorized sale of salvaged vehicles turned in through the FARMER program. Revenue from the vehicle sales is reintroduced into the FARMER program to continue funding vehicles.

**Interest Income** — Interest is generated annually from District-invested reserves and the resulting revenue is allocated to the source fund generating the interest.

**Lease Property Net Revenues** — Revenues resulting from the lease of space in the District-owned building located at 777 12<sup>th</sup> Street. This revenue includes rents and parking fees and is net of all upkeep and maintenance expenditures of the building and parking area and is used to pay the interest and principal obligations of the bonds and to build a reserve for improvements.

**Local Government** — Funds provided by local agencies/governments in the form of grants or matching funds such as neighboring air districts' matching funds for CMAQ grants (Spare The Air) and an air monitoring grant from the City of Sacramento.

**Measure A** — Per enacting legislation ordinance number STA-0002 dated October 6, 1988, one-half of one percent of total Measure A monies collected by the Sacramento Transportation Authority (STA) will be used for mitigation of motor vehicle emissions or evaluation of mitigation measures. The revenues are used to support heavy-duty low-emission vehicle and infrastructure projects, air monitoring, transportation control measure planning, and the Sacramento Transportation and Air Quality Collaborative. The STA placed a measure on the November 2004 ballot to renew the Measure for 30 more years after the original measure expires. Voters overwhelmingly approved the new Measure A, with more than 75 percent of voters in favor of it. The "new" Measure A took effect in April 2009.

**Mitigation Fees** — Fees paid by land-use project developers to mitigate the construction and/or operational emissions of their project. Revenues are used to secure emission reductions to offset land use development.

**Moyer (Carl Moyer Memorial A.Q. Standards Attainment) Program** — Funds are available through California Smog Check and new tire purchase fees and are administered through the California Air Resources Board. Revenues are used to provide market-based incentives for the introduction and use of lower-emission technologies for heavy-duty vehicles, off-road vehicles and equipment, and locomotive engines.

**Moyer (Enhanced) Program** — Funds received through the authorized sale of salvaged vehicles turned in through the Moyer Program. Revenue from the vehicle sales is reintroduced into the Moyer Program to continue funding vehicles.

**Naturally Occurring Asbestos (NOA) Fees** — Fees are collected from those required to comply with Title 17 of the California Code of Regulations, § 93105 ATCM. Revenues are to be used to recover costs associated with the NOA program, which includes reviewing dust mitigation plans and inspections.

**Oil and Gas** — Grant received from the California Air Resources Board to fund the District's enforcement activities. The District and CARB have a memorandum of understanding for the District to enforce CARB's Oil and Gas regulation in Sacramento County.

**Our Community CarShare Program (CarShare)** — Grant funds used to place eight battery electric vehicles at three affordable housing communities and the Sac Valley Train Station. The members of the CarShare Program will include residents of selected communities. These members will have access to the electric CarShare vehicles for zero-emission mobility.

**Planning Service Charges** — Fees collected from the County of Sacramento and the Cities of Folsom and Sacramento to review planning applications for their impact on air quality.

**Port and Freight Infrastructure** — Grant funds are used to expand on its current efforts and develop, demonstrate, and test three additional hydrogen-fueled, zero-emissions switcher locomotives to be constructed on a test track in Sierra Northern Railway's West Sacramento rail yard. The project includes the construction of approximately 2,000 feet of ancillary test trackage, the conversion of three locomotives, and the development of refueling infrastructure and protocols.

**Portable Equipment Registration Program (PERP)** — Fee revenue collected by the California Air Resources Board from owners or operators of portable engines, and certain other types of equipment, to operate their equipment throughout California without having to obtain individual permits from local air districts is passed through to Districts that have equipment registered under CARB's Portable Equipment Registration Program.

**Power Plant Fees** — Hourly rate fees paid by power plant project proponents for District staff to determine the legitimacy/accuracy of Emission Reduction Credits (ERCs) proposed for use to offset new plant emissions, and to process Authority to Construct and Permit to Operate documents.

**Prescribed Burn Reporting and Monitoring Support** — The program provides resources to enhance the District's smoke management program by increasing regulation, outreach, and reporting of prescribed fires in Sacramento County.



**Proposition 1B (GMRP/LESBP)** — Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, authorized the Legislature to appropriate \$1 billion in bond funding to the California Air Resources Board to reduce emissions from freight movement in California and \$200 million for school bus retrofit and replacement to reduce air pollution and to reduce children's exposure to diesel exhaust. Examples for the goods movement program include the replacement and/or retrofit of trucks moving goods and locomotives (non-passenger) within the Sacramento, San Joaquin, and Bay Area regions.

**Proposition 1B (Enhanced) Program** — Funds received through the authorized sale of salvaged vehicles turned in through the Proposition 1B Program. Revenue from the vehicle sales is reintroduced into the Proposition 1B Program to continue funding vehicles.

**Sacramento Emergency Clean Air & Transportation (SECAT) Program** — The program replaces on-road heavy-duty diesel vehicles with cleaner emission vehicles. The goal of the SECAT program is to reduce the harmful surplus emissions from on-road heavy-duty vehicles operating in the Sacramento Federal Nonattainment Area (SFNA).

**Sacramento Emergency Clean Air & Transportation (SECAT) Enhanced Program** — Funds received through the authorized sale of salvaged trucks turned in through the SECAT program. Revenue from the truck sales is used to fund the Sacramento Region Air Quality and Infill Streamlining Program (ISP), which is an innovative program that provides cities and counties in the Sacramento Region with technical assistance to address key infill barriers.

**SB1 Building Handbook and CalEEMod** — Funded by a grant from the California Department of Transportation, this project focuses on updating the California Emissions Estimator Model (CalEEMod), as well as the Quantifying GHG Mitigation Measures Handbook. These tools are used by local governments across California to quantify and reduce GHG and criteria air pollutants from new land use development, as well as to assist with climate action planning and other activities. The updates include updated data and methodologies as well as new measures to address GHG mitigation, climate adaptation, equity, and health.

**Solutions for the Environment and Economic Development (SEED) Program** — Revenue generated from the lease of Emission Reduction Credits (ERCs) under Rule 205 – Community Bank and Priority Reserve Bank. ERCs resulting from SEED-funded programs are deposited in the Community Bank. Fees are charged to cover various expenditures:

**Initial Fees** — Process initial ERCs.

**Loan Fees** — Meet Rule 205 mandates, which require, via a Request for Proposals, additional emission reductions to be secured.

**Renewal Fees** — Process ERC renewals, oversee ERC contracts and operate SEED. revenue disbursement process.

**Source Test** — Fees collected from any source required to conduct emission testing to demonstrate continued compliance with rules and or permit requirements.

**State Toxics Emission Fees** — Fees collected through Rule 306 – Air Toxic Fees are paid by facilities identified as having the potential to pose a health risk to the community, either as individual stationary sources or collectively as an industry. These sources are subject to the requirements of AB2588, the Air Toxics "Hot Spots" program for sources of toxic air pollutants. Fees are collected by the District on behalf of CARB and are to be used to help cover costs incurred by the District and the state in administering and enforcing the program.

**Stationary Source Initial Fees** — Fees paid by permit holders based on a defined fee schedule to cover expenditures to process Authorities to Construct and Permits to Operate. Fees may also cover the costs of other programs, such as rule development, emission inventory development, and air monitoring.

**Stationary Source Permit Renewal Fees** — Permit renewal fees consist of two parts; one is based on the type and size of the equipment and the other is based on the number of tons of pollutants emitted. Renewal fee revenues are used to support the stationary sources program, including the annual review of permits, the inspection of permitted and unpermitted sources, responding to complaints, general surveillance, etc. Fees also cover other related programs such as rule development, emission inventory development, and air monitoring.

**Stationary Source Re-inspection Fees** — Initial and renewal fees are based on the assumption of one annual inspection, and as such, an hourly rate fee is collected for any equipment/site requiring additional inspections, whether for non-compliance issues and/or additional source tests, etc.

**Targeted Airshed Grants (TAG)** — Federal EPA grants under the Non-Attainment Area Community Airshed Grant program to fund projects in neighboring air Districts to reduce particulate matter emissions within our non-attainment region. The District is the recipient of the grant funds and distributes funds to the sub-recipients.

**Title V Fees** — Local permit fees paid by Title V sources to cover the cost of developing Authorities to Construct and Permits to Operate. Additional fees may be charged to the large sources to cover expenditures for review and analysis associated with the complicated Title V permitting process.

**Toxics Mobile Grant** — This grant is awarded as part of the Environmental Protection Agency's (EPA) Community-Scale Air Toxics Ambient Monitoring Program to quantify mobile source air toxics in two environmental justice communities in Sacramento. Outcomes from the results will help determine the overall risk from mobile toxics in the communities and will provide recommendations on how to improve methodologies to develop community-scale emission inventories.

**Variances** — Fees collected when permitted sources apply for variances from District rules. Revenues cover the costs of Hearing Board meetings.

## APPENDIX C – GLOSSARY

**Account** — A record in the budget that is used to collect and describe the type of financial transaction.

**Accrual Basis** — Revenue and expenditures are recorded in the period earned or incurred regardless of whether cash is received or disbursed in that period.

**Actual** — The real financial transaction that occurred, for example, the actual amount received and the actual amount spent.

