

# **Mojave Desert Air Quality Management District Governing Board Meeting**

## **Agenda**

### LOCATION

**MOJAVE DESERT AQMD BOARD CHAMBERS  
14306 PARK AVENUE  
MONDAY, APRIL 25, 2016  
10:00 AM**

### TELECONFERENCE LOCATION(S)

Blythe City Hall, Conference Room A  
235 N. Broadway  
Blythe, CA 92225

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE LISTED PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE GOVERNING BOARD AT, OR PRIOR TO, THE PUBLIC HEARING.

DUE TO TIME CONSTRAINTS AND THE NUMBER OF PERSONS WISHING TO GIVE ORAL TESTIMONY, PUBLIC COMMENTS ARE LIMITED TO THREE MINUTES PER SPEAKER. YOU MAY WISH TO MAKE YOUR COMMENTS IN WRITING TO ASSURE THAT YOU ARE ABLE TO EXPRESS YOURSELF ADEQUATELY.

Except where noted, all scheduled items will be heard in the Chamber of the Governing Board, Mojave Desert AQMD Offices, 14306 Park Avenue, Victorville, CA and the teleconference location(s). Please note that the Board may address items in the agenda in a different order than the order in which the item has been posted.

**CALL TO ORDER – 10:00 A.M.**

Pledge of Allegiance.

Roll Call.

Items with potential Conflict of Interests - for information only. A. Item #3 Governing Board Members, Mr. David Hernandez. B. Item #15 The parties to agreement will be SBPEA, Teamsters Local 1932. Potential conflict: District Board members and officers, SBPEA, Teamsters Local 1932, its principals and agents.

**CONSENT CALENDAR**

1. [Approve Minutes from Regular Governing Board Meeting of February 22, 2016](#)
2. [Receive and File: Finance Report and Budget Performance. Presenter: Jean Bracy.](#)
3. [Appoint Mr. David Hernandez Esq. to the Hearing Board of the Mojave Desert Air Quality Management District \(MDAQMD\) as the attorney member for a 3 year term to expire April 2019. Presenter: Eldon Heaston](#)
4. [Approve contract extension not to exceed \\$17,000.00 to CPS HR Consulting to perform additional consulting services. Presenter: Eldon Heaston](#)
5. [Approve Annual Review of Mojave Desert Air Quality Management District \(MDAQMD\) Board Policies \(as amended\), Board Ethics \(District Conflict of Interest Code as amended\), Personnel Policies and Procedures \(PPP\) and other personnel documents and direct staff actions. Presenter: Karen Nowak](#)
6. [Receive and File: Burn Analysis Report Presenter: Alan De Salvio](#)
7. [Receive and File: SPG - Legislative Report Presenter: Eldon Heaston](#)
8. [Approve a revised Agreement between the Mojave Desert Air Quality Management District \(MDAQMD\) and the Antelope Valley Air Quality Management District \(AVAQMD\) to deliver contracted services to the AVAQMD and authorize the Chairman to execute the Agreement. Presenter: Jean Bracy](#)
9. [Amend the Mobile Source Emissions Reductions Program \(MSERP\) Work Plan to better reflect the current and future administration of the Program\(s\); and 2. Authorize the Executive Director to revise the Work Plan to reflect future administrative changes in the CARB guidelines. Presenter: Alan De Salvio](#)
10. [Receive and File: This item reports the June 30, 2015 actuarial valuation of the District's retiree health insurance program, also known as Other Post-Employment Benefits \(OPEB\). Presenter: Jean Bracy](#)
11. [Approve Set date of May 23, 2016 to conduct a public hearing to consider the amendment of Rule 219 – Equipment Not Requiring a Permit and approval of](#)

California Environmental Quality Act (CEQA) documentation. Presenter: Alan De Salvio

12. Ratify the “FY 15-16 Application for Carl Moyer Program Funds” and its submission to CARB, 2. Approve the required match funding for the Carl Moyer Memorial Air Quality Standards Attainment Program (the Carl Moyer Program), and 3. Authorize the Executive Director to execute the agreement, approved as to legal form, with CARB which binds the parties to the terms and conditions set forth in the application and the 2011 Carl Moyer Program Guidelines. Presenter Alan De Salvio

### **ITEMS FOR DISCUSSION**

13. DEFERRED ITEMS.
14. PUBLIC COMMENT.
15. Appoint the Executive Director/APCO as the Chief Negotiator for the purpose of conducting labor negotiations for a successor agreement with the employees’ organization, SBPEA, Teamsters Local 1932. Presenter: Eldon Heaston
16. Receive and File: Report 2016 Customer Service Satisfaction Survey Results (no backup material included). Presenter: Eldon Heaston
17. Discuss and Direct staff regarding existence and composition of the Technical Advisory Committee. Presenter: Eldon Heaston
18. Reports: Executive Director
19. Board Members Comments and Suggestions for future agenda items.

### **CLOSED SESSION**

20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to Government Code Section 54956.9(b): (1 Case)
21. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6). Agency Designated Representatives: Designation of Labor Negotiator(s). Employee Organization: SBPEA, Teamsters Local 1932.
22. PUBLIC EMPLOYMENT (Government Code Section 54957). Position to be filled: Executive Director/Air Pollution Control Officer

### **OPEN SESSION**

Disclosure of any Reportable action taken in Closed Session; and the Vote and Abstention of every Member Present in the Closed Session

***In compliance with the Americans with Disabilities act, if special assistance is needed to participate in the Board Meeting, please contact Deanna Hernandez, Executive Lead, during regular business hours at 760.245.1661 x6244. Notification received 48 hours prior to the meeting will enable the District to make reasonable accommodations.***

I hereby certify, under penalty of perjury, that this agenda has been posted 72 hours prior to the stated meeting in a place accessible to the public. Copies of this agenda and any or all additional materials relating thereto are available at the District Office at 14306 Park Avenue, Victorville, Ca 92392 or by contacting Deanna Hernandez at 760.245.1661 x6244 or by email at [dhernandez@mdaqmd.ca.gov](mailto:dhernandez@mdaqmd.ca.gov) .

**Mailed & Posted on: Tuesday, April 19, 2016**

Approved:

\_\_\_\_\_  
Deanna Hernandez, Executive Lead

**MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
REGULAR GOVERNING BOARD MEETING  
MONDAY, FEBRUARY 22, 2016 - 10:00 A.M.  
BOARD CHAMBERS, MDAQMD OFFICES  
VICTORVILLE, CA**

MINUTES

Board Members Present:

Jim Cox, Vice-Chair, City of Victorville  
Barb Stanton, Town of Apple Valley  
Merrill Gracey (Alternate), City of Barstow  
Barbara Riordan, Public Member  
Joseph “Joey” DeConinck, City of Blythe  
Robert Leone, Town of Yucca Valley  
Ed Camargo, City of Adelanto  
Paul Russ, City of Hesperia  
John Cole, City of Twentynine Palms

Board Members Absent:

Robert Lovingood, Chair, San Bernardino County  
James Ramos, San Bernardino County  
John J. Benoit, Riverside County  
Jeff Williams, City of Needles

**CALL TO ORDER**

Vice-Chair **JIM COX** called the meeting to order at 10:00 a.m. and asked Executive Director **Eldon Heaston** to lead the Pledge of Allegiance.

Vice-Chair **JIM COX** asked the Clerk to call roll; roll was called.

**CONSENT CALENDAR** - The following consent items were acted upon by the Board at one time without discussion, upon motion by Board Member **BARB STANTON**, Seconded by Board Member **ROBERT LEONE**, and carried by unanimous roll call vote, as follows:

Agenda Item 1 – Approve Minutes from Regular Governing Board Meeting of January 25, 2016.  
**Approved** the minutes from the Regular Governing Board meeting of January 25, 2016.

Agenda Item 2 – Receive and file Finance Report and Budget Performance.  
**Received and filed** finance report and budget performance for District operations through December 2015.

Agenda Item 3 – Ratify the Board Chair’s appointment of members to serve on the Budget Committee and the Personnel Committee for calendar year 2016.

**Ratified** the Board Chair’s appointment of members to serve on the Budget Committee and the Personnel Committee for calendar year 2016.

Agenda Item 4 – Ratify the agreement between the Antelope Valley Air Quality Management District (AVAQMD) and the Mojave Desert Air Quality Management District (MDAQMD) to deliver contracted services to the AVAQMD and authorize the Chair to execute the Agreement.

**Ratified** the agreement between the Antelope Valley Air Quality Management District (AVAQMD) and the Mojave Desert Air Quality Management District (MDAQMD) to deliver contracted services to the AVAQMD and authorized the Chair to execute the Agreement.

Agenda Item 5 – Receive and file District property declared surplus and authorize the Executive Director to complete disposal.

**Received and filed** District property declared surplus and authorized the Executive Director to complete disposal.

Agenda Item 6 – Approve the transfer of \$324,480 in unobligated FY 13-14 Carl Moyer Program funding to the Antelope Valley Air Quality Management District (AVAQMD) for use in the AVAQMD’s Carl Moyer Program.

**Approved** the transfer of \$324,480 in unobligated FY 13-14 Carl Moyer Program funding to the Antelope Valley Air Quality Management District (AVAQMD) for use in the AVAQMD’s Carl Moyer Program.

Agenda Item 7 – Appoint Ms. Desirea Haggard and reappoint Mr. Doug Shumway to the Hearing Board of the Mojave Desert Air Quality Management District (MDAQMD) as the engineering and medical members of that body respectively. Direct staff action regarding locating a person to fill the attorney member position.

**Appointed** Ms. Desirea Haggard and **reappointed** Mr. Doug Shumway to the Hearing Board of the Mojave Desert Air Quality Management District (MDAQMD) as the engineering and medical members of that body respectively. Directed staff action regarding locating a person to fill the attorney member position.

Agenda Item 8 – DEFERRED ITEMS.

None.

Agenda Item 9 – PUBLIC COMMENT.

None.

Agenda Item 10 – Adopt Governing Board Policy 16-01 “Code of Conduct” and direct staff action.

Upon motion by Board Member **BARBARA RIORDAN**, Seconded by Board Member **JOHN COLE** and carried by unanimous roll call vote, the board **ADOPTED** Governing Board Policy

16-01 “Code of Conduct” and directed staff action.

Agenda Item 11 – Receive and file the financial audit for Fiscal Year 2014-15, with the management letter of findings.

Upon motion by Board Member **BARB STANTON**, Seconded by Board Member **ROBERT LEONE** and carried by unanimous roll call vote, the board **RECEIVED AND FILED** the financial audit for Fiscal Year 2014-15, with the management letter of findings.

Agenda Item 12 – Reports:

Eldon Heaston stated that the item that was distributed to each board member is the current District newsletter.

Agenda Item 13 - Board Member Comments and Suggestions for Future Agenda Items.

None

### **CLOSED SESSION**

Upon Motion by Board Member **PAUL RUSS**, Seconded by Board Member **BARBARA RIORDAN** and carried by unanimous roll call vote, the Board adjourned to Closed Session at 10:19 a.m.

Agenda Item 14 - CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Government Code Section 54956.9 (b): (1 Case).

Agenda Item 15 – PUBLIC EMPLOYMENT - (Government Code Section 54957). Position to be filled: Executive Director/Air Pollution Control Officer.

OPEN SESSION - Disclosure of any Reportable Action(s) taken in Closed Session(s); and the Vote and Abstention of Every Member Present in the Closed Session.

**The Governing Board reconvened to open session at 10:59 a.m.**, and Special Counsel Piero Dallarda stated that the Board met in Closed Session on Items #14 and 15 and there was no reportable action.

Being no further business, Vice-Chair **JIM COX** adjourned the meeting at **11:00 a.m.** to the next Regular Meeting of **March 28, 2016**.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 2*

**DATE:** April 25, 2016

**RECOMMENDATION:** Receive and file.

**SUMMARY:** The Financial Report is provided for financial information and budget performance concerning the fiscal status of the District.

**CONFLICT OF INTEREST:** None

**BACKGROUND:** The Financial Report provides financial information and budget performance concerning the fiscal status of the District. The included reports reflect the business activities of the District for the period referenced. The target variance for February is 67% of Fiscal Year 2016.

The February financial statements (most recent available) indicate that the financial position for the District remains strong with sufficient funds available to execute the budget as adopted. Fiscal Year 16 Program Revenue from AB2766 will be received through September 2016, which explains the 63% received to date. Overall, revenue received to date is 63% of the budget expectations. Expenditures continue under budget (63%) and Personnel Expenses (64%) are below budget as one position remains budgeted but unfilled. The Fiscal Year 16 Budget anticipates the use of the unassigned fund balance if executed as adopted.

At this time there is nothing out of the ordinary to report. Reports attached include:

**BALANCE SHEET – GOVERNMENTAL FUNDS –** This report is the District’s financial picture (a “snapshot”) as of the date of report including all funds. “Mobile Emissions” and “Carl Moyer” are totally restricted funds. The “Fiduciary Fund” is the District’s OPEB (Other Post-Employment Benefits) Fund which is held in an irrevocable trust with PARS (Public Agency Retirement Services).

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 2*

**PAGE 2**

STATEMENT OF REVENUES & EXPENDITURES – This report describes the financial activities for each of the District’s funds during the month indicated.

STATEMENT OF ACTIVITY – This report reflects the revenues received and expenses made all funds for the each month closed and the year to date against the adopted budget for FY 16. The line items “Program” and “Program Costs” refer to the revenue and those payments made from the District’s grant funds (AB 2766 and Carl Moyer Fund).

CHECK REGISTERS – These reports list payments made for goods and services and fund transfers for the following District accounts since the last report to the Board:

WELLS FARGO OPERATING – This report lists the payments made from the District’s primary operating account deposited at Wells Fargo Bank. The District issues payments to vendors in-house. Periodically the account is reimbursed from the funds on deposit with the San Bernardino County Auditor/Controller. References to “Credit Card Transaction” indicate Visa payments received via a third party contractor for invoices usually relating to permit application or annual renewal fees. The reports now reflect check amounts for those payments made via electronic fund transfers.