**Amended Budget** — Authorized adjustments made to the Approved Budget within the same fiscal year.

**Audit** — An official inspection of an organization's accounts, typically by an independent body.

**Balanced Budget** — The amount of budgeted expenditures is equal to the amount of budgeted revenue sources (including fund balance reserves).

**Bond Premium** — Amount of bond proceeds above the face value of the bond.

**Budget** — A financial plan for a defined period, usually a year that summarizes planned expenses, revenues, and resources.

**Capital Expenses/Expenditures** — Property of any kind, tangible or intangible, with a cost equal to or greater than \$5,000 and that has an initial useful life extending beyond a single reporting period (fiscal year), e.g., land, buildings, vehicles, and machinery.

**Certificate of Participation (COP)** — An alternative to municipal bonds in which an investor buys a share in the improvements or infrastructure the government entity intends to fund.

**Cognizant Agency** — A federal agency that, on behalf of all Federal agencies, is responsible for establishing final indirect cost rates.

**Annual Comprehensive Financial Report (Annual Report)** — Provides a thorough and detailed audit report of the District's financial condition.

**Consumer Price Index (CPI)** — A measure of the average change over time in the prices paid by urban consumers for a fixed market basket of goods and services used as a basis for adjusting fees; the CPI value for fee adjustments is obtained through the California Division of Labor Statistics and Research, All Urban Consumers.

**Debt Service** — The amount of money required in a given period to pay the principal and interest on debt (borrowed money), generally according to a predetermined payment schedule.

**Division** — Term used to define the different areas of operation within the District.

**Employee Services** — The personnel costs of the District, including salaries, wages, and benefits, such as health insurance, social security costs, retirement contributions, workers' compensation, unemployment insurance, etc.

**Expenditure** — The actual spending of funds authorized by an appropriation and generally divided into various categories such as employee services, services and supplies, debt service, and capital improvements.

**Federal Fiscal Year (FFY)** — A period designated by the Federal government signifying the beginning and ending period for recording financial transactions. The Federal Fiscal Year is from October 1 through September 30.

**Fiscal Year (FY)** — A period designated by the District signifying the beginning and ending period for recording financial transactions. The District has a fiscal year from July 1 through June 30.

**Full-Time Equivalent (FTE)** — A unit indicating the workload of a position to distinguish workloads comparable to a full-time position (i.e., an FTE of 1.0 means that the position is equivalent to a full-time workload, while an FTE of 0.50 signals that the position is only half-time).

**Fund** — A group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Each fund has its own budget and tracks revenues and expenditures separately.

**Fund Balance** — The net worth of a fund, measured by total assets minus total liabilities. A projected ending fund balance for a period is the total value remaining after current requirements (expenditures for operations and capital improvements) are subtracted from the sum of the beginning fund balance and current resources. Fund balance can be complicated by the fact that part of the fund balance may be reserved, or restricted, for specific purposes. Fund balance may be used to balance the budget when new revenues are insufficient to fund budgeted expenditures.

**General Fund (100)** — The District's principal operating fund, supported by federal grants, California State funds, and permit fees, and funds ongoing program costs, such as employee services, equipment, and capital expenses.

**Government Finance Officers Association (GFOA)** — An organization that enhances and promotes the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

**Governmental Fund** — A grouping used in accounting for government activities that are not business-like activities. For the District, this includes the General Fund and the Special Revenue Fund.

**Grant** — Contributions of cash or other assets provided by external agencies, which are restricted to a specific purpose, have a time limit for use, and frequently are reimbursed after incurring eligible costs.

**Indirect Cost** — A cost that is not readily identified to the specific good or service, such as administration. For many of the District's programs, the percentage of indirect cost allowed is set by the EPA as a cognizant agency.

**Modified Accrual** — A combination of cash basis and full accrual basis accounting used for governmental funds. Revenues are recognized when they are both measurable and available, and expenditures are recorded on a full accrual basis, as they are measurable when incurred.

**Nitrogen Oxides (NOx)** — Highly reactive gas that forms quickly from emissions from cars, trucks and buses, power plants, and off-road equipment.

**Ozone** — A gas that occurs both in the Earth's upper atmosphere and at ground level. Ozone can be "good" or "bad" for people's health and the environment, depending on its location in the atmosphere.

**Program Distribution — EPA Grants** — Amounts paid to an Environment Protection Agency grant sub-recipient under the grant contractual requirements.

**Proprietary Fund (400)** — Accounts for the District's business-like activities and currently reflects the financial activities of the District's administrative facility, the Covell Building. Also known as an Internal Service Fund.

**Special Revenue Fund (500)** — Records the proceeds from certain revenue sources that have expenditure restrictions and provides an extra level of accountability and transparency to the revenue source that the funds will go towards its intended purpose.

**Structural Deficit** — Occurs when expenditures exceed revenues — a fundamental imbalance in government receipts and expenditures — not generally a result of one-time or short-term factors.

**Resolution** — A formal declaration, usually after voting, by an organization (District's Board of Directors).

**Revenues** — Income received from various sources including charges for fees and services, intergovernmental, interest, grants, and other miscellaneous categories.

**Services and Supplies** — Costs of contractual or outside services, supplies, rent, utilities, equipment, etc.

**Transfers** — Financial resources are moved from one account/fund to another account/fund.

**Types of Funds** — Restricted funds are restricted by legal or contractual requirements to a specific area. Unrestricted funds are not restricted by legal or contractual requirements and may be used in multiple areas. Assigned funds are intended for a specific purpose but do not meet the criteria to be classified as restricted. Non-spendable fund balance reflects assets not in spendable form, either because they will never convert to cash (e.g., prepaid items) or must remain intact under legal or contractual requirements. Unassigned funds are spendable funds in the District's General Fund not included in the other fund classifications.

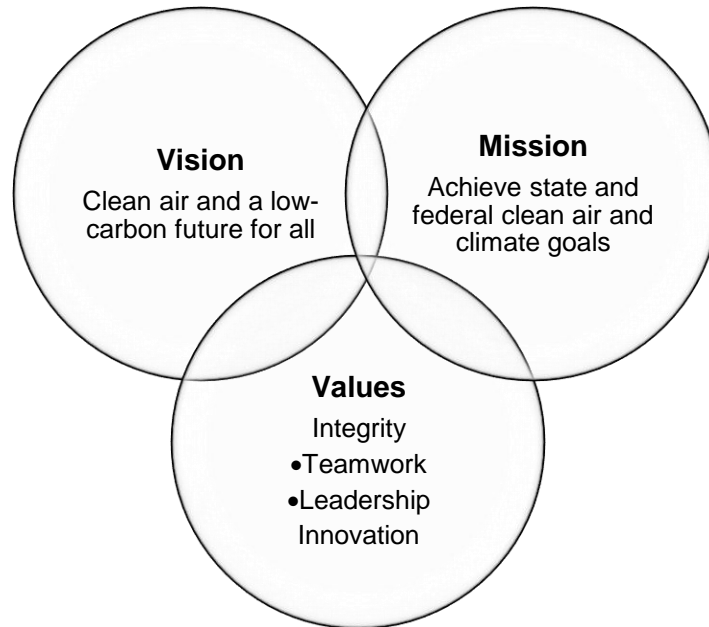
**Variance** — The difference between the budgeted or baseline amount of expense or revenue, and the actual amount.