GENERAL FUND MPA (San Bernardino County) – This account is held by the San Bernardino County Treasurer who is the custodian of District funds. Requests for reimbursement to the District’s other accounts are made through the San Bernardino County Audit/Controller who is appointed the District’s accounting officer, as set forth in the Health & Safety Code (§41245 and §41246).

CARL MOYER MPB (San Bernardino County) - This report lists the activity and payments made from the District’s Grant Fund Account held in trust at San Bernardino County. The items on these lists are included on the Statement of Activity as “Program Costs.”

AB2766 MPE (San Bernardino County) - This report lists the activity and payments made from the District’s Grant Fund Account held in trust at the San Bernardino County. The items on these lists are included on the Statement of Activity as “Program Costs.”

PARS Held in Trust – This reports the status of the irrevocable trust established for pre-funding retiree health benefits.

BANK REGISTERS – DISTRICT CARDS – These reports show the purchases made using the District’s Mastercards. The items on these lists are the expenditure detail for the payments made to BUSINESS CARD as shown on the Check Register Wells Fargo Operating Account.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 2*

**PAGE 3**

**REASON FOR RECOMMENDATION:** Receive and file.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or before April 11, 2016.

**FINANCIAL DATA:** No change in appropriation is required at this time.

**PRESENTER:** Jean Bracy, Deputy Director / Administration

**Mojave Desert AQMD**  
**Balance Sheet - Governmental Funds**  
**As of February 29, 2016**

## Financial Report

	<u>General Fund</u>	<u>Mobile Emissions</u>	<u>Carl Moyer</u>	<u>Fiduciary Fund</u>	<u>Total</u>
<b>Assets</b>					
Current Assets					
Cash	2,403,762.20	3,068,824.43	494,767.10	524,792.57	6,492,146.30
Cash Held For Other Fund	(35,498.10)	48,810.57	(100.00)	(13,212.47)	0.00
Receivables	716,619.26	0.00	725,201.13	0.00	1,441,820.39
Pre-Paids	34,676.64	0.00	0.00	0.00	34,676.64
<b>Total Current Assets</b>	<b>3,119,560.00</b>	<b>3,117,635.00</b>	<b>1,219,868.23</b>	<b>511,580.10</b>	<b>7,968,643.33</b>
Long Term Receivables	820,800.76	0.00	0.00	0.00	820,800.76
<b>Total Assets</b>	<b>3,940,360.76</b>	<b>3,117,635.00</b>	<b>1,219,868.23</b>	<b>511,580.10</b>	<b>8,789,444.09</b>
<b>Liabilities and Net Position</b>					
Current Liabilities					
Payables	60,171.65	183,249.00	0.00	0.00	243,420.65
Accruals	239,258.62	0.00	0.00	0.00	239,258.62
Due to Others	1,540.00	(0.05)	0.00	0.00	1,539.95
Payroll Taxes Liability	3,184.82	0.00	0.00	0.00	3,184.82
Retirement	(6,758.63)	0.00	0.00	0.00	(6,758.63)
Health	(30,858.59)	0.00	0.00	0.00	(30,858.59)
Unearned Revenue	0.00	0.00	946,687.85	0.00	946,687.85
<b>Total Current Liabilities</b>	<b>266,537.87</b>	<b>183,248.95</b>	<b>946,687.85</b>	<b>0.00</b>	<b>1,396,474.67</b>
Restricted Fund Balance	0.00	3,042,907.72	336,060.48	567,408.04	3,946,376.24
Cash Reserves	690,000.00	0.00	0.00	0.00	690,000.00
Building Improvements	200,000.00	0.00	0.00	0.00	200,000.00
Litigation Reserves	300,000.00	0.00	0.00	0.00	300,000.00
Budget Stabilization	250,000.00	0.00	0.00	0.00	250,000.00
Retirement Reserves	1,000,000.00	0.00	0.00	0.00	1,000,000.00
Unassigned Fund Balance	509,029.09	0.00	0.00	0.00	509,029.09
Compensated Absences	150,000.00	0.00	0.00	0.00	150,000.00
Pre Paid	48,542.46	0.00	0.00	0.00	48,542.46
Long Term Receivable Reserves	820,800.76	0.00	0.00	0.00	820,800.76
Change in Net Position	(294,549.42)	(108,521.67)	(62,880.10)	(55,827.94)	(521,779.13)
<b>Total Liabilities &amp; Net Position</b>	<b>3,940,360.76</b>	<b>3,117,635.00</b>	<b>1,219,868.23</b>	<b>511,580.10</b>	<b>8,789,444.09</b>

**Mojave Desert AQMD**  
**Statement of Revenues & Expenditures**  
**For the Period Ending February 29, 2016**

## Financial Report

	<u>General Fund</u>	<u>Mobile Emissions Program</u>	<u>Carl Moyer Program</u>	<u>Fiduciary Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>					
Antelope Valley Air Quality Mngmnt Contract	105,933.57	0.00	0.00	0.00	105,933.57
Other Contracts	0.00	0.00	0.00	0.00	0.00
Application and Permit Fees	202,133.08	0.00	0.00	0.00	202,133.08
AB 2766 and Other Program Revenues	57,413.68	57,378.67	9,800.00	0.00	124,592.35
Fines	9,600.00	0.00	0.00	0.00	9,600.00
Investment Earnings	0.00	0.00	0.00	(4,048.06)	(4,048.06)
Federal and State	68,861.01	0.00	0.00	0.00	68,861.01
Other Revenue	0.00	0.00	0.00	0.00	0.00
<b>Total Revenues</b>	<b>443,941.34</b>	<b>57,378.67</b>	<b>9,800.00</b>	<b>(4,048.06)</b>	<b>507,071.95</b>
<b><u>Expenditures</u></b>					
Salaries and Benefits	449,424.44	0.00	0.00	1,681.98	451,106.42
Services and Supplies	69,850.45	253,789.12	10,947.50	563.83	335,150.90
Contributions to Other Participants	0.00	0.00	0.00	0.00	0.00
Capital Outlay Improvements and Equipment	9,181.20	0.00	0.00	0.00	9,181.20
<b>Total Expenditures</b>	<b>528,456.09</b>	<b>253,789.12</b>	<b>10,947.50</b>	<b>2,245.81</b>	<b>795,438.52</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>(84,514.75)</b>	<b>(196,410.45)</b>	<b>(1,147.50)</b>	<b>(6,293.87)</b>	<b>(288,366.57)</b>

**Mojave Desert AQMD**  
**Statement of Activity - All Funds**  
**For the Period Ending February 29, 2016**

## Financial Report

	<u>M-T-D</u> <u>Actual</u>	<u>Y-T-D</u> <u>Actual</u>	<u>Y-T-D</u> <u>Budget</u>	<u>% Budget</u> <u>to Actual</u>
<b>Revenues</b>				
Revenue - Permitting	192,338.59	2,676,853.97	4,240,000.00	63.13
Revenue - Programs	124,592.35	870,133.42	2,267,533.00	38.37
Revenue - Application Fees	12,127.29	76,765.29	89,850.00	85.44
Revenue - State	68,861.01	189,298.43	180,000.00	105.17
Revenue - Federal	0.00	105,490.86	131,615.00	80.15
Fines & Penalties	9,600.00	26,650.00	60,000.00	44.42
Interest Earned	(4,048.06)	(20,715.48)	55,150.00	(37.56)
Revenue - Contracts & Unidentified	105,933.57	884,994.00	1,314,715.00	67.31
Permit Cancellations	(2,332.80)	(85,092.05)	0.00	0.00
<b>Total Revenues</b>	<b>507,071.95</b>	<b>4,724,378.44</b>	<b>8,338,863.00</b>	<b>56.65</b>
<b>Expenditures</b>				
Office Expenses	11,474.24	130,000.32	206,700.00	62.89
Communications	2,655.74	38,387.31	55,300.00	69.42
Vehicles	5,291.42	44,592.20	79,800.00	55.88
Program Costs	265,106.62	666,347.06	1,529,183.00	43.58
Travel	1,488.45	38,821.26	80,650.00	48.14
Professional Services	27,079.07	122,140.80	245,100.00	49.83
Maintenance & Repairs	5,145.82	48,587.36	53,775.00	90.35
Non-Depreciable Inventory	(279.39)	9,572.34	34,325.00	27.89
Dues & Subscriptions	2,561.81	27,470.14	27,275.00	100.72
Legal	13,493.86	107,053.58	115,700.00	92.53
Miscellaneous Expense	1,134.47	5,455.11	5,000.00	109.10
Suspense	(1.21)	(9,861.42)	0.00	0.00
Capital Expenditures	9,181.20	215,773.27	280,000.00	77.06
<b>Total Expenditures</b>	<b>344,332.10</b>	<b>1,444,339.33</b>	<b>2,712,808.00</b>	<b>53.24</b>
<b>Salaries &amp; Benefits</b>				
Personnel Expenses	451,106.42	3,801,818.24	5,957,973.00	63.81
<b>Total Salaries &amp; Benefits</b>	<b>451,106.42</b>	<b>3,801,818.24</b>	<b>5,957,973.00</b>	<b>63.81</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>(288,366.57)</b>	<b>(521,779.13)</b>	<b>(331,918.00)</b>	<b>157.20</b>

**Mojave Desert AQMD**  
**Bank Register from 2/01/2016 to 2/29/2016**  
Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
20130645	2/01/2016	Credit Card Transaction - Critical Build	0.00	2,436.33	717,984.06
20130654	2/01/2016	Credit Card Transaction - Alltech	0.00	537.29	718,521.35
EFT	2/03/2016	Pay period ending 1/22/2016	92,128.62	0.00	626,392.73
EFT	2/05/2016	Pay period ending 2/05/2016	17,309.11	0.00	609,083.62
EFT	2/05/2016	Pay period ending 2/05/2016	3,423.48	0.00	605,660.14
20130651	2/05/2016	Credit Card Transaction - Union Pacific	0.00	3,704.53	609,364.67
EFT020516	2/05/2016	[14296] INTERNAL REVENUE SERVICE-PP4 Cashout - Heaston - Non EC - FICA, Med, FITW	823.41	0.00	608,541.26
EFT020516	2/05/2016	[10064] EMPLOYMENT DEVELOPMENT DEPARTMENT-PP04/16 - Heaston Cashout EC - SWT CA	3,135.14	0.00	605,406.12
EFT020516	2/05/2016	[10064] EMPLOYMENT DEVELOPMENT DEPARTMENT-PP03/16 - SWT CA	5,800.24	0.00	599,605.88
EFT020516	2/05/2016	[14296] INTERNAL REVENUE SERVICE-PP04/16 - Heaston Cashout EC - FICA, Med, FITW	10,987.57	0.00	588,618.31
EFT020516	2/05/2016	[14296] INTERNAL REVENUE SERVICE-PP03/16 - FITW, FICA Med	19,195.90	0.00	569,422.41
20130651	2/08/2016	Credit Card Transaction - SBCo Fleet	0.00	292.82	569,715.23
20130651	2/10/2016	Credit Card Transaction - SBCo Fleet	0.00	245.00	569,960.23
0005409	2/11/2016	[14320] AQUA TERRA AERIS LAW GROUP-Professional litigation services	800.00	0.00	569,160.23
EFT	2/11/2016	[10121] SALLY BODE-2016 Winter newsletter graphics	525.00	0.00	569,160.23
0005410	2/11/2016	[10031] CDW - G-Netapp Support Contract (4 hr response)/NAS support contact.	3,467.36	0.00	565,692.87
EFT	2/11/2016	[14304] JOHN E COLE-Personnel Committee Meeting February 4, 2016.	199.90	0.00	565,692.87
0005411	2/11/2016	[11809] CHRIS COLLINS-Tuition reimbursement for C. Collins - Strategies for conflict management	1,035.00	0.00	564,657.87
0005412	2/11/2016	[11809] CHRIS COLLINS-Employee Reimbursement Meeting Supplies	16.40	0.00	564,641.47
0005413	2/11/2016	[10050] COMPUTERWORKS NFP SOLUTIONS-Pre Paid Time Block	3,250.00	0.00	561,391.47
0005414	2/11/2016	[14333] CRITICAL BUILD-Refund of Inv MD5694 & Fees- Invoice Issued in Error	2,522.08	0.00	558,869.39
0005415	2/11/2016	[10229] CARMEN HERNANDEZ-Personnel Committee Meeting February 4, 2016.	137.26	0.00	558,732.13
0005416	2/11/2016	[10263] IN SHAPE HEALTH CLUBS INC-Pay Period 03/2016 - GymDed	168.39	0.00	558,563.74
0005417	2/11/2016	[10087] KNIGHT GUARD ALARM-Service Call - Replace 3 Keypads	560.00	0.00	558,003.74
0005418	2/11/2016	[10224] ROBERT LOVINGOOD-Personnel Committee Meeting February 4, 2016.	100.00	0.00	557,903.74
0005419	2/11/2016	[14335] MANDER REPORTING-Court Reporter expense for Hearing Board January 14, 2016.	1,099.00	0.00	556,804.74
0005420	2/11/2016	[10094] MOJAVE COPY & PRINTING-BC Imprint	29.40	0.00	556,775.34
EFT	2/11/2016	[10200] MOJAVE DESERT AQMD-Credit Card Transactions Transfer - January 2016	6,808.52	0.00	556,775.34
EFT	2/11/2016	[10200] MOJAVE DESERT AQMD-Pay Period 03/2016 - FSADed	350.01	0.00	556,775.34
0005421	2/11/2016	[10244] PAUL'S PRECISION MAINTENANCE-Monthly Maintenance Contract January 16	1,500.00	0.00	555,275.34
0005422	2/11/2016	[14336] ANTONIO D PENNA JR.-Hearing Board Meeting January 14, 2016.	105.40	0.00	555,169.94
EFT	2/11/2016	[10116] RECALL SECURE DESTRUCTION SERVICES INC-Document destruction services Jan 16	69.21	0.00	555,169.94
EFT	2/11/2016	[10117] RICOH AMERICAS CORP-Copier lease 1/15/16 - 2/14/16	1,284.81	0.00	555,169.94