**Volatile Organic Compounds (VOC)** — Gases emitted from certain solids or liquids.

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VISION = SOME DAY

MISSION = EVERY DAY



*Sac Metro Air District working hard for your health*

#### BOARD OF DIRECTORS

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SACRAMENTO METROPOLITAN



# Exhibit 2

## Approved Fees for Fiscal Year 2024/2025 (FY24/25) Effective July 01, 2024 CPI Adjustment of 4.17%

FeeID	Fee Category	Authority (Rule)	Fee Name	FY 24/25 Approved Fee
1	Equipment - ATC	301	Schedule 1 (Electric Motor), Level 1 (<5 HP) - ATC	\$ 602.10
2	Equipment - PTO	301	Schedule 1 (Electric Motor), Level 1 (<5 HP) - PTO	602.10
3	Equipment - Renewal	301	Schedule 1 (Electric Motor), Level 1 (<5 HP) - Renewal	602.10
4	Equipment - Change of Ownership	301	Schedule 1 (Electric Motor), Level 1 (<5 HP) - Change of Ownership	602.10
5	Equipment - ATC	301	Schedule 1 (Electric Motor), Level 2 (5 - <50 HP) - ATC	1,206.28
6	Equipment - PTO	301	Schedule 1 (Electric Motor), Level 2 (5 - <50 HP) - PTO	1,206.28
7	Equipment - Renewal	301	Schedule 1 (Electric Motor), Level 2 (5 - <50 HP) - Renewal	1,206.28
8	Equipment - Change of Ownership	301	Schedule 1 (Electric Motor), Level 2 (5 - <50 HP) - Change of Ownership	1,206.28
9	Equipment - ATC	301	Schedule 1 (Electric Motor), Level 3 (50 - <200 HP) - ATC	2,416.74
10	Equipment - PTO	301	Schedule 1 (Electric Motor), Level 3 (50 - <200 HP) - PTO	2,416.74
11	Equipment - Renewal	301	Schedule 1 (Electric Motor), Level 3 (50 - <200 HP) - Renewal	2,416.74
12	Equipment - Change of Ownership	301	Schedule 1 (Electric Motor), Level 3 (50 - <200 HP) - Change of Ownership	2,416.74
13	Equipment - ATC	301	Schedule 1 (Electric Motor), Level 4 (>200 HP) - ATC	4,835.57
14	Equipment - PTO	301	Schedule 1 (Electric Motor), Level 4 (>200 HP) - PTO	4,835.57
15	Equipment - Renewal	301	Schedule 1 (Electric Motor), Level 4 (>200 HP) - Renewal	4,835.57
16	Equipment - Change of Ownership	301	Schedule 1 (Electric Motor), Level 4 (>200 HP) - Change of Ownership	4,835.57
17	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 1 (<1 MMBtu/hr) - ATC	298.96
18	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 1 (<1 MMBtu/hr) - Renewal	298.96
19	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 1 (<1 MMBtu/hr) - PTO	298.96
20	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 1 (<1 MMBtu/hr) - Change of Ownership	298.96
21	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - ATC	602.10
22	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - Renewal	602.10
23	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - PTO	602.10
24	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - Change of Ownership	602.10
25	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 3 (10 - <50 MMBtu/hr) - ATC	1,206.28
26	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 3 (10 - <50 MMBtu/hr) - Renewal	1,206.28
27	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 3 (10 - <50 MMBtu/hr) - PTO	1,206.28
28	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 3 (10 - <50 MMBtu/hr) - Change of Ownership	1,206.28
29	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 4 (50 - <100 MMBtu/hr) - ATC	2,416.74
30	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 4 (50 - <100 MMBtu/hr) - Renewal	2,416.74
31	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 4 (50 - <100 MMBtu/hr) - PTO	2,416.74
32	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 4 (50 - <100 MMBtu/hr) - Change of Ownership	2,416.74
33	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 5 (>100 MMBtu/hr) - ATC	4,835.57
34	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 5 (>100 MMBtu/hr) - Renewal	4,835.57
35	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 5 (>100 MMBtu/hr) - PTO	4,835.57
36	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 5 (>100 MMBtu/hr) - Change of Ownership	4,835.57
37	Equipment - ATC	301	Schedule 3 (Electrical Energy), Level 1 (<150 KVA) - ATC	1,581.30
38	Equipment - Renewal	301	Schedule 3 (Electrical Energy), Level 1 (<150 KVA) - Renewal	1,581.30
39	Equipment - PTO	301	Schedule 3 (Electrical Energy), Level 1 (<150 KVA) - PTO	1,581.30
40	Equipment - Change of Ownership	301	Schedule 3 (Electrical Energy), Level 1 (<150 KVA) - Change of Ownership	1,581.30
41	Equipment - ATC	301	Schedule 3 (Electrical Energy), Level 2 (>=150 KVA) - ATC	4,835.57
42	Equipment - Renewal	301	Schedule 3 (Electrical Energy), Level 2 (>=150 KVA) - Renewal	4,835.57
43	Equipment - PTO	301	Schedule 3 (Electrical Energy), Level 2 (>=150 KVA) - PTO	4,835.57
44	Equipment - Change of Ownership	301	Schedule 3 (Electrical Energy), Level 2 (>=150 KVA) - Change of Ownership	4,835.57
45	Equipment - ATC	301	Schedule 4 (Incinerator), Level 1 (<10 Sq Ft) - ATC	1,206.28
46	Equipment - Renewal	301	Schedule 4 (Incinerator), Level 1 (<10 Sq Ft) - Renewal	1,206.28
47	Equipment - PTO	301	Schedule 4 (Incinerator), Level 1 (<10 Sq Ft) - PTO	1,206.28
48	Equipment - Change of Ownership	301	Schedule 4 (Incinerator), Level 1 (<10 Sq Ft) - Change of Ownership	1,206.28
49	Equipment - ATC	301	Schedule 4 (Incinerator), Level 2 (10 - <40 Sq Ft) - ATC	3,638.65
50	Equipment - Renewal	301	Schedule 4 (Incinerator), Level 2 (10 - <40 Sq Ft) - Renewal	3,638.65



**Approved Fees for Fiscal Year 2024/2025 (FY24/25) Effective July 01, 2024**  
**CPI Adjustment of 4.17%**

FeeID	Fee Category	Authority (Rule)	Fee Name	FY 24/25 Approved Fee
51	Equipment - PTO	301	Schedule 4 (Incinerator), Level 2 (10 - <40 Sq Ft) - PTO	3,638.65
52	Equipment - Change of Ownership	301	Schedule 4 (Incinerator), Level 2 (10 - <40 Sq Ft) - Change of Ownership	3,638.65
53	Equipment - ATC	301	Schedule 4 (Incinerator), Level 3 (40 - <100 Sq Ft) - ATC	4,835.57
54	Equipment - Renewal	301	Schedule 4 (Incinerator), Level 3 (40 - <100 Sq Ft) - Renewal	4,835.57
55	Equipment - PTO	301	Schedule 4 (Incinerator), Level 3 (40 - <100 Sq Ft) - PTO	4,835.57
56	Equipment - Change of Ownership	301	Schedule 4 (Incinerator), Level 3 (40 - <100 Sq Ft) - Change of Ownership	4,835.57
57	Equipment - ATC	301	Schedule 4 (Incinerator), Level 4 (>100 Sq Ft) - ATC	6,063.73
58	Equipment - Renewal	301	Schedule 4 (Incinerator), Level 4 (>100 Sq Ft) - Renewal	6,063.73
59	Equipment - PTO	301	Schedule 4 (Incinerator), Level 4 (>100 Sq Ft) - PTO	6,063.73
60	Equipment - Change of Ownership	301	Schedule 4 (Incinerator), Level 4 (>100 Sq Ft) - Change of Ownership	6,063.73
61	Equipment - ATC	301	Schedule 5 (Storage Container), Level 1 (<40K Gallons) - ATC	1,206.28
62	Equipment - Renewal	301	Schedule 5 (Storage Container), Level 1 (<40K Gallons) - Renewal	1,206.28
63	Equipment - PTO	301	Schedule 5 (Storage Container), Level 1 (<40K Gallons) - PTO	1,206.28
64	Equipment - Change of Ownership	301	Schedule 5 (Storage Container), Level 1 (<40K Gallons) - Change of Ownership	1,206.28
65	Equipment - ATC	301	Schedule 5 (Storage Container), Level 2 (40K - <400K Gallons) - ATC	4,835.57
66	Equipment - Renewal	301	Schedule 5 (Storage Container), Level 2 (40K - <400K Gallons) - Renewal	4,835.57
67	Equipment - PTO	301	Schedule 5 (Storage Container), Level 2 (40K - <400K Gallons) - PTO	4,835.57
68	Equipment - Change of Ownership	301	Schedule 5 (Storage Container), Level 2 (40K - <400K Gallons) - Change of Ownership	4,835.57
69	Equipment - ATC	301	Schedule 5 (Storage Container), Level 3 (>400K Gallons) - ATC	9,674.26
70	Equipment - Renewal	301	Schedule 5 (Storage Container), Level 3 (>400K Gallons) - Renewal	9,674.26
71	Equipment - PTO	301	Schedule 5 (Storage Container), Level 3 (>400K Gallons) - PTO	9,674.26
72	Equipment - Change of Ownership	301	Schedule 5 (Storage Container), Level 3 (>400K Gallons) - Change of Ownership	9,674.26
73	Equipment - Renewal	301	Schedule 6.A (Gasoline Dispensing), Level 1 (Phase II Exempt) - Renewal	580.22
74	Equipment - Change of Ownership	301	Schedule 6.A (Gasoline Dispensing), Level 1 (Phase II Exempt) - Change of Ownership	580.22
75	Equipment - ATC	301	Schedule 6.A (Gasoline Dispensing), Level 2 (<8 Nozzles - Minimum Fee) - ATC	1,132.32
76	Equipment - PTO	301	Schedule 6.A (Gasoline Dispensing), Level 2 (<8 Nozzles - Minimum Fee) - PTO	1,132.32
77	Equipment - Renewal	301	Schedule 6.A (Gasoline Dispensing), Level 2 (<8 Nozzles - Minimum Fee) - Renewal	1,132.32
78	Equipment - Change of Ownership	301	Schedule 6.A (Gasoline Dispensing), Level 2 (<8 Nozzles - Minimum Fee) - Change of Ownership	1,132.32
79	Equipment - ATC	301	Schedule 6.A (Gasoline Dispensing), Level 3 (>=8 Nozzles - Per Nozzle Fee) - ATC	158.33
80	Equipment - PTO	301	Schedule 6.A (Gasoline Dispensing), Level 3 (>=8 Nozzles - Per Nozzle Fee) - PTO	158.33
81	Equipment - Renewal	301	Schedule 6.A (Gasoline Dispensing), Level 3 (>=8 Nozzles - Per Nozzle Fee) - Renewal	158.33
82	Equipment - Change of Ownership	301	Schedule 6.A (Gasoline Dispensing), Level 3 (>=8 Nozzles - Per Nozzle Fee) - Change of Ownership	158.33
83	Equipment - Renewal	301	Schedule 6.B (Gasoline Dispensing Tank) - Phase I only - Renewal	132.29
84	Equipment - Renewal	301	Schedule 6.B (Gasoline Dispensing Tank) - Underground tanks - Renewal	402.09
85	Equipment - Renewal	301	Schedule 6.B (Gasoline Dispensing Tank) - Aboveground tanks - Renewal	198.96
86	Equipment - ATC	301	Schedule 7 (IC Engines), Level 1 (<50 HP) - ATC	298.96
87	Equipment - PTO	301	Schedule 7 (IC Engines), Level 1 (<50 HP) - PTO	298.96
88	Equipment - Renewal	301	Schedule 7 (IC Engines), Level 1 (<50 HP) - Renewal	298.96
89	Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 1 (<50 HP) - Change of Ownership	298.96
90	Equipment - ATC	301	Schedule 7 (IC Engines), Level 2 (50 - <250 HP) - ATC	602.10
91	Equipment - PTO	301	Schedule 7 (IC Engines), Level 2 (50 - <250 HP) - PTO	602.10
92	Equipment - Renewal	301	Schedule 7 (IC Engines), Level 2 (50 - <250 HP) - Renewal	602.10
93	Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 2 (50 - <250 HP) - Change of Ownership	602.10
94	Equipment - ATC	301	Schedule 7 (IC Engines), Level 3 (250 - <500 HP) - ATC	1,206.28
95	Equipment - PTO	301	Schedule 7 (IC Engines), Level 3 (250 - <500 HP) - PTO	1,206.28
96	Equipment - Renewal	301	Schedule 7 (IC Engines), Level 3 (250 - <500 HP) - Renewal	1,206.28
97	Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 3 (250 - <500 HP) - Change of Ownership	1,206.28
98	Equipment - ATC	301	Schedule 7 (IC Engines), Level 4 (500 - <1000 HP) - ATC	2,416.74
99	Equipment - PTO	301	Schedule 7 (IC Engines), Level 4 (500 - <1000 HP) - PTO	2,416.74
100	Equipment - Renewal	301	Schedule 7 (IC Engines), Level 4 (500 - <1000 HP) - Renewal	2,416.74