**Mojave Desert AQMD**  
**Bank Register from 2/01/2016 to 2/29/2016**  
**Wells Fargo Operating**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0005423	2/11/2016	[10118] RICOH USA INC-Copy Overages Jan 16	271.55	0.00	554,898.39
0005424	2/11/2016	[10223] BARBARA RIORDAN-Personnel Committee Meeting February 4, 2016.	151.84	0.00	554,746.55
0005425	2/11/2016	[10126] SBCERA-Pay Period 03/2016 - SBCERADefer, SBCERAMatch, SBCERAPickUp, SurvivorInsBen, SurvivorInsDed, RetireCashBen	65,902.67	0.00	488,843.88
0005426	2/11/2016	[10213] SBPEA-Pay Period 03/2016 - GeneralUnitDues	858.32	0.00	487,985.56
0005427	2/11/2016	[14266] SONOMA TECHNOLOGY INC-Professional Services - Prescribed Burn Forecast Analysis	1,547.50	0.00	486,438.06
0005428	2/11/2016	[10137] SOUTHWEST GAS CORP-Gas Service January 16	335.01	0.00	486,103.05
0005429	2/11/2016	[10146] STATE DISBURSEMENT UNIT - STATE DISBURSEMENT UNIT-CS Garnishment #BL0059318 - ChildSupport	125.07	0.00	485,977.98
0005430	2/11/2016	[14253] CATHERINE TRAN-Employee reimbursement Meeting Supplies	16.90	0.00	485,961.08
0005431	2/11/2016	[10161] UNITED WAY DESERT COMMUNITIES-Pay Period 03/2016 - UnitedWay	5.00	0.00	485,956.08
0005432	2/11/2016	[14284] VANTAGE POINT LABORATORY-APCO Physical	349.00	0.00	485,607.08
EFT	2/11/2016	[10082] VOYA FINANCIAL (457)-Pay Period 03/2016 - 457Ded	8,769.79	0.00	485,607.08
0005433	2/11/2016	[10082] VOYA FINANCIAL (457)-Payment for 2015 401a plan	8,163.63	0.00	477,443.45
EFT	2/11/2016	[10173] VOYAGER FLEET SERVICE-Fuel Card Charges Jan 16	453.45	0.00	477,443.45
0005434	2/11/2016	[14323] VSP-Invoices 2016-01, 2016-02, VSP0216	642.24	0.00	476,801.21
0005435	2/11/2016	[14228] TRACY WALTERS-Safety Prescription Glasses Reimbursement - T. Walters	130.00	0.00	476,671.21
0005436	2/11/2016	[10174] WEST GROUP-CA Judicial Council Forms 2016 V1-4	252.72	0.00	476,418.49
0000003	2/11/2016	Close Account Transfer Rem Bal	0.00	48,901.07	506,858.87
0059-0216	2/11/2016	[10071] BUSINESS CARD-E-Payment DWCC #0059	319.62	0.00	506,539.25
8958-0216	2/11/2016	[10071] BUSINESS CARD-E-Payment - DWCC #8958	3,126.15	0.00	503,413.10
0059-0216-2	2/11/2016	[10071] BUSINESS CARD-E-Payment DW CC #0059	4,126.05	0.00	499,287.05
5717-0216	2/11/2016	[10071] BUSINESS CARD-E Payment - DWCC #5717	2,826.98	0.00	496,460.07
8958-0216-2	2/11/2016	[10071] BUSINESS CARD-E Payment - DWCC #8958	1,190.60	0.00	495,269.47
6777-0216	2/11/2016	[10071] BUSINESS CARD-E- Payment DACC #6777	1,180.20	0.00	494,089.27
4594-0216	2/11/2016	[10071] BUSINESS CARD-E - Payment DACC # 4594	965.94	0.00	493,123.33
7623-0216	2/11/2016	[10071] BUSINESS CARD-E - Payment DACC #7623	819.25	0.00	492,304.08
0357-0216	2/11/2016	[10071] BUSINESS CARD-E - Payment DACC #0357	76.74	0.00	492,227.34
6251-0216	2/11/2016	[10071] BUSINESS CARD-E - Payment DACC #6251	6.00	0.00	492,221.34
	2/11/2016	Service Charge	149.55	0.00	492,071.79
20130651	2/12/2016	Credit Card Transaction - B & N Metals	0.00	783.00	492,854.79
EFT	2/17/2016	Pay period ending 2/05/2016	91,358.80	0.00	401,495.99
0005437	2/19/2016	[10057] ALLIED ADMIN-Invoices 2016-03, 2016-04, AA0216	2,185.43	0.00	399,310.56
0005438	2/19/2016	[10013] AT & T-Complaint Line Jan 16	39.57	0.00	399,270.99
0005439	2/19/2016	[14217] BRET BANKS-Invoices BB012816, BB012816-2	38.64	0.00	399,232.35
0005440	2/19/2016	[10046] CLARK PEST CONTROL-Pest Control Service Feb 16	45.00	0.00	399,187.35
0005441	2/19/2016	[10228] JAMES L COX-Ad Hoc Meeting 02/10/2016.	100.00	0.00	399,087.35
EFT	2/19/2016	[10065] ENTERPRISE FLEET MANAGEMENT-FLEet Maintenance Charges Jan 16	3,514.43	0.00	399,087.35
0005442	2/19/2016	[10229] CARMEN HERNANDEZ-Ad Hoc Meeting 02/10/2016.	137.26	0.00	398,950.09
0005443	2/19/2016	[10263] IN SHAPE HEALTH CLUBS INC-Pay Period 04/2016 - GymDed	168.39	0.00	398,781.70

## Mojave Desert AQMD

Run: 4/11/2016 at 3:11 PM

Bank Register from 2/01/2016 to 2/29/2016

Page: 3

### Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0005444	2/19/2016	[10081] VOYA 401(A) ACCT-401a Contribution - Heaston - February 2016	954.93	0.00	397,826.77
EFT	2/19/2016	[10200] MOJAVE DESERT AQMD-Pay Period 04/2016 - FSADED	350.01	0.00	397,826.77
0005445	2/19/2016	[10106] PARS-OPEB Trust Admin Dec 15	300.00	0.00	397,526.77
0005446	2/19/2016	[10109] PHELAN PINON HILLS CSD-Electric Use Fees Feb 16	160.00	0.00	397,366.77
0005447	2/19/2016	[14275] RECALL TOTAL INFORMATION MANAGEMENT-Document Retention Services Jan 16	254.06	0.00	397,112.71
0005448	2/19/2016	[10126] SBCERA-Invoices 2016-04, 2016-05	80,324.32	0.00	316,788.39
0005449	2/19/2016	[10213] SBPEA-Pay Period 04/2016 - GeneralUnitDues	858.32	0.00	315,930.07
0005450	2/19/2016	[10130] SELECT STAFFING-Invoices SL1593961, SL1596121	1,199.32	0.00	314,730.75
0005451	2/19/2016	[10136] SOUTHERN CALIF EDISON-Electric Service Jan 16	2,436.56	0.00	312,294.19
0005452	2/19/2016	[10266] BARBARA J STANTON-Ad Hoc Meeting 02/10/2016.	108.64	0.00	312,185.55
0005453	2/19/2016	[14293] STARNET DATA DESIGN, INC-Xirrus WiFi System Maintenance Renewal (1yr)	735.00	0.00	311,450.55
0005454	2/19/2016	[14337] STATE BAR OF CALIFORNIA-2016 Membership Dues K. Nowak	650.00	0.00	310,800.55
0005455	2/19/2016	[10146] STATE DISBURSEMENT UNIT - STATE DISBURSEMENT UNIT-CS Garnishment #BL0059318 - ChildSupport	125.07	0.00	310,675.48
0005456	2/19/2016	[10148] STRATEGIC PARTNERS GROUP - STRATEGIC PARTNERS GROUP-Legislative services. February 16	2,000.00	0.00	308,675.48
0005457	2/19/2016	[10149] TELEDYNE ADVANCED POLLUTION INSTRUMENTATION-VA 59 w/diode and Leads Valve Assembly	673.25	0.00	308,002.23
0005458	2/19/2016	[14253] CATHERINE TRAN-Employee Reimbursement Meeting Supplies CARB Course #272	20.40	0.00	307,981.83
0005459	2/19/2016	[10161] UNITED WAY DESERT COMMUNITIES-Pay Period 04/2016 - UnitedWay	5.00	0.00	307,976.83
0005460	2/19/2016	[10167] VERIZON CALIFORNIA-Phone Service Jan 16	718.56	0.00	307,258.27
EFT	2/19/2016	[10082] VOYA FINANCIAL (457)-Pay Period 04/2016 - 457Ded	8,769.79	0.00	307,258.27
20130651	2/19/2016	Credit Card Transaction - Pivox	0.00	125.00	294,749.04
20130651	2/19/2016	Credit Card Transaction - US Army	0.00	261.00	295,010.04
EFT021916	2/19/2016	[14296] INTERNAL REVENUE SERVICE-Pay Period Balance Due on Notice	1,383.51	0.00	293,626.53
EFT021916	2/19/2016	[14296] INTERNAL REVENUE SERVICE-PP04/16 FITW, FICA, Med	18,742.53	0.00	274,884.00
EFT021916	2/19/2016	[10064] EMPLOYMENT DEVELOPMENT DEPARTMENT-PP04/16 - SWT CA	4,976.55	0.00	269,907.45
0005461	2/25/2016	[10006] AIR & WASTE MANAGEMENT ASSOCIATION-Invoices 295743-16, 702, 706, 707	764.00	0.00	269,143.45
0005462	2/25/2016	[10007] AIR TECH SERVICES-Invoices 1585, 1603, 1604	920.70	0.00	268,222.75
0005464	2/25/2016	[14273] CAMARGO, EDGAR RUBEN-Governing Board Meeting 02/22/2016.	116.20	0.00	225,516.33
0005465	2/25/2016	[10029] CAPITAL ONE COMMERCIAL-Costco Card Charges Jan 16	106.36	0.00	225,409.97
0005466	2/25/2016	[10031] CDW - G-Camera Security System for MDAQMD Victorville building.	9,181.20	0.00	216,228.77
EFT	2/25/2016	[14304] JOHN E COLE-Governing Board Meeting 02/22/2016.	199.90	0.00	216,228.77
0005467	2/25/2016	[10228] JAMES L COX-Governing Board Meeting 02/22/2016.	100.00	0.00	216,128.77
0005468	2/25/2016	[10222] JOSEPH DE CONINCK-Governing Board Meeting 02/22/2016.	100.00	0.00	216,028.77
0005469	2/25/2016	[10265] MERRILL M GRACEY-Governing Board Meeting 02/22/2016.	137.26	0.00	215,891.51
0005470	2/25/2016	[10076] HI DESERT WINDOW WASHING-Window Washing Feb 16	200.00	0.00	215,691.51
0005471	2/25/2016	[14257] ROBERT J LEONE-Governing Board Meeting 02/22/2016.	179.92	0.00	215,511.59
0005472	2/25/2016	[10214] MAIL FINANCE-Postage Meter Rental March 16	167.34	0.00	215,344.25

**Mojave Desert AQMD**  
**Bank Register from 2/01/2016 to 2/29/2016**  
**Wells Fargo Operating**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0005473	2/25/2016	[10114] RAINBOW BUILDING MAINTENANCE-Custodial Service Jan 16	1,948.00	0.00	213,396.25
0005474	2/25/2016	[14249] DANIELLE RAMOS-Safety Shoe Reimbursement - D. Ramos	102.46	0.00	213,293.79
0005475	2/25/2016	[10223] BARBARA RIORDAN-Governing Board Meeting 02/22/2016.	151.84	0.00	213,141.95
0005476	2/25/2016	[10123] SAN BERNARDINO COUNTY FAIR-Rental of Pkg Lot and Security fot 2016 lawnmower Exchange	370.00	0.00	212,771.95
0005477	2/25/2016	[10136] SOUTHERN CALIF EDISON-Electric Service Feb 16	2,085.26	0.00	210,686.69
0005478	2/25/2016	[10144] STANDARD INSURANCE-Invoices 2016-02, 2016-03, SI0316	1,246.50	0.00	209,440.19
0005479	2/25/2016	[10266] BARBARA J STANTON-Governing Board Meeting 02/22/2016.	108.64	0.00	209,331.55
0005480	2/25/2016	[10145] STAPLES INC-Office Supply Order Jan 16	861.48	0.00	208,470.07
0005481	2/25/2016	[10150] THE COUNSELING TEAM-EAP Hours Jan 16	420.00	0.00	208,050.07
0005482	2/25/2016	[14253] CATHERINE TRAN-personnel protective equipment - safety shoes for C. Tran - \$130.00 max	86.21	0.00	207,963.86
0005483	2/25/2016	[10166] VERIZON BUSINESS-VOIP & Phone Service Feb 16	1,161.06	0.00	206,802.80
0005484	2/25/2016	[10167] VERIZON CALIFORNIA - VERIZON-Barstow AM Station Internet Service Feb 16	78.00	0.00	206,724.80
0005485	2/25/2016	[10167] VERIZON CALIFORNIA - VERIZON-Hesperia AM Station Intenet Service Feb 16	78.00	0.00	206,646.80
0005486	2/25/2016	[10167] VERIZON CALIFORNIA - VERIZON-Phelan Am Station Internet Service Feb 16	95.00	0.00	206,551.80
0005487	2/25/2016	[10174] WEST GROUP-CA Rules of Court Phamplet 2016	151.23	0.00	206,400.57
0005488	2/25/2016	[10021] CAL PUBLIC EMP RETIREMENT SYSTEM-Invoices 100000014673775, 100000014692370, 100000014710729, 2015-26, 2016-01, 2016-03, 2016-04	69,746.23	0.00	179,044.66
2016013	2/25/2016	Op Fund Rep #12	0.00	591,490.37	770,535.03
20130652	2/26/2016	Credit Card Transactions - Rogelio Amezuita & USMC NREA	0.00	523.79	771,058.82
20130653	2/29/2016	Credit Card Transactions - US Bureau of Reclamation & Walmart	0.00	1,132.23	772,191.05
<b>Total for Report:</b>			<b>593,789.11</b>	<b>650,432.43</b>	

**Mojave Desert AQMD**  
**Bank Register from 2/01/2016 to 2/29/2016**  
General Fund MPA

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
20130643	2/01/2016	SBCo ACH - USMC	0.00	34,908.16	1,224,064.01
20130646	2/02/2016	SBCo ACH - Specialty Minerals	0.00	11,611.73	1,235,675.74
0003046	2/03/2016	Daily Deposit	0.00	1,870.00	1,237,545.74
20130647	2/03/2016	Daily Deposit	0.00	23,989.94	1,261,535.68
0007924	2/04/2016	Daily Deposit	0.00	436,411.70	1,697,947.38
0007925	2/09/2016	Daily Deposit	0.00	28,399.35	1,726,346.73
0007926	2/11/2016	Daily Deposit	0.00	6,759.69	1,733,106.42
20130648	2/12/2016	SBCo ACH - MDAQMD	0.00	7,158.53	1,740,264.95
20130649	2/17/2016	SBCo ACH - USMC	0.00	5,099.07	1,745,364.02
0007927	2/18/2016	Daily Deposit	0.00	142,969.70	1,888,333.72
	2/18/2016	Service Charge	199.86	0.00	1,888,133.86
20130650	2/19/2016	SBCo ACH - AmeriCold	0.00	292.82	1,888,426.68
0007928	2/19/2016	Daily Deposit	0.00	11,906.40	1,900,333.08
0007929	2/24/2016	Daily Deposit	0.00	212,288.24	2,112,621.32
20130651	2/25/2016	SBCo ACH - USMC	0.00	257.03	2,112,878.35
2016013	2/25/2016	Op Fund Rep #12	591,340.82	0.00	1,521,537.53
20130652	2/26/2016	SBCo ACH - MDAQMD	0.00	350.01	1,521,887.54
20130653	2/26/2016	SBCo ACH - NAWS	0.00	2,116.02	1,524,003.56
0007930	2/29/2016	Daily Deposit	0.00	6,173.57	1,530,177.13
<b>Total for Report:</b>			<b>591,540.68</b>	<b>932,561.96</b>	

**Mojave Desert AQMD**  
**Bank Register from 2/01/2016 to 2/29/2016**  
**Carl Moyer MPB**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0003046	2/08/2016	Mpoyer Year 16 Funds	0.00	120,000.00	505,614.60
20130661	2/09/2016	Deposited in error to MPB-Moyer should be MPA-General Fund	0.00	100.00	505,714.60
MPB 16-12	2/10/2016	[10240] ENVIRONMENTAL ENGINEERING STUDIES-Moyer Grant	10,947.50	0.00	494,767.10
<b>Total for Report:</b>			<b>10,947.50</b>	<b>120,100.00</b>	

**Mojave Desert AQMD**  
**Bank Register from 2/01/2016 to 2/29/2016**  
**AB2766 MPE**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
MPE 2016-	2/05/2016	[10044] CITY OF VICTORVILLE-AB2766 Grant	195,000.00	0.00	3,098,924.22
MPE 2016-	2/10/2016	[01786] VICTOR VALLEY TRANSIT AUTHORITY-AB2766 Grant	30,099.79	0.00	3,068,824.43
<b>Total for Report:</b>			<b>225,099.79</b>	<b>0.00</b>	

**Mojave Desert AQMD**  
**Bank Register from 2/01/2016 to 2/29/2016**  
**PARS Held in Trust**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	2/01/2016	Service Charge	263.83	0.00	528,840.63
	2/01/2016	Interest Earned	4,048.06	0.00	524,792.57
<b>Total for Report:</b>			<b>4,311.89</b>	<b>0.00</b>	

**Mojave Desert AQMD**  
**Bank Register from 2/01/2016 to 2/29/2016**  
**District Card - Assigned**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000092	2/16/2016	[13961] JEAN BRACY-Invoices 0357-011216, 0357-011316	76.74	0.00	2,971.51
0000093	2/16/2016	[11809] CHRIS COLLINS-Invoices 7623 - 012616, 7623-011216, 7623-012816, 7623-012816-2, 7623-012816-3	547.13	0.00	2,424.38
0000094	2/16/2016	[10825] ALAN DE SALVIO-Parking at CSUSB for class instruction	6.00	0.00	2,418.38
0000095	2/16/2016	[11853] ELDON HEASTON-Invoices 648, 742, 743, 744, 745, 746, 747	328.85	0.00	2,089.53
0000096	2/16/2016	[11067] VIOLETTE ROBERTS-Invoices 6777 - 010616-2, 6777 - 11816, 6777-010616	1,131.20	0.00	958.33
0000097	2/16/2016	[10120] ROTARY CLUB OF VICTORVILLE-February 2016 monthly membership dues, invoice 6473.	137.00	0.00	821.33
0000012	2/17/2016	Feb 2016 Payment	0.00	3,048.13	3,869.46
<b>Total for Report:</b>			<b>2,226.92</b>	<b>3,048.13</b>	

**Mojave Desert AQMD**  
**Bank Register from 2/01/2016 to 2/29/2016**  
**District Card- 8958**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000071	2/16/2016	[14211] DEANNA HERNANDEZ-Invoices 631, CM010816	98.61	0.00	-98.61
0000072	2/16/2016	[14218] ROSEANA NAVARRO-BRASINGTON-Invoices CM012216, PO 270-2	678.90	0.00	-777.51
0000073	2/16/2016	[14221] ROBYN SIMPSON-Cal Chamber of Commerce Employee Info Pamphlets/ Posters	722.58	0.00	-1,500.09
0000022	2/17/2016	Feb 2016 Payment	0.00	4,316.75	2,816.66
<b>Total for Report:</b>			<b>1,500.09</b>	<b>4,316.75</b>	

**Mojave Desert AQMD**  
**Bank Register from 2/01/2016 to 2/29/2016**  
**District Card - 5717**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000058	2/16/2016	[14255] CHRISTIANA ROBINSON-Invoices 641, 641 (1)	225.31	0.00	-225.31
0000059	2/16/2016	[01315] VALLEY COLLISION CENTER-Body Repairs to Dist Veh #99920	1,205.67	0.00	-1,430.98
0000019	2/17/2016	Feb 2016 Payment	0.00	2,826.98	1,396.00
<b>Total for Report:</b>			<b>1,430.98</b>	<b>2,826.98</b>	

**Mojave Desert AQMD**  
**Bank Register from 2/01/2016 to 2/29/2016**  
**District Card - 0059**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000082	2/16/2016	[14216] MICHELLE POWELL-Office Max - W-2/1099 Forms and Envelopes	51.81	0.00	-51.81
0000083	2/16/2016	[14221] ROBYN SIMPSON-Invoices 647, 654	498.95	0.00	-550.76
0000019	2/17/2016	Feb 2016 Payment	0.00	4,445.67	3,894.91
<b>Total for Report:</b>			<b>550.76</b>	<b>4,445.67</b>	

**Mojave Desert AQMD**  
**Balance Sheet - Governmental Funds**  
**As of January 31, 2016**

## Financial Report

	<u>General Fund</u>	<u>Mobile Emissions</u>	<u>Carl Moyer</u>	<u>Fiduciary Fund</u>	<u>Total</u>
<b>Assets</b>					
Current Assets					
Cash	1,956,918.05	3,293,924.22	385,614.60	550,200.76	6,186,657.63
Cash Held For Other Fund	18,116.61	(8,568.10)	0.00	(9,548.51)	0.00
Receivables	1,238,990.97	0.00	845,201.13	0.00	2,084,192.10
Pre-Paids	42,582.06	0.00	0.00	0.00	42,582.06
<b>Total Current Assets</b>	<b>3,256,607.69</b>	<b>3,285,356.12</b>	<b>1,230,815.73</b>	<b>540,652.25</b>	<b>8,313,431.79</b>
Long Term Receivables	820,800.76	0.00	0.00	0.00	820,800.76
<b>Total Assets</b>	<b>4,077,408.45</b>	<b>3,285,356.12</b>	<b>1,230,815.73</b>	<b>540,652.25</b>	<b>9,134,232.55</b>
<b>Liabilities and Net Position</b>					
Current Liabilities					
Payables	77,101.77	154,559.67	0.00	1,681.98	233,343.42
Accruals	268,282.67	0.00	0.00	0.00	268,282.67
Due to Others	1,505.00	(0.05)	0.00	0.00	1,504.95
Payroll Taxes Liability	2,909.00	0.00	0.00	0.00	2,909.00
Retirement	(6,758.63)	0.00	0.00	0.00	(6,758.63)
Health	(30,966.20)	0.00	0.00	0.00	(30,966.20)
Unearned Revenue	0.00	0.00	993,237.85	0.00	993,237.85
<b>Total Current Liabilities</b>	<b>312,073.61</b>	<b>154,559.62</b>	<b>993,237.85</b>	<b>1,681.98</b>	<b>1,461,553.06</b>
Restricted Fund Balance	0.00	3,042,907.72	336,060.48	567,408.04	3,946,376.24
Cash Reserves	690,000.00	0.00	0.00	0.00	690,000.00
Building Improvements	200,000.00	0.00	0.00	0.00	200,000.00
Litigation Reserves	300,000.00	0.00	0.00	0.00	300,000.00
Budget Stabilization	250,000.00	0.00	0.00	0.00	250,000.00
Retirement Reserves	1,000,000.00	0.00	0.00	0.00	1,000,000.00
Unassigned Fund Balance	515,736.49	0.00	0.00	0.00	515,736.49
Compensated Absences	150,000.00	0.00	0.00	0.00	150,000.00
Pre Paid	41,835.06	0.00	0.00	0.00	41,835.06
Long Term Receivable Reserves	820,800.76	0.00	0.00	0.00	820,800.76
Change in Net Position	(203,037.47)	87,888.78	(98,482.60)	(28,437.77)	(242,069.06)
<b>Total Liabilities &amp; Net Position</b>	<b>4,077,408.45</b>	<b>3,285,356.12</b>	<b>1,230,815.73</b>	<b>540,652.25</b>	<b>9,134,232.55</b>

**Mojave Desert AQMD**  
**Statement of Revenues & Expenditures**  
**For the Period Ending January 31, 2016**

## Financial Report

	<u>General Fund</u>	<u>Mobile Emissions Program</u>	<u>Carl Moyer Program</u>	<u>Fiduciary Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>					
Antelope Valley Air Quality Mngmnt Contract	105,710.01	0.00	0.00	0.00	105,710.01
Other Contracts	3,000.00	0.00	0.00	0.00	3,000.00
Application and Permit Fees	310,519.06	0.00	0.00	0.00	310,519.06
AB 2766 and Other Program Revenues	54,387.84	54,247.83	(18,375.00)	0.00	90,260.67
Fines	500.00	0.00	0.00	0.00	500.00
Investment Earnings	2,668.44	3,893.28	647.03	0.00	7,208.75
Federal and State	0.00	0.00	0.00	0.00	0.00
Other Revenue	0.00	0.00	0.00	0.00	0.00
<b>Total Revenues</b>	<b>476,785.35</b>	<b>58,141.11</b>	<b>(17,727.97)</b>	<b>0.00</b>	<b>517,198.49</b>
<b><u>Expenditures</u></b>					
Salaries and Benefits	372,512.29	0.00	0.00	1,680.77	374,193.06
Services and Supplies	60,866.62	27,123.91	19,064.70	300.00	107,355.23
Contributions to Other Participants	0.00	0.00	0.00	0.00	0.00
Capital Outlay Improvements and Equipment	3,239.47	0.00	0.00	0.00	3,239.47
<b>Total Expenditures</b>	<b>436,618.38</b>	<b>27,123.91</b>	<b>19,064.70</b>	<b>1,980.77</b>	<b>484,787.76</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>40,166.97</b>	<b>31,017.20</b>	<b>(36,792.67)</b>	<b>(1,980.77)</b>	<b>32,410.73</b>

**Mojave Desert AQMD**  
**Statement of Activity - MTD and YTD**  
**For the Period Ending January 31, 2016**

## Financial Report

	<u>M-T-D</u> <u>Actual</u>	<u>Y-T-D</u> <u>Actual</u>	<u>Y-T-D</u> <u>Budget</u>	<u>% Budget</u> <u>to Actual</u>
<b>Revenues</b>				
Revenue - Permitting	348,112.76	2,484,515.38	4,240,000.00	58.60
Revenue - Programs	90,260.67	708,791.07	2,267,533.00	31.26
Revenue - Application Fees	5,901.00	64,638.00	89,850.00	71.94
Revenue - State	0.00	120,437.42	180,000.00	66.91
Revenue - Federal	0.00	105,490.86	131,615.00	80.15
Fines & Penalties	500.00	17,050.00	60,000.00	28.42
Interest Earned	7,208.75	4,428.88	55,150.00	8.03
Revenue - Contracts & Unidentified	108,710.01	781,060.43	1,314,715.00	59.41
Permit Cancellations	(43,494.70)	(82,759.25)	0.00	0.00
<b>Total Revenues</b>	<b>517,198.49</b>	<b>4,203,652.79</b>	<b>8,338,863.00</b>	<b>50.41</b>
<b>Expenditures</b>				
Office Expenses	9,858.94	117,318.41	206,700.00	56.76
Communications	7,124.26	35,731.57	55,300.00	64.61
Vehicles	4,991.90	38,095.11	79,800.00	47.74
Program Costs	46,242.07	401,240.44	1,529,183.00	26.24
Travel	296.84	36,928.41	80,650.00	45.79
Professional Services	23,918.17	94,110.21	245,100.00	38.40
Maintenance & Repairs	6,514.50	42,643.50	53,775.00	79.30
Non-Depreciable Inventory	673.44	9,851.73	34,325.00	28.70
Dues & Subscriptions	504.72	24,478.43	27,275.00	89.75
Legal	6,173.72	93,559.72	115,700.00	80.86
Miscellaneous Expense	1,056.67	4,320.64	5,000.00	86.41
Suspense	0.00	(9,860.21)	0.00	0.00
Capital Expenditures	3,239.47	206,592.07	280,000.00	73.78
<b>Total Expenditures</b>	<b>110,594.70</b>	<b>1,095,010.03</b>	<b>2,712,808.00</b>	<b>40.36</b>
<b>Salaries &amp; Benefits</b>				
Personnel Expenses	374,193.06	3,350,711.82	5,957,973.00	56.24
<b>Total Salaries &amp; Benefits</b>	<b>374,193.06</b>	<b>3,350,711.82</b>	<b>5,957,973.00</b>	<b>56.24</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>32,410.73</b>	<b>(242,069.06)</b>	<b>(331,918.00)</b>	<b>72.93</b>