**Approved Fees for Fiscal Year 2024/2025 (FY24/25) Effective July 01, 2024**  
**CPI Adjustment of 4.17%**

<b>FeeID</b>	<b>Fee Category</b>	<b>Authority (Rule)</b>	<b>Fee Name</b>	<b>FY 24/25 Approved Fee</b>
101	Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 4 (500 - <1000 HP) - Change of Ownership	2,416.74
102	Equipment - ATC	301	Schedule 7 (IC Engines), Level 5 (>1000 HP) - ATC	4,835.57
103	Equipment - PTO	301	Schedule 7 (IC Engines), Level 5 (>1000 HP) - PTO	4,835.57
104	Equipment - Renewal	301	Schedule 7 (IC Engines), Level 5 (>1000 HP) - Renewal	4,835.57
105	Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 5 (>1000 HP) - Change of Ownership	4,835.57
106	Equipment - ATC	301	Schedule 9 (Misc) - ATC	1,206.28
107	Equipment - PTO	301	Schedule 9 (Misc) - PTO	1,206.28
108	Equipment - Renewal	301	Schedule 9 (Misc) - Renewal	1,206.28
109	Equipment - Change of Ownership	301	Schedule 9 (Misc) - Change of Ownership	1,206.28
110	Equipment	301	Schedule 10 (Time and Materials Labor Rate)	264.59
111	Equipment	301	Schedule 11 (Time and Material Labor Rate), Electrical Generating Equipment Greater than 5 MW (Schedule 8)	264.59
112	Equipment	301	Schedule 11 (Time and Material Labor Rate), Emission Reduction Credit Banking Fee	264.59
113	Equipment	301	Schedule 11 (Time and Material Labor Rate), Reinspection Fee	264.59
114	Time & Material	301	Schedule 11 (Time and Material Labor Rate), Reinspection Fee - Renewal	264.59
115	Initial Permit	301	Permit Alternative Compliance Fee (hourly rate)	236.46
116	Initial Permit	301	Permit Source Test Observation and Evaluation Report (first 10 hours)	2,416.74
117	Initial Permit	301	Permit Source Test Observation and Evaluation Report (additional time, per hour)	264.59
118	Initial Permit	301	Public Notification Fee (Hourly Labor Rate)	264.59
119	Equipment - ATC	301	Permit Revisions of Conditions with No Increase	1,206.28
120	Initial Permit	301	Duplicate Permits	34.37
121	Initial Permit	301	Permit Change of Name (first permit)	111.46
122	Initial Permit	301	Permit Change of Name (for each additional permit)	46.87
123	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of CO	106.25
124	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of NOx	106.25
125	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of ROg	106.25
126	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of SOx	106.25
127	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of TSP	106.25
128	Emission Fee	301	Renewal Emission Fee All Other, per ton of CO	108.33
129	Emission Fee	301	Renewal Emission Fee All Other, per ton of NOx	108.33
130	Emission Fee	301	Renewal Emission Fee All Other, per ton of ROg	108.33
131	Emission Fee	301	Renewal Emission Fee All Other, per ton of SOx	108.33
132	Emission Fee	301	Renewal Emission Fee All Other, per ton of TSP	108.33
133	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of CO - Change of Ownership	106.25
134	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of NOx - Change of Ownership	106.25
135	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of ROg - Change of Ownership	106.25
136	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of SOx - Change of Ownership	106.25
137	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of TSP - Change of Ownership	106.25
138	Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of CO - Change of Ownership	108.33
139	Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of NOx - Change of Ownership	108.33
140	Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of ROg - Change of Ownership	108.33
141	Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of SOx - Change of Ownership	108.33
142	Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of TSP - Change of Ownership	108.33
143	Title V	301	Application filing fee (per application)	1,843.80
144	Title V	301	Initial Title V operating permit (per Permit to Operate)	1,786.51
145	Title V	301	Title V operating permit renewal (per Permit to Operate)	777.10
146	Permit Annual Renewal	301	Annual Title V Fee (per Permit to Operate)	391.67
147	Title V	301	Significant Title V permit modification (per Permit to Operate - modified or added)	4,892.86
148	Title V	301	Minor Title V permit modification (per Permit to Operate - modified or added)	2,621.95
149	Title V	301	Enhanced new source review (NSR) (per Permit to Operate - modified or added)	1,310.45
150	Title V	301	Other than enhanced NSR (per application)	519.80

**Approved Fees for Fiscal Year 2024/2025 (FY24/25) Effective July 01, 2024**  
**CPI Adjustment of 4.17%**

FeeID	Fee Category	Authority (Rule)	Fee Name	FY 24/25 Approved Fee
151	Hearing Board	302	Small Businesses Hearing Board - Initial fees	1,035.00
152	Hearing Board	302	Small Businesses Hearing Board - Newspaper publication fees	60.00
153	Hearing Board	302	Small Businesses Hearing Board - Staff time above 7.5 hours	91.00
154	Hearing Board	302	Small Businesses Hearing Board - Excess Duration Fees (per month)	165.00
155	Hearing Board	302	Other Businesses Hearing Board - Initial fees	1,035.00
156	Hearing Board	302	Other Businesses Hearing Board - Newspaper publication fees	60.00
157	Hearing Board	302	Other Businesses Hearing Board - Staff time above 7.5 hours	91.00
158	Hearing Board	302	Other Businesses Hearing Board - Excess Duration Fees (per month)	275.00
159	Agriculture Burning	303	Agriculture Burning Permit (basic fee)	50.00
160	Agriculture Burning	303	Agriculture Burning Permit (Orchard or vineyard pruning waste, per acre)	0.50
161	Agriculture Burning	303	Agriculture Burning Permit (Orchard removal waste, per acre)	3.50
162	Agriculture Burning	303	Agriculture Burning Permit (All other burnable waste, per acre)	1.75
163	Asbestos Renovation and Demolition	304	0-259 linear feet   0-159 square feet   0-34 cubic feet asbestos to be removed/disturbed	435.00
164	Asbestos Renovation and Demolition	304	260-499 linear feet   160-499 square feet   35-109 cubic feet asbestos to be removed/disturbed	435.00
165	Asbestos Renovation and Demolition	304	500-999 linear feet   500-999 square feet   110-218 cubic feet asbestos to be removed/disturbed	635.00
166	Asbestos Renovation and Demolition	304	1,000-2,499 linear feet   1,000-2,499 square feet   219-547 cubic feet asbestos to be removed/disturbed	935.00
167	Asbestos Renovation and Demolition	304	2,500-4,999 linear feet   2,500-4,999 square feet   548-1,094 cubic feet asbestos to be removed/disturbed	1,335.00
168	Asbestos Renovation and Demolition	304	5,000-9,999 linear feet   5,000-9,999 square feet   1,095-2,188 cubic feet asbestos to be removed/disturbed	1,835.00
169	Asbestos Renovation and Demolition	304	10,000 or more linear feet   10,000 or more square feet   2,189 or more cubic feet asbestos to be removed/disturbed	2,335.00
170	Natural Occurring Asbestos Plan Fees	304	Asbestos Dust Mitigation Plan Review - Application review/inspection fees	535.43
171	Natural Occurring Asbestos Plan Fees	304	Asbestos Dust Mitigation Plan Review - Additional per acre	28.12
172	Natural Occurring Asbestos	304	Asbestos Dust Mitigation Plan Review - No dust mitigation plan submitted (per hour)	176.04
173	Natural Occurring Asbestos	304	Asbestos Dust Mitigation Plan Review - Additional - more than 18 hours per acres (per hour)	176.04
174	Natural Occurring Asbestos Plan Fees	304	Geologic Evaluation Application review/inspection fees	692.73
175	Equipment - ATC	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 1 (<1 MMBtu/hr) - ATC	209.38
176	Equipment - PTO	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 1 (<1 MMBtu/hr) - PTO	209.38
177	Equipment - Renewal	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 1 (<1 MMBtu/hr) - Renewal	209.38
178	Equipment - ATC	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - ATC	420.84
179	Equipment - PTO	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - PTO	420.84
180	Equipment - Renewal	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - Renewal	420.84
181	Equipment - ATC	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 3 (>=10 MMBtu/hr) - ATC	845.86
182	Equipment - PTO	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 3 (>=10 MMBtu/hr) - PTO	845.86
183	Equipment - Renewal	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 3 (>=10 MMBtu/hr) - Renewal	845.86
184	Equipment - ATC	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 1 (<10 Sq Ft) - ATC	845.86
185	Equipment - PTO	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 1 (<10 Sq Ft) - PTO	845.86
186	Equipment - Renewal	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 1 (<10 Sq Ft) - Renewal	845.86
187	Equipment - ATC	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 2 (>=10 Sq Ft) - ATC	2,544.87
188	Equipment - PTO	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 2 (>=10 Sq Ft) - PTO	2,544.87
189	Equipment - Renewal	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 2 (>=10 Sq Ft) - Renewal	2,544.87
190	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 1 (<50 HP) - ATC	209.38
191	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 1 (<50 HP) - PTO	209.38
192	Equipment - Renewal	310	Schedule AG2 (Agricultural Source IC Engines), Level 1 (<50 HP) - Renewal	209.38
193	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 2 (50 - <250 HP) - ATC	420.84
194	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 2 (50 - <250 HP) - PTO	420.84
195	Equipment - Renewal	310	Schedule AG2 (Agricultural Source IC Engines), Level 2 (50 - <250 HP) - Renewal	420.84
196	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 3 (250 - <500 HP) - ATC	845.86
197	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 3 (250 - <500 HP) - PTO	845.86
198	Equipment - Renewal	310	Schedule AG2 (Agricultural Source IC Engines), Level 3 (250 - <500 HP) - Renewal	845.86
199	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 4 (500 - <1000 HP) - ATC	1,692.76
200	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 4 (500 - <1000 HP) - PTO	1,692.76

**Approved Fees for Fiscal Year 2024/2025 (FY24/25) Effective July 01, 2024**  
**CPI Adjustment of 4.17%**

FeeID	Fee Category	Authority (Rule)	Fee Name	FY 24/25 Approved Fee
201	Equipment - Renewal	310	Schedule AG2 (Agricultural Source IC Engines), Level 4 (500 - <1000 HP) - Renewal	1,692.76
202	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 5 (>=1000 HP) - ATC	3,389.69
203	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 5 (>=1000 HP) - PTO	3,389.69
204	Equipment - Renewal	310	Schedule AG2 (Agricultural Source IC Engines), Level 5 (>=1000 HP) - Renewal	3,389.69
205	Toxics	306	AB2588 Industrywide Facility Fee - District	154.17
206	Toxics	306	AB2588 Core Facility Fee Category 2 - Complex facility - District	1,395.87
207	Toxics	306	AB2588 Core Facility Fee Category 2 - Intermediate facility - District	998.99
208	Toxics	306	AB2588 Core Facility Fee Category 2 - Simple facility - District	735.44
209	Toxics	306	AB2588 Core Facility Fee Category 3 - Complex facility - District	2,577.16
210	Toxics	306	AB2588 Core Facility Fee Category 3 - Intermediate facility - District	1,285.45
211	Toxics	306	AB2588 Core Facility Fee Category 3 - Simple facility - District	660.43
212	Toxics	306	AB2588 Core Facility Fee Category 301.2 (4 year cycle) - Complex facility - District	162.50
213	Toxics	306	AB2588 Core Facility Fee Category 301.2 (4 year cycle) - Intermediate facility - District	162.50
214	Toxics	306	AB2588 Core Facility Fee Category 301.2 (4 year cycle) - Simple facility - District	162.50
215	Toxics	306	AB2588 Core Facility Fee Category 4 - Complex facility - District	3,439.69
216	Toxics	306	AB2588 Core Facility Fee Category 4 - Intermediate facility - District	2,643.83
217	Toxics	306	AB2588 Core Facility Fee Category 4 - Simple facility - District	1,316.70
218	Toxics	306	AB2588 Core Facility Fee Category 5 - Complex facility - District	12,599.36
219	Toxics	306	AB2588 Core Facility Fee Category 5 - Intermediate facility - District	11,803.50
220	Toxics	306	AB2588 Core Facility Fee Category 5 - Simple facility - District	11,139.93
221	Toxics	306	AB2588 Core Facility Fee Category 6 - Complex facility - District	14,587.96
222	Toxics	306	AB2588 Core Facility Fee Category 6 - Intermediate facility - District	13,924.40
223	Toxics	306	AB2588 Core Facility Fee Category 6 - Simple facility - District	13,131.67
224	Agricultural Engines	311	Agricultural Engines with Control Device, Level 1 (<50)	404.17
225	Agricultural Engines	311	Agricultural Engines with Control Device, Level 1 (<50) - Renewal	202.08
226	Agricultural Engines	311	Agricultural Engines with Control Device, Level 2 (51 - <249)	814.60
227	Agricultural Engines	311	Agricultural Engines with Control Device, Level 2 (51 - <249) - Renewal	407.30
228	Agricultural Engines	311	Agricultural Engines with Control Device, Level 3 (250 - <499)	1,635.46
229	Agricultural Engines	311	Agricultural Engines with Control Device, Level 3 (250 - <499) - Renewal	817.73
230	Agricultural Engines	311	Agricultural Engines with Control Device, Level 4 (500 - <999)	3,277.18
231	Agricultural Engines	311	Agricultural Engines with Control Device, Level 4 (500 - <999) - Renewal	1,638.59
232	Agricultural Engines	311	Agricultural Engines with Control Device, Level 5 (>=1000)	6,560.62
233	Agricultural Engines	311	Agricultural Engines with Control Device, Level 5 (>=1000) - Renewal	3,280.31
234	Agricultural Engines	311	Agricultural Engine Hourly rate for time and materials, and reinspections	211.46
235	Agricultural Engines	311	Agricultural Engine Self-Certification (First Engine)	82.29
236	Agricultural Engines	311	Agricultural Engine Self-Certification (Each Additional Engine)	45.83
237	Agricultural Engines	311	Agricultural Engine Source Test Observation and Report Evaluation (first 10 hours)	1,638.59
238	Agricultural Engines	311	Agricultural Engine Source Test Observation and Report Evaluation (additional time per hour)	211.46
239	Agricultural Engines	311	All other engines, each additional engine (first 1 hour)	205.21
240	Agricultural Engines	311	All other engines, each additional engine (first 1 hour) - Renewal	137.50
241	Agricultural Engines	311	All other engines, additional time (per hour)	211.46
242	Agricultural Engines	311	All other engines, first engine (first 3 hours)	398.97
243	Agricultural Engines	311	All other engines, first engine (first 3 hours) - Renewal	222.92
244	Agricultural Engines	311	Carl Moyer Engines (Ag Reg)	198.96
245	Agricultural Source	310	Agricultural Source Hourly rate for time and materials, and reinspections	173.96
246	Permit Annual Renewal	310	Agricultural Source Renewal Emission Fee, per ton	75.00
247	Agricultural Source	310	Agricultural Source Revisions of Conditions	420.84
248	Agricultural Source	310	Agricultural Source Test Observation and Report Evaluation (first 10 hours)	1,692.76
249	Agricultural Source	310	Agricultural Source Test Observation and Report Evaluation (additional time per hour)	173.96
250	Greenhouse Gas	350	Greenhouse Gas Program - CEQA Document Preparation (per hour)	252.09