## Mojave Desert AQMD

Run: 3/04/2016 at 1:01 PM

Bank Register from 1/01/2016 to 1/31/2016

Page: 1

### Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
20130641	1/04/2016	Credit Card Transaction - Vorik	0.00	675.00	409,977.99
ACH010416	1/04/2016	[10064] EMPLOYMENT DEVELOPMENT DEPARTMENT-PP01/16 - SWT CA	4,980.67	0.00	404,997.32
ACH010416	1/04/2016	[14296] INTERNAL REVENUE SERVICE-PP01/16 - FITW, FICA, Med	25,274.02	0.00	379,723.30
EFT	1/06/2016	Pay period ending 12/25/2015	105,782.48	0.00	273,940.82
2016011	1/08/2016	Op Fund Rep #10	0.00	556,220.63	830,161.45
	1/11/2016	Service Charge	113.18	0.00	830,048.27
20130641	1/13/2016	Credit Card Transaction - MWD	0.00	136.31	830,184.58
20130641	1/13/2016	Credit Card Tranaction - Longboat Solar	0.00	253.00	830,437.58
EFT011316	1/13/2016	[10047] COLONIAL INSURANCE-Supp Ins Prem Jan 16	375.16	0.00	830,062.42
0005317	1/14/2016	[10007] AIR TECH SERVICES-Qrtly Service and failed disconnect replacement	706.20	0.00	829,356.22
0005318	1/14/2016	[14320] AQUA TERRA AERIS LAW GROUP-Professional litigation services	950.00	0.00	828,406.22
EFT	1/14/2016	[10017] BEST BEST & KRIEGER LLP-Legal Service November 2015	5,012.89	0.00	828,406.22
0005319	1/14/2016	[14330] MARK S BREYMAN-Delivered Notice of Hearing Case No 15-001	98.50	0.00	828,307.72
0005320	1/14/2016	[10071] BUSINESS CARD-Credit Card Charges Dec 15	8,608.46	0.00	819,699.26
0005321	1/14/2016	[10021] CAL PUBLIC EMP RETIREMENT SYSTEM-Invoices 10000014673775, 2015-24, 2015-25	34,827.49	0.00	784,871.77
0005322	1/14/2016	[10029] CAPITAL ONE COMMERCIAL-Costco Card Charges Dec 15	440.76	0.00	784,431.01
0005323	1/14/2016	[10031] CDW - G-Windows Server 2012 R2 and SQL 2014	1,172.59	0.00	783,258.42
0005324	1/14/2016	[10046] CLARK PEST CONTROL-Pest Control Jan 16	45.00	0.00	783,213.42
0005325	1/14/2016	[10228] JAMES L COX-Customer Service Satisfaction Survey Committee Meeting 01/06/2016	100.00	0.00	783,113.42
0005326	1/14/2016	[10067] ENTERPRISE RENT A CAR-November Car Rentals	381.83	0.00	782,731.59
0005327	1/14/2016	[14238] SHERI HAGGARD-Safety Shoe Reimbursement - S. Haggard	97.19	0.00	782,634.40
0005328	1/14/2016	[10229] CARMEN HERNANDEZ-Customer Service Satisfaction Survey Committee Meeting 01/06/2016	100.00	0.00	782,534.40
0005329	1/14/2016	[10076] HI DESERT WINDOW WASHING-Window Wash Service Dec 15	200.00	0.00	782,334.40
0005330	1/14/2016	[10263] IN SHAPE HEALTH CLUBS INC-Pay Period 01/2016 - GymDed	168.39	0.00	782,166.01
0005331	1/14/2016	[10081] ING 401(A) ACCT-Invoices 630, 633	1,909.86	0.00	780,256.15
0005332	1/14/2016	[14257] ROBERT J LEONE-Customer Service Satisfaction Survey Committee Meeting 01/06/2016	100.00	0.00	780,156.15
0005333	1/14/2016	[10214] MAIL FINANCE-Postage Meter Rental Jan 16	167.34	0.00	779,988.81
EFT	1/14/2016	[10093] MET ONE INSTRUMENTS-Beta-Attenuation Mass Monitor - 2.5 - Co- Located Unit	20,280.25	0.00	779,988.81
EFT	1/14/2016	[10200] MOJAVE DESERT AQMD-Credit Card Transactions Transfer - December 2015	6,597.43	0.00	779,988.81
EFT	1/14/2016	[10200] MOJAVE DESERT AQMD-Pay Period 01/2016 - FSADed	350.01	0.00	779,988.81
0005334	1/14/2016	[14218] ROSEANA NAVARRO-BRASINGTON-Invoices PO242-1, PO246-1, PO257-1	158.90	0.00	779,829.91
EFT	1/14/2016	[10100] NOVACOAST INC-CAPS Development Phase 23	5,872.50	0.00	779,829.91
0005335	1/14/2016	[10591] KAREN NOWAK-Cell Phone Purchase Reimbusment SP 4-16	250.00	0.00	779,579.91
0005336	1/14/2016	[10102] OFFICE SOLUTIONS-Office Supplies	28.70	0.00	779,551.21
0005337	1/14/2016	[10244] PAUL'S PRECISION MAINTENANCE-Monthly Maintenance Contract Dec 15	2,000.00	0.00	777,551.21
0005338	1/14/2016	[10109] PHELAN PINON HILLS CSD-Electric use fee Dec 15	160.00	0.00	777,391.21

**Mojave Desert AQMD**  
**Bank Register from 1/01/2016 to 1/31/2016**  
**Wells Fargo Operating**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0005339	1/14/2016	[10114] RAINBOW BUILDING MAINTENANCE-Custodial Service Dec 15	1,756.25	0.00	775,634.96
EFT	1/14/2016	[10116] RECALL SECURE DESTRUCTION SERVICES INC-Doc Destruction Service Dec 15	69.21	0.00	775,634.96
0005340	1/14/2016	[14275] RECALL TOTAL INFORMATION MANAGEMENT-Doc Retention Service	731.14	0.00	774,903.82
EFT	1/14/2016	[10117] RICOH AMERICAS CORP-Copier Lease 12/15/15 - 1/14/16	1,284.81	0.00	774,903.82
0005341	1/14/2016	[10118] RICOH USA INC-Copy Overages Dec 15	284.67	0.00	774,619.15
0005342	1/14/2016	[10126] SBCERA-Pay Period 01/2016 - SBCERADefer, SBCERAMatch, SBCERAPickUp, SurvivorInsBen, SurvivorInsDed, RetireCashBen	75,075.85	0.00	699,543.30
0005343	1/14/2016	[10213] SBPEA-Pay Period 01/2016 - GeneralUnitDues	858.32	0.00	698,684.98
0005344	1/14/2016	[10127] SBRCO FIRE EQUIPMENT-Flre Extinguisher Check & Refill	195.00	0.00	698,489.98
0005345	1/14/2016	[10135] SOCIETY FOR HUMAN RESOURCE MANAGEMENT-Organization dues for annual SHRM renewal - R. Simpson	190.00	0.00	698,299.98
0005346	1/14/2016	[14266] SONOMA TECHNOLOGY INC-Consulting services for air monitoring research and analysis.	3,768.57	0.00	694,531.41
0005347	1/14/2016	[10136] SOUTHERN CALIF EDISON-Electric service Dec 15	2,293.92	0.00	692,237.49
0005348	1/14/2016	[10137] SOUTHWEST GAS CORP-Gas Service Dec 15	295.75	0.00	691,941.74
0005349	1/14/2016	[10144] STANDARD INSURANCE-Invoices 2015-24, 2015-25, SI121815	1,273.02	0.00	690,668.72
0005350	1/14/2016	[10266] BARBARA J STANTON-Customer Service Satisfaction Survey Committee Meeting 01/06/2016	100.00	0.00	690,568.72
0005351	1/14/2016	[10146] STATE DISBURSEMENT UNIT - STATE DISBURSEMENT UNIT-CS Garnishment #BL0059318 - ChildSupport	125.07	0.00	690,443.65
0005352	1/14/2016	[10161] UNITED WAY DESERT COMMUNITIES-Pay Period 01/2016 - UnitedWay	5.00	0.00	690,438.65
0005353	1/14/2016	[10167] VERIZON CALIFORNIA-Phone Service Dec 15	714.94	0.00	689,723.71
0005354	1/14/2016	[10167] VERIZON CALIFORNIA - VERIZON-Barstow Am Station Internet Service Dec 15	72.99	0.00	689,650.72
0005355	1/14/2016	[10167] VERIZON CALIFORNIA - VERIZON-Hesperia AM Station Internet Service Dec 15	72.99	0.00	689,577.73
0005356	1/14/2016	[10167] VERIZON CALIFORNIA - VERIZON-Phelan AM Station Internet Service Dec 15	89.99	0.00	689,487.74
0005357	1/14/2016	[10169] VERIZON WIRELESS SERVICES, LLC-Mobile Broadband Service Dec 15	125.14	0.00	689,362.60
0005358	1/14/2016	[10169] VERIZON WIRELESS SERVICES, LLC-Cell Phone Charges Nov 15	45.37	0.00	689,317.23
EFT	1/14/2016	[10082] VOYA FINANCIAL-Pay Period 01/2016 - 457Ded	9,169.79	0.00	689,317.23
EFT	1/14/2016	[10173] VOYAGER FLEET SERVICE-Fuel Card Charges Dec 15	804.59	0.00	689,317.23
0005359	1/14/2016	[14323] VSP-Invoices 2015-25, 2015-26	607.90	0.00	688,709.33
0005360	1/14/2016	[10266] BARBARA J STANTON-Mileage for 01/08/16 GB CSSS Committee Mtg	8.64	0.00	639,259.21
0005361	1/14/2016	[10229] CARMEN HERNANDEZ-Mileage for 01/08/16 GB CSSS Committee Mtg	37.26	0.00	639,221.95
0005362	1/14/2016	[14257] ROBERT J LEONE-Mileage for 01/08/16 GB CSSS Committee Mtg	79.92	0.00	639,142.03
20130642	1/15/2016	Credit Card Transaction - Nordam & Bay City Electric	0.00	755.28	639,897.31
20130642	1/19/2016	Credit Card Transaction - Conway Freight	0.00	284.29	640,181.60
EFT	1/20/2016	Pay period ending 1/08/2016	91,291.84	0.00	548,889.76
0005363	1/22/2016	[10007] AIR TECH SERVICES-Service Call 1/7/16	112.50	0.00	548,777.26
0005364	1/22/2016	[10057] ALLIED ADMIN-Invoices 2016-01, 2016-02, AA11116	2,263.91	0.00	546,513.35