**Approved Fees for Fiscal Year 2024/2025 (FY24/25) Effective July 01, 2024**  
**CPI Adjustment of 4.17%**

FeeID	Fee Category	Authority (Rule)	Fee Name	FY 24/25 Approved Fee
251	Greenhouse Gas	350	Greenhouse Gas Program - District Verification (each additional hour, per hour)	252.09
252	Greenhouse Gas	350	Greenhouse Gas Program - District Verification (first 10 hours)	2,542.78
253	Greenhouse Gas	350	Greenhouse Gas Program - Project Plan Fee (each additional hour, per hour)	252.09
254	Greenhouse Gas	350	Greenhouse Gas Program - Project Plan Fee (first 5 hours)	1,269.83
255	Greenhouse Gas	350	Greenhouse Gas Program - Third Party Verification (each additional hour, per hour)	252.09
256	Greenhouse Gas	350	Greenhouse Gas Program - Third Party Verification (first 5 hours)	1,269.83
257	Greenhouse Gas	350	Greenhouse Gas Program - Transfer of Ownership - carbon credit certificate	252.09
258	Initial Permit	310	Schedule AG3 (Large Confined Animal Facility Report Evaluations), Application review (additional time per hour)	173.96
259	Permit Annual Renewal	310	Schedule AG3 (Large Confined Animal Facility Report Evaluations), Application review (additional time per hour) - Renewal	173.96
260	Initial Permit	310	Schedule AG3 (Large Confined Animal Facility Report Evaluations), Application review (first 10 hours)	1,692.76
261	Permit Annual Renewal	310	Schedule AG3 (Large Confined Animal Facility Report Evaluations), Application review (first 5 hours) - Renewal	845.86
262	Initial Permit	310	Large Confined Animal Facility Emission Mitigation Plan Update Fee (per hour)	173.96
263	Initial Permit	310	Schedule AG4-A (General Farming/Miscellaneous Equipment), Initial fee	1,691.72
264	Permit Annual Renewal	310	Schedule AG4-A (General Farming/Miscellaneous Equipment), Renewal	845.86
265	Initial Permit	310	Schedule AG4-B (Agricultural Source Gasoline Dispensing), Level 1 (Phase I and Phase II system)	1,583.38
266	Permit Annual Renewal	310	Schedule AG4-B (Agricultural Source Gasoline Dispensing), Level 1 (Phase I and Phase II system) - Renewal	791.69
267	Initial Permit	310	Schedule AG4-B (Agricultural Source Gasoline Dispensing), Level 2 (Phase II exempt)	785.44
268	Permit Annual Renewal	310	Schedule AG4-B (Agricultural Source Gasoline Dispensing), Level 2 (Phase II exempt) - Renewal	392.72
269	Hearing Board	302	Emergency Variance - Initial fee	495.00
270	Hearing Board	302	Emergency Variance - Staff time above 3 hours	91.00
271	SEED	205	SEED Loan Application Processing	264.59
272	SEED	205	SEED Loan Renewal	2,021.93
273	Fleet Inventory	304	Fleet Inventory Requirements (per fiscal year) _ Rule 1002	190.00
274	MERC	304	Rule 1005- Mobile Source Emission Reduction Credit/Banking Application, Hourly Rate	264.59
275	ERC Certificate	204	ERC Banking Application	264.59
276	Environmental Document Preparation & Processing	305	Environmental Document Preparation & Processing (hourly rate)	63.00
277	Environmental Document Preparation & Processing	305	Environmental Document Preparation & Processing, California Department of Fish and Game (Environmental impact report)	850.00
278	Environmental Document Preparation & Processing	305	Environmental Document Preparation & Processing, California Department of Fish and Game (Negative declaration)	1,250.00
279	Environmental Document Preparation & Processing	305	Environmental Document Preparation & Processing, California Department of Fish and Game (County Clerk's transmitting fee)	25.00

**Fee Category Abbreviations:**

ATC	Authority to Construct
PTO	Permit to Operate
MERC	Mobile Source Emission Reduction Credit
ERC	Emission Reduction Credit
SEED	Solutions for Environment & Economic Development



# FISCAL YEAR 2024/2025 PROPOSED BUDGET & FEE SCHEDULE

Board of Directors

May 23, 2024

Presenter: Patty Kepner, Controller

# Budget Recap

- Staff presented the Fiscal Year 2024/2025 (FY24/25) Proposed Budget details at April Board of Directors meeting, including:
  - Proposed Budgets for all three funds
  - Five-Year Forecast
  - Proposed Fee Schedule – CPI increase of 4.17%
- Budget and Fee Schedule were posted for 60-day public comment period
- Today – recommending final Board approval of FY24/25 Budget and Fee Schedule

# FY24/25 Proposed Budget

## All Funds

FUND	FY24/25 Proposed Revenues	FY24/25 Proposed Expenditures	Fund Balance Source/(Use)	Projected Fund Balance 6/30/25
General	\$26,942,104	\$30,020,199	\$(3,078,095) <sup>1</sup>	\$24,362,314
Proprietary (Covell Building)	1,075,834	1,075,834	-	5,575,402
Special Revenue (Incentives)	31,022,194	36,501,422	(5,479,228) <sup>1</sup>	86,082,245
<b>Total</b>	<b>\$59,040,132</b>	<b>\$67,597,455</b>	<b>\$(8,557,323)</b>	<b>\$116,019,961</b>

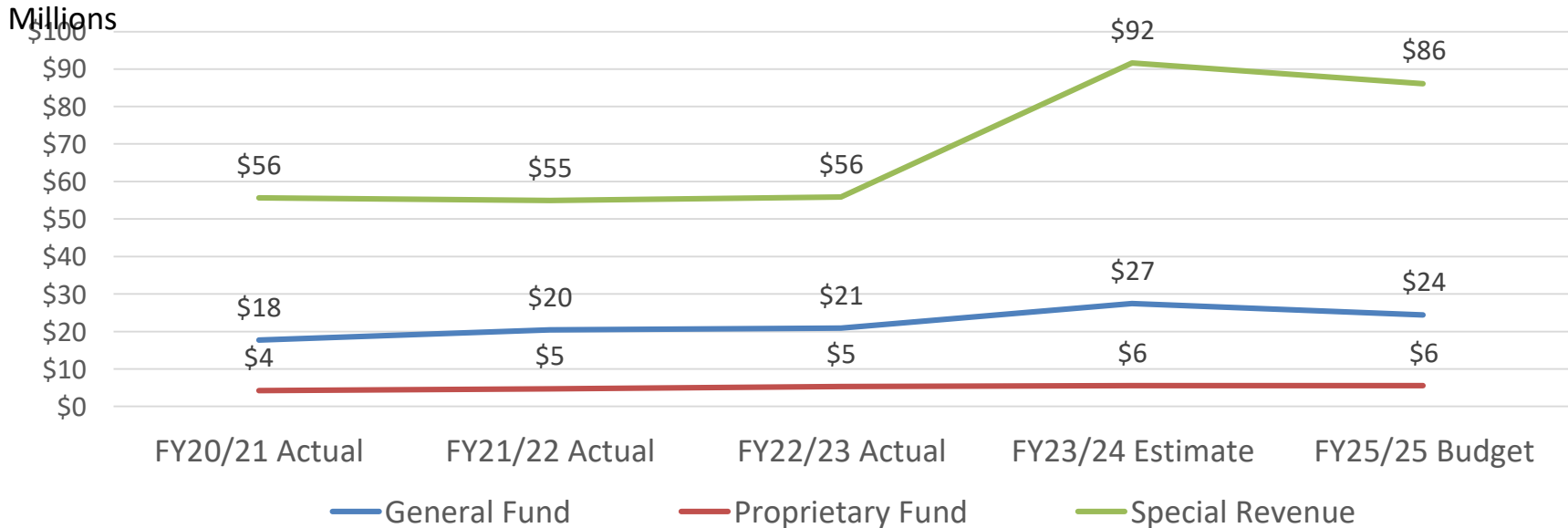
<sup>1</sup>Use of reserves to balance the General and Special Revenue Funds for FY24/25

SACRAMENTO METROPOLITAN



# Fund Balance Trends

## Trend of District Fund Balances by Fund\*



*\*Proposed General Fund Balance complies with the District's policy of an Operating Reserve equivalent to a minimum of 120 days of expenditures*



# FY24/25 Proposed Fee Schedule

- CPI adjustment to various fees allowed by Rules
- Adjusted based on California CPI, All Urban Consumers
- Proposed FY24/25 increase of 4.17% effective July 1, 2024



# FY24/25 Proposed Budget Summary

- Staff proposes a sound and balanced budget for FY24/25
- Proposed budget ensures successful continuity of operations and implementation of new opportunities
- Healthy reserves adequate for projected deficit

# Recommendation

- Open and Close the Public Hearing on the FY24/25 Proposed Budget and Fee Schedule
- Adopt a resolution approving the following:
  - FY24/25 District Budget effective July 1, 2024
  - FY24/25 Fee Schedule with 4.17% CPI adjustment effective July 1, 2024

# Thank You

**Meeting Date:** 5/23/2024  
**Report Type:** DISCUSSION / INFORMATION  
**Report ID:** 2024-0523-9.

**Title:** Carl Moyer Program, History, 25th Year Anniversary, and Current Solicitation

**Recommendation:** Receive and file a presentation highlighting the Carl Moyer Program's illustrious history and celebration of its 25th Anniversary milestone, delving into current grant incentive opportunities including the Zero Emission Commercial Lawn and Garden Program, and the renaming of the lawn and garden program to the Charlene McGhee Memorial Lawn and Garden Program to honor her legacy and contributions to the District's environmental initiatives.

**Rationale for Recommendation:** Staff will provide the Board with a presentation on the Carl Moyer Program, its historical significance in reducing air pollution, 25 year anniversary, and an overview of current program requirements and eligible project categories. Staff will also update the Board on the success of the Air District's new Commercial Lawn and Garden Program, underscoring opportunities for local businesses and public agencies to engage in sustainable practices through their participation. In addition, staff will outline forthcoming plans and avenues for program expansion, aligning with the District's commitment to proactive environmental stewardship.