**Mojave Desert AQMD****Bank Register from 1/01/2016 to 1/31/2016****Wells Fargo Operating**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0005365	1/22/2016	[11830] ALEKSEY ASTAKHOV-Emp Reimbursement - Batteries for Aermometer	8.09	0.00	546,505.26
0005366	1/22/2016	[10013] AT & T-Complaint Line Dec 15	39.81	0.00	546,465.45
EFT	1/22/2016	[10017] BEST BEST & KRIEGER LLP-Legal Services Dec 15	5,223.72	0.00	546,465.45
EFT	1/22/2016	[10121] SALLY BODE-Customer Survey Postcard Graphics	175.00	0.00	546,465.45
0005367	1/22/2016	[14332] LARRY BOWDEN-Hearing Board Meeting Janaury 14, 2016.	208.00	0.00	546,257.45
EFT	1/22/2016	[14304] JOHN E COLE-Personnel Committee Meeting Janaury 14, 2016.	199.90	0.00	546,257.45
EFT	1/22/2016	[14331] DAVE CORDER-Hearing Board Meeting Janaury 14, 2016.	111.34	0.00	546,257.45
EFT	1/22/2016	[10065] ENTERPRISE FLEET MANAGEMENT-Fleet Maintenance Charges Dec 15	3,444.55	0.00	546,257.45
0005368	1/22/2016	[10067] ENTERPRISE RENT A CAR-Vehicle Rentals Dec 2015	65.47	0.00	546,191.98
0005369	1/22/2016	[10229] CARMEN HERNANDEZ-Personnel Committee Meeting Janaury 14, 2016.	137.26	0.00	546,054.72
0005370	1/22/2016	[10088] HI DESERT GARDENS INC-Invoices 2901, 2918	520.00	0.00	545,534.72
0005371	1/22/2016	[10263] IN SHAPE HEALTH CLUBS INC-Pay Period 02/2016 - GymDed	168.39	0.00	545,366.33
0005372	1/22/2016	[10086] KELLY PAPER COMPANY-Office Copy Paper	701.14	0.00	544,665.19
0005373	1/22/2016	[10224] ROBERT LOVINGOOD-Personnel Committee Meeting Janaury 14, 2016.	100.00	0.00	544,565.19
0005374	1/22/2016	[10091] MASTER'S SERVICES-Brewer, Water purifier, Warmers Rental 1st Qtr 2016	294.52	0.00	544,270.67
EFT	1/22/2016	[10093] MET ONE INSTRUMENTS-Invoices 149499, 150166, 150499	3,165.50	0.00	544,270.67
EFT	1/22/2016	[10200] MOJAVE DESERT AQMD-Pay Period 02/2016 - FSADed	350.01	0.00	544,270.67
0005375	1/22/2016	[10102] OFFICE SOLUTIONS-Invoices 00887732, 00887742, 00888058, 00888059, 00888124	855.04	0.00	543,415.63
0005376	1/22/2016	[10106] PARS-OPEB Trust Admin Nov 15	300.00	0.00	543,115.63
0005377	1/22/2016	[10126] SBCERA-Pay Period 02/2016 - SBCERADefer, SBCERAMatch, SBCERAPickUp, SurvivorInsBen, SurvivorInsDed, RetireCashBen	65,902.67	0.00	477,212.96
0005378	1/22/2016	[10213] SBPEA-Pay Period 02/2016 - GeneralUnitDues	858.32	0.00	476,354.64
EFT	1/22/2016	[10129] SCOTT MARRIN INC-Invoices D49971, D50217	154.60	0.00	476,354.64
0005379	1/22/2016	[14278] DOUG SHUMWAY-Hearing Board Meeting Janaury 14, 2016.	116.20	0.00	476,238.44
0005380	1/22/2016	[10146] STATE DISBURSEMENT UNIT - STATE DISBURSEMENT UNIT-CS Garnishment #BL0059318 - ChildSupport	125.07	0.00	476,113.37
0005381	1/22/2016	[10148] STRATEGIC PARTNERS GROUP - STRATEGIC PARTNERS GROUP-Legislative services. Feb 16	2,000.00	0.00	474,113.37
0005382	1/22/2016	[10150] THE COUNSELING TEAM-EAP Hours Dec 15	360.00	0.00	473,753.37
0005383	1/22/2016	[10161] UNITED WAY DESERT COMMUNITIES-Pay Period 02/2016 - UnitedWay	5.00	0.00	473,748.37
0005384	1/22/2016	[10166] VERIZON BUSINESS-VOIP & Internet Service Jan 16	1,161.06	0.00	472,587.31
EFT	1/22/2016	[10082] VOYA FINANCIAL-Pay Period 02/2016 - 457Ded	8,919.79	0.00	472,587.31
EFT012216	1/22/2016	[10064] EMPLOYMENT DEVELOPMENT DEPARTMENT-PP02/16 - CA SWT	5,001.80	0.00	445,841.10
EFT012216	1/22/2016	[14296] INTERNAL REVENUE SERVICE-PP02/16 FITW, FICA, Med	19,563.97	0.00	426,277.13
20130643	1/25/2016	Credit Card Transactions - FAA - Midwest Env - Alltech	0.00	4,704.64	430,981.77
2016012	1/26/2016	Op Fund Rep #11	0.00	328,437.55	759,419.32
0005385	1/27/2016	[10221] JOHN J BENOIT-Governing Board Meeting Janaury 25, 2016.	100.00	0.00	759,319.32
0005386	1/27/2016	[10020] BURKEY COX EVANS & BRADFORD-FY 15 Financial Audit	16,000.00	0.00	743,319.32

**Mojave Desert AQMD**  
**Bank Register from 1/01/2016 to 1/31/2016**  
Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0005387	1/27/2016	[10035] CITRUS VAL CARDIOLOGY MED GROUP-APCO Physical	143.27	0.00	743,176.05
0005388	1/27/2016	[10228] JAMES L COX-Governing Board Meeting Janaury 25, 2016.	100.00	0.00	743,076.05
0005389	1/27/2016	[10222] JOSEPH DE CONINCK-Governing Board Meeting Janaury 25, 2016.	100.00	0.00	742,976.05
0005390	1/27/2016	[10283] GOVT FINANCE OFFICERS ASSN-Organization dues for GFOA - R. Simpson	150.00	0.00	742,826.05
0005391	1/27/2016	[10229] CARMEN HERNANDEZ-Governing Board Meeting Janaury 25, 2016.	137.26	0.00	742,688.79
0005392	1/27/2016	[10076] HI DESERT WINDOW WASHING-Window Washing Service Jan 16	200.00	0.00	742,488.79
0005393	1/27/2016	[10079] HIGH DESERT LASER GRAPHICS-Name plates for Paul Russ, Deanna Hernandez and Jennifer Rhinehart.	53.46	0.00	742,435.33
0005394	1/27/2016	[14257] ROBERT J LEONE-Governing Board Meeting Janaury 25, 2016.	179.92	0.00	742,255.41
0005395	1/27/2016	[10224] ROBERT LOVINGOOD-Governing Board Meeting Janaury 25, 2016.	100.00	0.00	742,155.41
0005396	1/27/2016	[10214] MAIL FINANCE-Postage Meter Rental Feb 16	167.34	0.00	741,988.07
0005397	1/27/2016	[14218] ROSEANA NAVARRO-BRASINGTON-Capcoa Vapor Recovery - Sacramento	153.54	0.00	741,834.53
EFT	1/27/2016	[10100] NOVACOAST INC-CAPS Development Phase 24	23,200.00	0.00	741,834.53
0005398	1/27/2016	[10102] OFFICE SOLUTIONS-Office Supplies	27.46	0.00	741,807.07
0005399	1/27/2016	[14275] RECALL TOTAL INFORMATION MANAGEMENT-Doc Retention Service Dec 15	254.06	0.00	741,553.01
0005400	1/27/2016	[10223] BARBARA RIORDAN-Governing Board Meeting Janaury 25, 2016.	151.84	0.00	741,401.17
0005401	1/27/2016	[10144] STANDARD INSURANCE-Invoices 2015-26, 2016-01, SI0216	1,246.50	0.00	740,154.67
0005402	1/27/2016	[10266] BARBARA J STANTON-Governing Board Meeting Janaury 25, 2016.	108.64	0.00	740,046.03
0005403	1/27/2016	[10145] STAPLES INC-Office Supplies	185.46	0.00	739,860.57
0005404	1/27/2016	[10167] VERIZON CALIFORNIA - VERIZON-Barstow AM Station Internet Service Jan 15	72.99	0.00	739,787.58
0005405	1/27/2016	[10167] VERIZON CALIFORNIA - VERIZON-Hesperia AM Station Internet Service Jan 16	72.99	0.00	739,714.59
0005406	1/27/2016	[10167] VERIZON CALIFORNIA - VERIZON-Phelan AM Station Internet Service Jan 16	89.99	0.00	739,624.60
EFT	1/27/2016	[14303] JEFFREY HAYES WILLIAMS-Governing Board Meeting Janaury 25, 2016.	289.00	0.00	739,624.60
0005407	1/27/2016	[14215] MICHELLE ZUMWALT-Invoices MZ12016, MZ12016-2	60.87	0.00	739,563.73
0005408	1/27/2016	[10223] BARBARA RIORDAN-Personnel Committee Meeting January 14, 2016	151.84	0.00	715,922.89
EFT12816	1/28/2016	[10047] COLONIAL INSURANCE-Supp Ins Prem Feb 16	375.16	0.00	715,547.73
<b>Total for Report:</b>			<b>585,221.96</b>	<b>891,466.70</b>	

**Mojave Desert AQMD**  
**Bank Register from 1/01/2016 to 1/31/2016**  
General Fund MPA

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
2016014	1/04/2016	Transfer AB2766 - October 2015	59,798.96	0.00	1,423,935.82
0007916	1/05/2016	Daily Deposit	0.00	4,411.08	1,428,346.90
0007917	1/05/2016	Daily Deposit	0.00	49,206.78	1,477,553.68
2016011	1/08/2016	Op Fund Rep #10	556,220.63	0.00	921,333.05
0007918	1/11/2016	Daily Deposit	0.00	20,910.42	942,243.47
0007919	1/11/2016	Daily Deposit	0.00	144,179.24	1,086,422.71
0007920	1/12/2016	Daily Deposit	0.00	47,837.33	1,134,260.04
20130641	1/15/2016	SBCo ACH - MDAQMD	0.00	6,947.44	1,141,207.48
	1/15/2016	Service Charge	308.40	0.00	1,140,899.08
0007921	1/20/2016	Daily Deposit	0.00	403,092.21	1,543,991.29
	1/22/2016	Interest Earned	0.00	2,668.44	1,546,659.73
20130642	1/25/2016	SBCo ACH - MDAQMD	0.00	350.01	1,547,009.74
0007922	1/25/2016	Daily Deposit	0.00	11,222.88	1,558,232.62
0007923	1/26/2016	Daily Deposit	0.00	6,994.67	1,565,227.29
2016012	1/26/2016	Op Fund Rep #11	328,437.55	0.00	1,236,789.74
	1/27/2016	AB2766 Transfer - November 2015	54,247.84	0.00	1,182,541.90
0615#2	1/31/2016	Transfer AB2766 Grant Funds to General Fund for Reimbursement on Grant 0615#2 - City of Blythe	0.00	6,613.95	1,189,155.85
<b>Total for Report:</b>			<b>999,013.38</b>	<b>704,434.45</b>	

**Mojave Desert AQMD**  
**Bank Register from 1/01/2016 to 1/31/2016**  
AB2766 MPE

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
2016014	1/04/2016	Transfer AB2766 - October 2015	0.00	59,798.96	3,242,397.05
	1/22/2016	Interest Earned	0.00	3,893.28	3,246,290.33
	1/27/2016	AB2766 Transfer - November 2015	0.00	54,247.84	3,300,538.17
0615#2	1/31/2016	Transfer AB2766 Grant Funds to General Fund for Reimbursement on Grant 0615#2 - City of Blythe	6,613.95	0.00	3,293,924.22
<b>Total for Report:</b>			<b>6,613.95</b>	<b>117,940.08</b>	

**Mojave Desert AQMD**  
**Bank Register from 1/01/2016 to 1/31/2016**  
**Carl Moyer MPB**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
MPB 16-10	1/21/2016	[10240] ENVIRONMENTAL ENGINEERING STUDIES-Moyer Grant	19,064.70	0.00	384,967.57
	1/22/2016	Interest Earned	0.00	647.03	385,614.60
<b>Total for Report:</b>			<b>19,064.70</b>	<b>647.03</b>	

**Mojave Desert AQMD**  
**Bank Register from 1/01/2016 to 1/31/2016**  
District Card - Assigned

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000010	1/05/2016	Jan Payment	0.00	1,873.20	1,873.20
0000088	1/05/2016	[10071] BUSINESS CARD-#6777 Interest Charges	6.53	0.00	1,866.67
0000089	1/05/2016	[11809] CHRIS COLLINS-Invoices 1025574435, 7623 - 121015, 7623 - 122115, 7623-010516, 7623-122115, 7623-123015	1,420.19	0.00	446.48
0000090	1/05/2016	[11853] ELDON HEASTON-Placer County Air Pollution Control District. Lodging, Parking, Fuel, Airfare	290.48	0.00	156.00
0000091	1/05/2016	[11853] ELDON HEASTON-Rotary Club of Victorville Monthly membership dues.	156.00	0.00	
<b>Total for Report:</b>			<b>1,873.20</b>	<b>1,873.20</b>	

**Mojave Desert AQMD**  
**Bank Register from 1/01/2016 to 1/31/2016**  
**District Card- 8958**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000020	1/05/2016	Jan Payment	0.00	1,843.10	2,343.10
0000066	1/05/2016	[10033] CHARTER BUSINESS-Internet Service Dec 15	1,717.22	0.00	625.88
0000067	1/05/2016	[14246] DANIEL CONCHO-Inspections in Trona, CA (Searles Valley Minerals)	625.88	0.00	
		<b>Total for Report:</b>	<b>2,343.10</b>	<b>1,843.10</b>	

**Mojave Desert AQMD**  
**Bank Register from 1/01/2016 to 1/31/2016**  
**District Card - 5717**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000018	1/05/2016	Jan Payment	0.00	3,475.83	3,475.83
0000052	1/05/2016	[14254] LAQUITA COLE-GFOA Annual Conference - 2016 - Registration	342.00	0.00	3,133.83
0000053	1/05/2016	[14216] MICHELLE POWELL-Invoices PO267-1, PO267-2	853.74	0.00	2,280.09
0000054	1/05/2016	[14221] ROBYN SIMPSON-Invoices PO266-1, PO266-2	853.74	0.00	1,426.35
0000055	1/05/2016	[14221] ROBYN SIMPSON-Purchase of 1st and 2nd quarter service award from GiftCertificates.com	1,426.35	0.00	
<b>Total for Report:</b>			<b>3,475.83</b>	<b>3,475.83</b>	

**Mojave Desert AQMD**  
**Bank Register from 1/01/2016 to 1/31/2016**  
**District Card - 0059**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000018	1/05/2016	Jan Payment	0.00	1,416.33	1,416.33
0000074	1/05/2016	[10044] CITY OF VICTORVILLE-Water Service Nov 15	144.33	0.00	1,272.00
0000075	1/05/2016	[10044] CITY OF VICTORVILLE-Fire Sprinkler Service Nov 15	10.00	0.00	1,262.00
0000076	1/05/2016	[14254] LAQUITA COLE-GFOA Annual Conference - 2016 - Airfare	511.74	0.00	750.26
0000077	1/05/2016	[10070] FEDERAL EXPRESS CORPORATION-Invoices 522275992, 525204860	79.43	0.00	670.83
0000078	1/05/2016	[14219] VILMA LANDSMAN-Professional Services to modify existing Autofiling definition	250.00	0.00	420.83
0000079	1/05/2016	[10099] NEOPOST-Postage Meter Print Cartridge	207.60	0.00	213.23
0000080	1/05/2016	[10138] SPARKLETTS-Invoices 4296603111815, 4296603121615	115.13	0.00	98.10
0000081	1/05/2016	[14245] SARAH STROUT-Inspections - 29 Palms Area. Post Inspection with 29 Palms Base.	98.10	0.00	
<b>Total for Report:</b>			<b>1,416.33</b>	<b>1,416.33</b>	

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 3*

**DATE:** April 26, 2016

**RECOMMENDATION:** Appoint Mr. David Hernandez Esq. to the Hearing Board of the Mojave Desert Air Quality Management District (MDAQMD) as the attorney member for a 3 year term to expire April 2019.

**SUMMARY:** This action appoints an attorney to fill the vacant attorney member on the MDAQMD Hearing Board.

**CONFLICT OF INTEREST:** Governing Board Members, Mr. David Hernandez.

**BACKGROUND:** California Law requires the appointment of a five member Hearing Board. The five members are an attorney, a professional engineer, a medical professional, and two members of the general public. (Health & Safety Code §40801). Members of the Hearing Board are appointed for three year terms and the terms are staggered with two members expiring in one year, two members expiring in the second year and one member expiring in the third year (Health & Safety Code §40804). In addition, Health & Safety Code §40802 allows air districts with a population of 750,000 to appoint any person to a specialized position if no person with appropriate qualifications is willing and able to serve. The MDAQMD has a population of less than 750,000.

In February the Governing Board appointed an engineering member and a medical member to the MDAQMD Hearing Board after an open recruitment for three vacant/expiring positions. The recruitment did not result in applicants for the attorney position so the Governing Board directed staff to attempt additional recruitment efforts. Since February 22 the District has received two qualified applications for the attorney position (Ms. Diana J. Carloni and Mr. David Hernandez) and staff recommends that Mr. Hernandez be appointed to fill the position.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 3*

**PAGE 2**

The appointment is for a three year term and will expire April 26, 2019. It is the intent of the Governing Board that the Hearing Board member shall, upon expiration of his terms, continue to serve in his previously appointed positions in an interim capacity until such time as the Governing Board makes a subsequent appointment to the applicable position.

**REASON FOR RECOMMENDATION:** The Governing Board action is required to appoint Hearing Board members to implement the requirements of Health & Safety Code §§40800, 40801 and 40804.

**REVIEW BY OTHERS:** This item was reviewed by Alan DeSalvio, Deputy Director MD Operations and Karen K. Nowak, District Counsel on or before April 11, 2016.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Eldon Heaston, Executive Director/APCO

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 4*

**DATE:** April 25, 2016

**RECOMMENDATION:** Approve contract extension not to exceed \$17,000.00 to CPS HR Consulting to perform additional consulting services.

**SUMMARY:** This item will approve an additional amount, not to exceed \$17,000.00, to CPS HR Consulting to perform additional consulting services.

**CONFLICT OF INTEREST:** None.

**BACKGROUND:** On August 24, 2015, the Governing Board approved a consultant contract with CPS HR Consulting to work with District employees to address workplace tension, interpersonal relationships, rebuild trust and comradery in addition to developing a formal succession and employee development plan. Since October 2015 District employees have diligently worked to improve the employer-employee relations issues that resulted from allegations and subsequent investigations that occurred last year. A preliminary succession and employee development plan has been drafted and should be completed in the coming weeks.

District employees have benefited from the facilitator helping through a number of issues which has resulted in the identification of some specific areas which could benefit from additional support. The additional services will follow up in the most critical outstanding areas, help develop performance management principles and practices, and provide additional coaching for the executive management team such that similar issues may be avoided in the future. The proposal for these services is not to exceed \$17,000.00. Funds are available in the Training and Consulting Budget line items; no additional appropriations will be required.

**REASON FOR RECOMMENDATION:** The Governing Board Policies 94-1 and 96-4 indicate that it is the intent of the Governing Board that increases in consultant contracts should be approved by the Board.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 4*

**PAGE 2**

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about April 11, 2016.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Eldon Heaston, Executive Director/APCO

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 5*

**DATE:** April 25, 2016

**RECOMMENDATION:** Approve Annual Review of Mojave Desert Air Quality Management District (MDAQMD) Board Policies (as amended), Board Ethics (*District Conflict of Interest Code* as amended), *Personnel Policies and Procedures* (PPP) and other personnel documents and direct staff actions.

**SUMMARY:** Approves the annual review of the Governing Policies, the Governing Board Procedural Rules, Conflict of Interest Code, and PPP and directs staff actions.

**CONFLICT OF INTEREST:** None

**BACKGROUND:** Annual review of District policies is necessary to ensure that the policies conform to legal standards and current procedures. This encourages the policy documents to be kept up to date and aims to eliminate losses, minimize losses and permits better management.

Staff is directed to post copies of the Policies on the District website and provide copies with evidence of the Governing Board review to Special District Risk Management Authority (SDRMA), the District's risk management agency which provides property, liability and related protection.

**REASON FOR RECOMMENDATION:** Governing Board review of District Policies on an annual basis is advisable.

**REVIEW BY OTHERS:** This agenda item was reviewed by Eldon Heaston, Executive Director on or before April 11, 2016.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Karen K. Nowak, District Counsel

## List of Governing Board Policies and Other Documents

Board Ethics: *Conflict of Interest Code* (Amended 1/26/2015).

Personnel Manual: *Personnel Policies and Procedures* (Amended 8/24/2009); *Memorandum of Understanding* (Amended 10/24/2011); *Confidential Compensation Plan* (As amended 10/24/2011) and *Exempt Compensation Plan* (Amended 01/23/2012).

*MDAQMD Governing Board Procedural Rules* (Revised 03/25/2013)

Policy 93-01: (Rescinded 8/28/2006)

Policy 93-02: *Requests for Inspection and/or Copying Public Records* (Amended 03/25/2013).

Policy 93-03: *Standard Practice Manual* (Amended 01/24/2011). Amended previously in meeting to clarify and conform with existing practices.

Policy 94-01: *Authority of the Air Pollution Control Officer* (Amended 01/23/2012).

Policy 94-02: *Travel Policy* (Amended 01/23/2011).

Policy 94-03: (Rescinded 8/28/2006)

Policy 94-04: *Staff Participation on Task Forces, Committees, Boards, Etc.* (Amended 01/23/2012).

Policy 94-05: (Rescinded 01/28/2002).

Policy 95-1: *Processing and Providing Information Requested by Members of the Governing Board* (Amended 01/24/2011)

Policy 95-2: *Retaining of Outside Litigation Counsel, Different From Outside Legal Counsel; Review and Payment of Costs* (Adopted 7/31/1995).

Policy 95-3: *Persons Authorized to Incur Costs* (Amended 01/28/2008).

Policy 96-1: (Rescinded 8/28/06).

Policy 96-2: (Rescinded 8/28/06)

Policy 96-3: *Internet Access and Presence* (Amended 01/23/2012).

Policy 96-4: *Review and Payment of Cost Overrun, Consultant Contract* (Adopted 08/26/1996).

Policy 96-5: *Occupational Illness and Injury Prevention Program* (Amended 01/23/2012).

Policy 97-1: *Violence and Threats in the Workplace, Zero Tolerance* (Adopted 01/27/1997).

Policy 97-2: *Appropriations For Support of District Pending Approval of Final Budget* (Amended 01/28/2008).

Policy 98-1: *Mojave Desert Environmental Education Scholarship Program* (Amended 6/22/2009).

Policy 02-1: *Financial Reserves* (Amended 06/11/2012)

Policy 04-1: *Preserving Attorney-Client Privilege, Attorney Work Product Privilege, and Electronic Communication and Storage* (Adopted 02/23/2004).

Policy 04-2: *Procedure for Performance Evaluation of Executive Management Staff* (Amended 1/28/2013).

Policy 04-03: *Capitol Asset Accounting Policy* (Amended 1/27/2014)

Policy 06-01: *Stipends for Governing Board Members, Hearing Board Members and Technical Advisory Committee Members* (Amended 01/26/2009).

Policy 06-02: *Authority of District Counsel* (Amended 01/28/2008).

Policy 06-03: (Rescinded 01/23/2012). Provisions found in *Memorandum of Understanding, Confidential Compensation Plan and Exempt Compensation Plan*.

Policy 06-04: (Rescinded 01/23/2012).

Policy 09-01: *Obtaining Indemnification Agreements for Certain Actions and Activities* (adopted 01/26/2009).

Policy 11-01: *Ticket and/or Passes Receipt and Distribution* (Adopted 01/24/2011).

Policy 11-02: *Designation of "Local Agency Officials" for Purposes of Ethics Training and Designation of Clerk of the Boards as Filing Official* (Amended 1/26/2015).

Policy 16-01: *Code of Conduct* (Adopted 2/22/2016)

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 6*

**DATE:** April 25, 2016

**RECOMMENDATION:** Receive and file: Burn Analysis Report

**SUMMARY:** This report is the result of a District sponsored study performed by Sonoma Technology, Inc., to review the existing open burn forecasting system.

**CONFLICT OF INTEREST:** None, this is a report of results from a study conducted on behalf of the District.

**BACKGROUND:** The District wanted to evaluate the effectiveness of the current criteria for prescribed burning rules within the Mojave Desert Air Basin. Sonoma Technology was engaged to perform a study to determine whether the variables described in the California Code of Regulations (CCR) that decide whether a “burn day” can be declared were representative of the actual conditions in the Air Basin.

The results of the study indicate that more granular forecasting could be done but would not result in a significant change in the number of burn days, and that the current system is adequately predicting burn versus no-burn across the basin.

**REASON FOR RECOMMENDATION:** Receive and file.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about April 11, 2016.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Alan De Salvio, Deputy Director – Mojave Desert Operations

---

Cc: Alan De Salvio



## Technical Memorandum

February 18, 2016

STI-915028-6456-TM

**To:** Alan De Salvio and Jean Bracy, Mojave Desert Air Quality Management District

**From:** Patrick Zahn, Garnet Erdakos, Lynn Baringer, Kenneth Craig, Marcus Hylton, and Clinton MacDonald

**Re:** **Assessment of the Prescribed Burn Rules for the Mojave Desert Air Quality Management District**

### Executive Summary

The Mojave Desert Air Quality Management District (MDAQMD) is considering developing new meteorology-based rules that would be used on a daily basis to decide when and where prescribed burning can occur in the Mojave Desert Air Basin (MDAB). The goal of the new rules is to better protect air quality while maximizing days on which prescribed burning can occur. Developing and implementing new rules first requires a demonstration that the existing rules in the California Code of Regulations (CCR) are insufficient to provide effective burn decisions to land managers. To meet this requirement, Sonoma Technology, Inc. (STI) has conducted several meteorological and air quality analyses. Based on the analyses, we can conclude that

1. MDAQMD would likely benefit from more localized burn decisions based on daily evaluation of localized meteorological conditions. This finding is based on the fact that there is enough spatial variability in meteorological conditions throughout the basin to result in substantial differences in air quality impacts from prescribed burns. Dividing the MDAB into at least three sub-regions for burn decisions is recommended.
2. The current CCR rules could be supplemented with additional meteorological parameters and modeling tools to improve the characterization of near-surface smoke dispersion and transport.

The remainder of this memorandum provides details on the analyses, relevant results, and conclusions and recommendations for development of sub-regional forecast rules and additional meteorological parameters.

## Background

The California Air Resources Board (ARB) provides guidelines for air pollution control and air quality management districts to regulate agricultural and prescribed burning to minimize smoke impacts on smoke sensitive areas, avoid cumulative smoke impacts, and prevent public nuisance (<http://www.arb.ca.gov/smp/smp.htm>). The CCR specifies three meteorological criteria to permit burning in the MDAB:

- **Criterion 1** – Near the time of day when the surface temperature is at a minimum, the temperature at 3,000 feet (ft) above the surface is not warmer than the surface temperature by more than 13 degrees Fahrenheit.
- **Criterion 2** – The expected temperature at 3,000 feet above the surface is colder than the expected surface temperature by at least 11 degrees Fahrenheit for 4 hours.
- **Criterion 3** – The expected daytime wind speed at 3,000 feet above the surface is at least 5 miles per hour.

Criterion 1 represents a measure of the strength of the overnight or morning temperature inversion. If the inversion is sufficiently weak, then vertical dispersion of smoke will sufficiently reduce surface smoke concentrations; therefore, burning is allowed.

Criterion 2 represents a measure of atmospheric stability throughout the day. Cooler temperatures aloft result in a more unstable atmosphere. If the atmosphere is sufficiently unstable throughout the day, then the vertical dispersion of smoke will sufficiently reduce surface smoke concentrations; therefore, burning is allowed.

Criterion 3 represents a measure of horizontal dispersion of smoke in the lower atmosphere. If aloft winds are strong enough, then horizontal dispersion will sufficiently reduce surface smoke concentrations; therefore, burning is allowed.

These criteria are applied to the MDAB as a whole, without regard for possible sub-basin variations in weather.

To support MDAQMD in evaluating the effectiveness of the current CCR criteria for the MDAB, STI carried out the following tasks:

- **Task 1** – Analysis of the spatial variability of CCR meteorological parameters in the MDAB to determine if the CCR rules should be applied on several sub-basins as opposed to the entire basin.
- **Task 2** – Analysis of how well the CCR parameters characterize meteorological conditions that influence smoke dispersion and transport.
- **Task 3** – Analysis to determine whether current CCR rules have allowed burning on poor air quality days in the past.

- **Task 4** – Case study analysis of specific burns using BlueSky Playground to assess CCR rules performance on specific historical days.

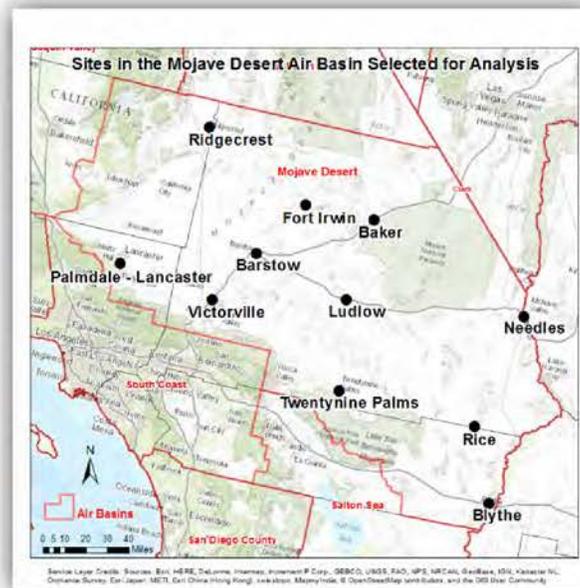
These tasks and their results are described in the following sections.