**Contact:** Oliverio Barragan, Transportation and Climate Change Assistant Air Quality Engineer, 916-201-0802

**Presentation:** Yes

**ATTACHMENTS:**

Presentation: Carl Moyer Program, History, 25th Year Anniversary, and Current Solicitation

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**Approvals/Acknowledgements**

Executive Director or Designee: Alberto Ayala, Report Approved 5/17/2024

District Counsel or Designee: Kathrine Pittard, Approved as to Form 5/16/2024

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**Discussion / Justification:**

HISTORY AND 25TH ANNIVERSARY OF THE CARL MOYER PROGRAM

The Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program) was created in 1998 when \$25 million was included in the fiscal year 1998-1999 State budget to fund a lower-emission heavy-duty engine incentive program. The Air Resources Board (ARB) adopted the first set of Carl Moyer Program Guidelines in early 1999, and legislation (Assembly Bill 1571) enacted in 1999 formally established the statutory framework for the program (Health & Safety Code Section 44275, et seq.). Since 1998, the Moyer Program has cost-effectively reduced smog-forming and toxic emissions. In the last 25 years, almost \$1 billion has been granted to equipment owners, and the Program continues to provide over \$60 million in grant funding each year to clean up older polluting equipment throughout California. Over \$117 million in Moyer Program funds have been invested in the Sacramento region. The Moyer Program is a grant program that funds the incremental cost of cleaner-than-required engines, equipment, and other sources of air pollution. It complements California's regulatory program by providing incentives to obtain early or extra emission reductions, especially from emission sources in minority and low-income communities and areas disproportionately impacted by air pollution. Incentives encourage customers to purchase cleaner technologies and stimulate the marketplace to manufacture cleaner technologies. In October of this year, the ARB and the Air Districts will celebrate the Carl Moyer

program 25th anniversary.

## CURRENT PROGRAM ACTIVITIES AND OPPORTUNITIES

This year, the Air District has identified over \$10 million to invest in cleaner technology through the Carl Moyer Program. The Air District is funding most categories identified in the 2017 Carl Moyer Program Guidelines including on-road vehicles, mobile off-road equipment, and infrastructure projects. In order to further promote zero-emission technologies, the Air District is funding up to 80% of the eligible cost of zero-emission projects. The Air District provides up to 65% of the eligible costs for diesel replacement projects. Eligible projects must be able to provide swift emission reductions and significant preparation. This includes SMUD Rule 16 evaluation for infrastructure projects. All applications and additional documentation must be submitted online through the Air District website. For more information on program requirements, please refer to the 2024 Community Air Quality Grant Application Manual listed on our incentives webpage.

## THE COMMERCIAL LAWN AND GARDEN PROGRAM

The Commercial Lawn and Garden Program provides funding opportunities for owners of commercial lawn and garden (L&G) equipment to replace their old combustion-powered equipment with zero-emission battery-electric equipment. Qualified businesses, public agencies, and nonprofits can purchase discounted zero-emission mowers, blowers, and other landscape equipment from eligible dealers and manufacturers through a voucher process. The program launched on April 15th, 2024 with an initial funding pot of \$500k. Eleven participating dealers servicing the Sacramento Region have partnered with the Air District to implement the program. Within the first week, over \$350k in applications were awarded and over 60 pieces of equipment were approved for replacement. Due to the high demand of the program, the District has allocated an additional \$700k towards the program, for a total of \$1.2 million in funding. Interested businesses, public agencies, and nonprofits are able to apply online today through the Air District website. The program will remain open until all funding has been fully allocated.

## HONORING A DEAR FRIEND AND PUBLIC HEALTH ADVOCATE

On April 14th, 2024, the District lost a good friend, Air Quality Planner, and an electric lawn mower champion. Charlene McGhee worked for the Land Use section of the District's Transportation and Climate Change Division for 34 years until her retirement in 2016. Charlene worked with local jurisdictions, city and county planners, and environmental organizations to make our communities more walkable and bikeable, with more trees to help clean the air and enhance the walking/biking experience. Her efforts also helped protect our residents from roadway exposure. In addition, Charlene led the District's "Mow Down" electric lawn mower program for many years. In honor of Charlene and her electric lawn mower advocacy, the District will name the lawn and garden program, the Charlene McGhee Memorial Lawn and Garden Program.



# Carl Moyer Program

## History, 25<sup>th</sup> Year Anniversary & Current Solicitation

Board of Directors Meeting

May 23, 2024

Presenters: Mike Neuenburg, Program Supervisor

Oliverio Barragan, Air Quality Engineer



# A Brief History of the Carl Moyer Program

# Carl Moyer Vision

- Carl Moyer pioneered heavy-duty incentive program uniting business and government to improve air quality
- Providing funds to replace old diesel equipment with new, cleaner burning equipment
- Pilot program **STARTED AT OUR DISTRICT IN 1996!!!**
- State adopted our pilot in 1999 with \$25M State, \$1.9M Local in 1<sup>st</sup> year



In Memory of Dr. Carl Moyer  
(1937 - 1997)

# Carl Moyer Program - 25 Year Historical Data

- Over \$1 billion allocated statewide
- Over \$117 million invested in our region
- Over 2,800 equipment replaced in the region
  - agricultural, construction, locomotive, trucks, and buses, plus installing supporting infrastructure
- Template for many more incentive programs
  - benefiting underserved communities, improving air quality, while providing health benefits to all

# Sac Metro Current Grant Solicitation

# Carl Moyer Program – Current Grant Solicitation

- Grants for cleaner heavy-duty vehicles, equipment, and supporting infrastructure
- Over **\$10 million** in grant incentive funding
- High priority for low-income communities and communities of color
- Zero-emission projects get higher funding limits
- Online application process
- Looking for shovel-ready projects



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# Carl Moyer Program – Eligible Projects in Sac County



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# Carl Moyer Program – How to Apply

- Projects must be based in Sacramento County
- Gather usage, ownership, and compliance docs
- Obtain detailed price quotes/estimates
- Infrastructure proposals require Rule 16 evaluation, land ownership/lease, and design docs



Apply Now: <https://www.airquality.org/businesses/incentive-programs/current-grant-solicitation>

# Zero-Emission Commercial Lawn and Garden (CL&G) Program



# Commercial Lawn and Garden Program Overview

- Voucher program to trade in old polluting equipment for zero-emission equipment
  - ☐ Reside or operate within Sac County
  - ☐ Landscaping and Gardening Businesses
  - ☐ Public Agencies and Nonprofits
  - ☐ Forest/Land Management Entities
- Partnering with local merchants and dealers
- Over **\$1.2 million** allocated to the program

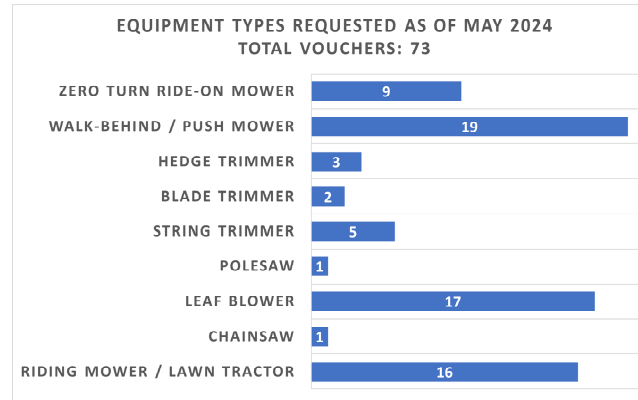
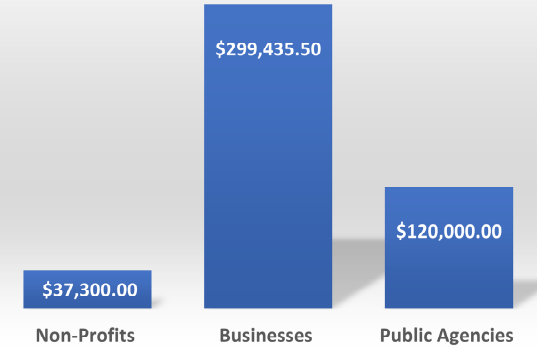
Equipment Type	Max Voucher Amount*
Chainsaws, Trimmers, Edgers, etc.	\$700
Leaf Blowers & Vacuums	\$1,400
Walk Behind Lawn Mowers	\$1,500
Ride-on or Stand/Sit Mowers	\$15,000
*Total funding will be limited to \$50,000 per applicant	

Apply Now: <https://www.airquality.org/Residents/Incentive-Programs/Commercial-Lawn-and-Garden-Program>

# Commercial Lawn and Garden Program Overview

- How to Apply:
  - Submit Online Application
  - Attach photos of existing operational equipment
  - Attach Business License or W-9
- Program Snapshot:
  - Launched on April 15
  - Word is spreading fast
  - Residential program next

Commercial Lawn and Garden Program  
Funding by Application Type  
Total Allocated as of May 2024: **\$456k**



Apply Now: <https://www.airquality.org/Residents/Incentive-Programs/Commercial-Lawn-and-Garden-Program>

# Charlene McGhee Memorial Lawn and Garden Program

- On April 14, 2024, we lost a good friend
- **Charlene Evelyn McGhee**, Air Quality Planner, served the District for 34 years (1982-2016)
- Charlene led the Mow Down Program (1997-2011)
  - Over **14,000** electric mowers sold
  - **506 tons** of metal recycled
  - **170 tons** of emission reductions, equivalent to **7,500 cars** on the road
- In honor of her environmental advocacy, we present the **Charlene McGhee Memorial Lawn and Garden Program**



**Meeting Date:** 5/23/2024  
**Report Type:** AIR POLLUTION CONTROL OFFICER'S REPORT  
**Report ID:** 2024-0523-10.

**Title:** Air Pollution Control Officer Presentation

**Recommendation:** Receive and file a presentation from the Air Pollution Control Officer, including the following topics: AB617 CERP Transition Letter to CARB; CPRG Phase 2 Implementation Project Proposal; 25th Anniversary of Carl Moyer Program; 30th Anniversary of Spare the Air; and AB617 South Sac-Florin Community Steering Committee Bus Tour June 24, 2024.

**Rationale for Recommendation:** A primary responsibility of the Air Pollution Control Officer / Executive Director (APCO) is to keep the Board of Directors informed of important or incidental matters related to the Air District. Therefore, the APCO regularly presents to the Board during public meetings noteworthy items such as past successes, progress of current activities and future endeavors, updates regarding relevant legislation, anticipated media events, and material internal changes.

**Contact:** Alberto Ayala, Executive Director/Air Pollution Control Officer, 279-207-1122

**Presentation:** Yes

**ATTACHMENTS:**

APCO Presentation

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**Approvals/Acknowledgements**

Executive Director or Designee: Alberto Ayala, Report Approved 5/17/2024

District Counsel or Designee: Kathrine Pittard, Approved as to Form 5/17/2024


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# Air Pollution Control Officer Report

Board of Directors Meeting

May 23, 2024

# Sac Metro Air District Requests Transition to CERP for South Sac - Florin



**SACRAMENTO METROPOLITAN  
AIR QUALITY  
MANAGEMENT DISTRICT**

**Board of Directors**  
April 25, 2024

**Agenda Item:**  
Steven CBE, Ph.D., Executive Officer  
California Air Resources Board  
1301 I Street, Sacramento, CA 95834

**Subject: Request for South Sacramento-Florin to be selected for AB 617  
Community Emissions Reduction Program**

**Dear Dr. Steven CBE:**

The Sacramento Metropolitan Air Quality Management District (Sac Metro Air District) requests that the California Air Resources Board (CARB) select our South Sacramento-Florin Community to transition to a Community Emissions Reduction Program (CERP) community. This request is supported by the South Sacramento-Florin Community Steering Committee (Steering Committee) through a majority vote at the March 25, 2024, public meeting of the Steering Committee. The Sac Metro Air District remains committed to the goals of Assembly Bill (AB) 617 and we appreciate CARB's timely allocation of state funding for the development of a CERP. If selected for transition, we will continue to work in partnership with the Steering Committee, interested members of the public, community organizations, and CARB to advance CERP development and the adopted Community Air Monitoring Plan (CAMP).

In anticipation of this transition, the Sac Metro Air District and Steering Committee have already been working collaboratively. We have conducted extensive outreach by attending various community events and neighborhood association meetings in nearby areas. Outreach remains critical as the Sac Metro Air District and Steering Committee realize the current community boundaries through the CERP development process to ensure nearby communities can benefit from inclusion in the CERP designation. A recent community survey helped identify specific community air quality concerns, priorities, and locations of interest. The survey was distributed in six languages (English, Spanish, Farsi, Vietnamese, and Chinese) and is available on a wedge counter and maintained by the Steering Committee. (Sac Metro Air District) A subcommittee of the Steering Committee dedicated to capacity building for CERP development was instituted in mid-2023. The subcommittee has discussed the transition into a CERP and considered various potential emission reduction projects to present to the full committee.

The Sac Metro Air District continues to fulfill the intent of AB 617 and Community Air Protection (CAP) where possible with current resources. A CERP designation and additional funding will expand efforts that align with:

1771 Center Blvd., Ste. 300 • Sacramento, CA 95811  
Tel: (916) 207-1122 • Toll-Free: 800-466-2638  
AirQuality.org

Business have state, and local permitting.

Association  
Assessing Climate Risk and California's  
P-300 strategies  
residents, and  
Municipal  
CERPs to re-  
prioritization  
an example of the  
transport fleet  
and heavy duty fleet  
priorities, and  
a community trans-  
formation plan  
under the US EPA's  
collaborative plan  
ensuring co-benefits  
locally.  
for CERP for those  
from farming.

the 2023), Air  
District, businesses,  
healthcare facilities,  
as about wildfire  
smoke events.  
No interested  
prioritized for  
As part of this

Board of Directors, Sacramento Metropolitan Air Quality Management District  
Stephanie Williams, Co-Lead of the South Sacramento-Florin Community Steering Committee

- ARB to consider request at July 25, 2024 Board evening meeting
- If adopted, 2-year clock starts
- South Sac – Florin CEPR DUE Spring 2026
- Community Steering Committee's role

# AB617 South Sacramento – Florin Community Bus Tour

- Tentatively scheduled for June 24, 2024 (6pm-8pm)
- First Steps in CERP Process:
  - Revisit AB617 Community Boundaries
  - A bus tour of the community
- Areas to tour will be determined by the community at June 4<sup>th</sup> Steering Committee meeting
- Electric school bus and driver provided by A-Z Bus Sales





# Going beyond Green – Our \$93 million funding request under “Phase 2” of IRA/CPRG

## Going Beyond Green:

Cultivating Community, Connections, and Crops

**Applicant Organization:**  
Sacramento Metropolitan Air Quality Management District

**Primary contact information:**  
Raeel Porter, Program Manager  
916-588-0175, RPorter@airquality.org

**Type of Application:** Individual

**Funding Requested:** 592,729,294

**Brief Description of GHG Measures:**

**Measure, PCAP pg. (Sector) - Description, Emission Reductions**

- Land Use Improvements, pg. 24-26 (Built Environment)** - This measure implements reductions in vehicle miles traveled (VMT) by increasing residential and mixed-use infill development. Between 2025 and 2050, it is expected that this measure will result in a cumulative 106,857 MT CO<sub>2</sub> reduction in greenhouse gas (GHG) emission reductions. Between 2025 and 2050, it is expected to result in 744,289 MT CO<sub>2</sub>.
- ZEV Adoption and Charging Infrastructure, pg. 50-52 (Transportation)** - This measure increases cleaner-fuel usage and zero-emission vehicles (ZEVs) by replacing conventional combustion vehicles and increasing access to charging infrastructure for ZEVs. Between 2025 and 2050, it is expected that this measure will result in a cumulative 118,963 MT CO<sub>2</sub> GHG reduction. Between 2025 and 2050, it is expected to result in 843,757 MT CO<sub>2</sub>.
- Public Transit Improvements, pg. 53-55 (Transportation)** - This measure adds new bus shelter infrastructure and real-time transit information and promotes a safer environment, thereby creating a more enticing public transit experience for customers. Between 2025 and 2050, it is expected that this measure will result in a cumulative 844 MT CO<sub>2</sub> GHG reduction. Between 2025 and 2050, it is expected to result in 5,986 MT CO<sub>2</sub>.
- Transportation Demand Management Program, pg. 62-64 (Transportation)** - This measure reduces commuter VMT by encouraging and mandating the shift away from single-occupancy vehicle (SOV) use to non-SOV modes of transportation. Between 2025 and 2050, it is expected that this measure will result in a cumulative 1,977 MT CO<sub>2</sub> GHG reduction. Between 2025 and 2050, it is expected to result in 23,333 MT CO<sub>2</sub>.
- Carbon Sequestration Program/Carbon Farming, pg. 79-81 (Natural & Working Lands)** - This measure establishes carbon sinks through carbon sequestration and carbon farming projects. Between 2025 and 2050, it is expected that this measure will result in a cumulative 12,296 MT CO<sub>2</sub> reduction. Between 2025 and 2050, it is expected to result in 87,196 MT CO<sub>2</sub>.




**Location(s):** The Counties of Yolo, Sutter, Yuba, Nevada, Placer, El Dorado, and Sacramento

**Applicable PCAP Reference:**

- Sacramento Metropolitan Air Quality Management District
- Capital Region Climate Resilience Plan: 2024
- <https://www.airquality.org/airquality/airquality/change/airqualityreduction/grants>

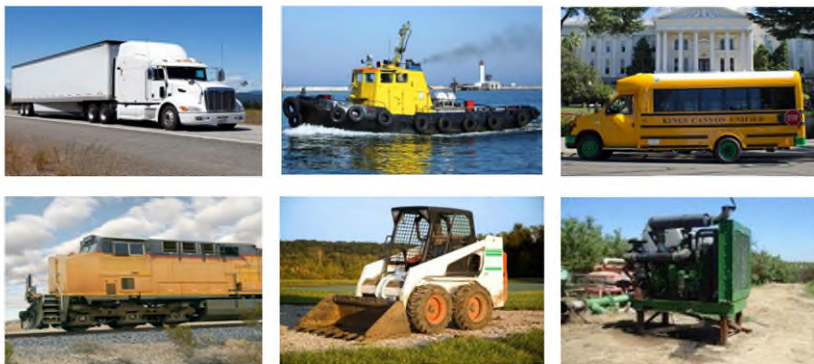
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**SAC METRO AIR DISTRICT**

	<b>Mobility Hubs (\$40M)</b>
	<b>Green Means Go (\$39M)</b>
	<b>The Carbon Farming Partnership (\$14M)</b>

# Program Anniversary Milestones

## 25 year of Carl Moyer Memorial Incentives Program



<https://sparetheair.com/>