## Task 1. Analyze Spatial Variability of Modeled CCR Parameters

STI analyzed the spatial variability of the CCR meteorological parameters at selected locations across the MDAB. In consultation with MDAQMD, 11 sites were selected. These sites are listed in [Table 1](#) and shown in [Figure 1](#). We obtained three years (2011-2013) of modeled meteorological data from the North American Mesoscale Forecast System (NAM) at 12 km horizontal resolution, and, for each of the 11 sites, extracted the relevant parameters needed to determine whether the CCR burn rules meteorological criteria were met. Once the criteria were evaluated for each day in the three-year period, we determined the annual average number of permissive burn days at each site. In the following sections, we describe the approach used to compute the values associated with each of the burn rules criteria and provide the results of this analysis.

**Table 1.** Eleven sites in the MDAB selected for analysis of spatial variability in meteorology as represented by the CCR meteorological parameters.

Site ID	Site Name	Latitude	Longitude	Elevation (m)
1	Baker	35.26582	-116.07441	285
2	Barstow	34.89022	-117.01572	719
3	Blythe	33.61107	-114.5956	83
4	Fort Irwin	35.26232	-116.68817	766
5	Ludlow	34.72113	-116.16006	541
6	Needles	34.84775	-114.61408	151
7	Palmdale-Lancaster	34.62722	-118.15051	795
8	Rice	34.08318	-114.84918	284
9	Ridgecrest	35.61775	-117.66765	701
10	Twentynine Palms	34.13498	-116.05482	609
11	Victorville	34.53289	-117.30083	875



**Figure 1.** Eleven sites in the MDAB selected for analysis of spatial variability in meteorology as represented by the CCR meteorological parameters.

## Analysis Method

To calculate values for the burn rules criteria parameters at each site, we extracted NAM hourly temperature and wind speed data predicted at approximately 3,000 ft above ground level at each site, as well as the surface temperature at each site. Note that NAM reports data at pressure levels and not height, so the actual height of the data varies by about +/-300 ft.

For Criterion 1, we used the average model temperature from 4:00–6:59 a.m. LST for the daily minimum temperature due to data availability (NAM produces 3-hour average output). For Criterion 2, we calculated the difference in temperature between approximately 3,000 ft and the surface at eight times per day (i.e. every 3 hours). For Criterion 3, we used the maximum model-predicted wind speeds between 7:00 a.m.–7:00 p.m. LST each day.

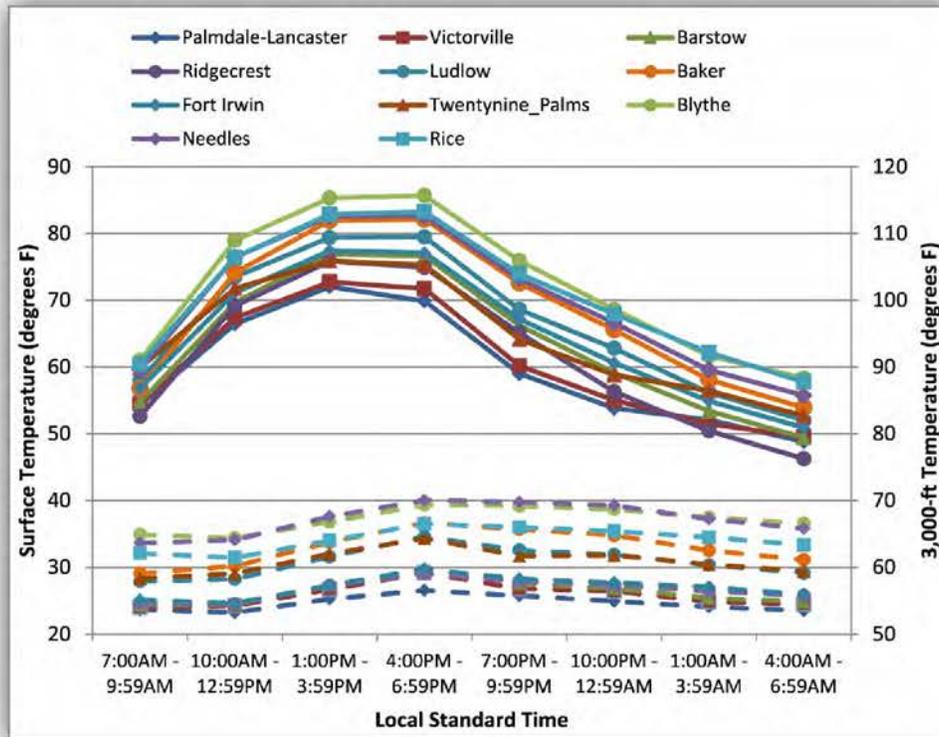
## Analysis Results

The variability of meteorological parameters associated with each of the three burn rule criteria across the selected sites is illustrated in [Figures 2 and 3](#).

Surface and aloft temperatures are shown in Figure 2. As illustrated in the figure:

- The average temperatures at the surface (solid lines in Figure 2) varied by up to 17°F among the sites during a given 3-hour time period. This variation is large and indicates the diverse range in temperatures across the basin, largely due to elevation differences among the sites and proximity to the Pacific Ocean.

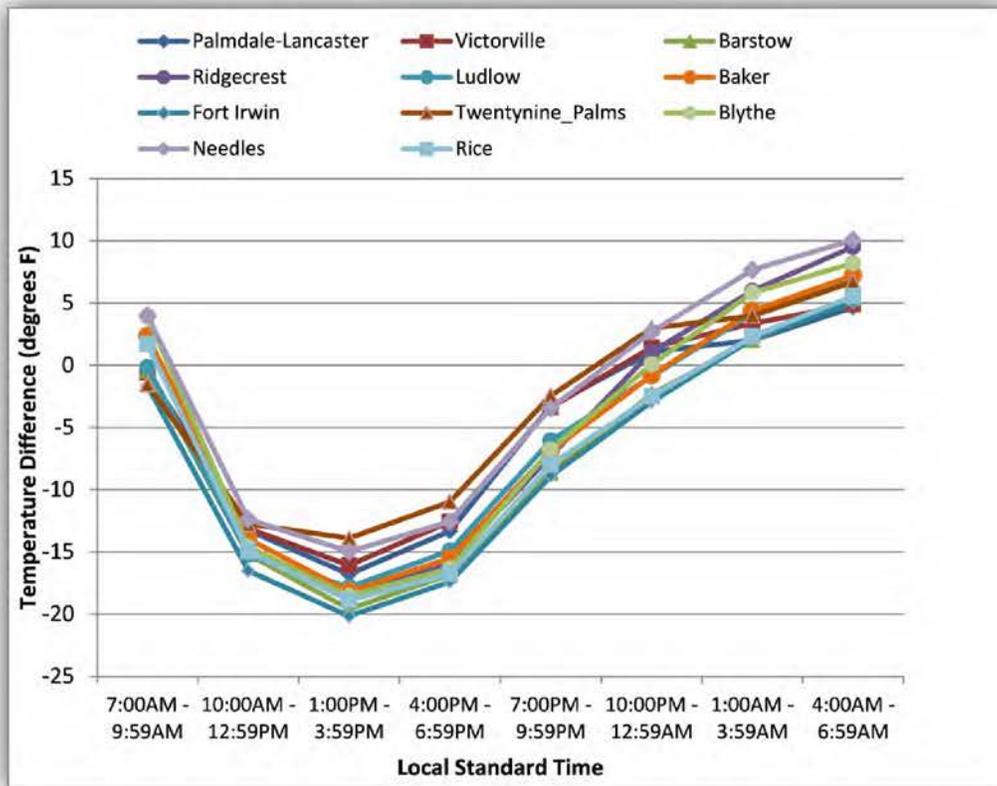
- The average of temperatures at 3,000 ft above ground level (AGL) (dashed lines in Figure 2) varied by up to 14°F among the sites for a given 3-hour period. This large variation is most likely due to elevation changes since the temperature is reported at 3,000 ft “above ground level” as opposed to “above mean sea level.” The variation is important as the differences in aloft temperatures impact atmospheric stability and therefore the dispersion of smoke.



**Figure 2.** Average temperatures computed from the NAM model predictions at the surface and approximately 3,000 ft AGL for the selected sites. Temperatures at the surface are shown by solid lines; temperatures at 3,000 ft are shown by dashed lines.

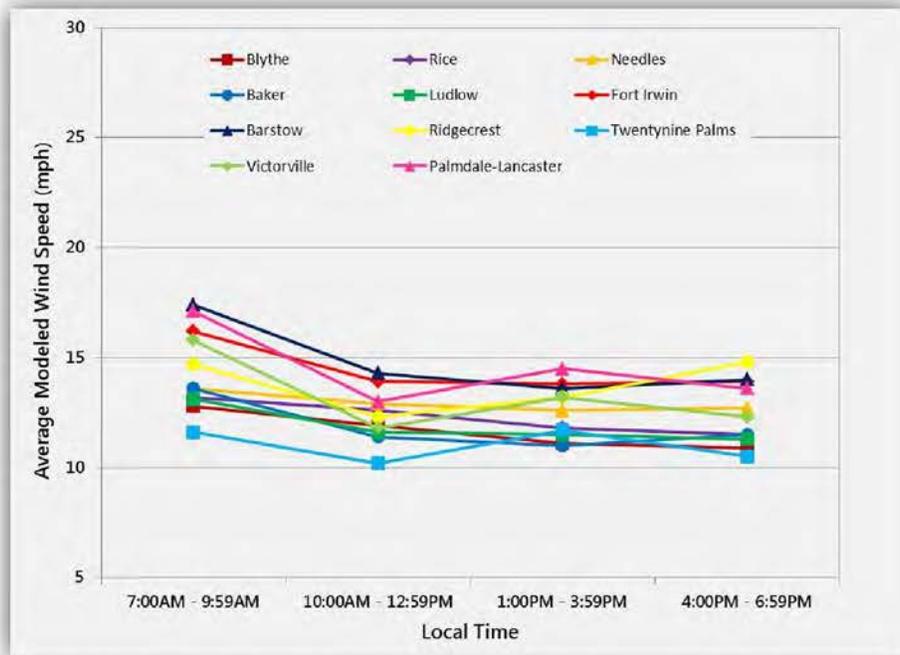
Temperature differences from the surface to 3,000 ft are shown in Figure 3. As illustrated in the figure:

- At the time of day when the surface temperature is lowest (4:00–6:59 a.m. LST), the average temperature at 3,000 ft with a range of 4–10°F warmer than at the surface among the 11 sites; this indicates a wide spatial variation in atmospheric stability across the basin in the morning.
- During the day, the average temperature at 3,000 ft is colder than the average temperature at the surface by at least 11°F at all sites, with a range of 11–20°F; this also indicates a wide spatial variation in atmospheric stability across the basin throughout the day.



**Figure 3.** Average temperature difference from the surface to 3,000 ft AGL, computed from the NAM model predictions at the selected sites. Positive values indicate warmer temperatures aloft than at the surface.

Average aloft wind speeds are shown at various times of day for each site in **Figure 4**. As illustrated in the figure, the average daytime (7:00 a.m.–7:00 p.m.) wind speed at 3,000 ft is greater than 5 mph at all sites, with a range of 11–15 mph. The variation is important and indicates differences in the potential amount of horizontal dispersion among sites.



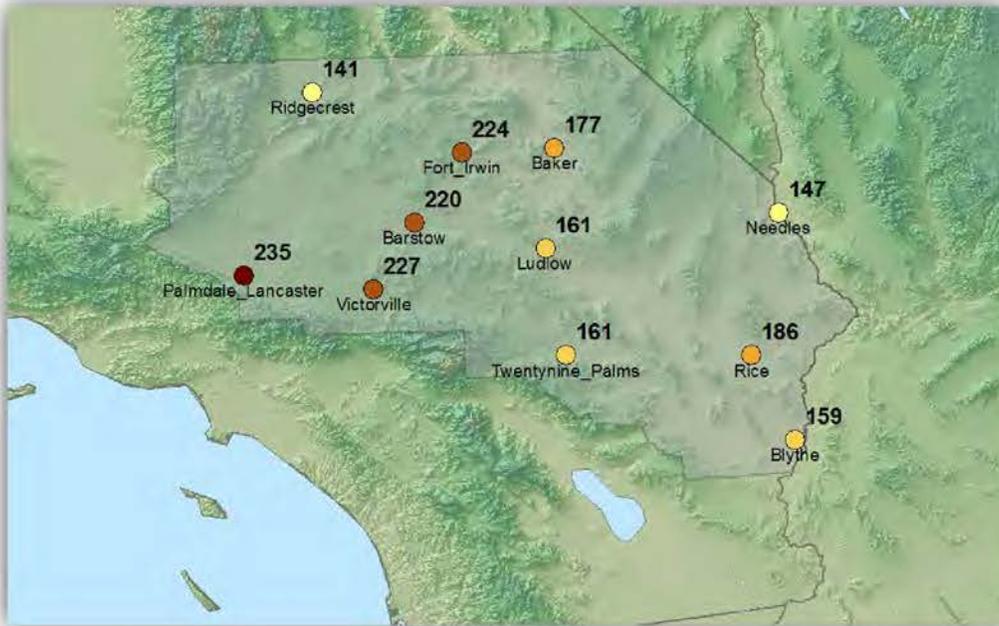
**Figure 4.** Average daytime wind speeds at approximately 3,000 ft from the NAM model predictions for the selected sites.

**Table 2** summarizes the annual average percentage of days on which each permissive burn day criterion was met for the three years. This summary shows that, among the criteria, Criterion 3 (daytime wind speed at 3,000 ft above the surface is at least 5 miles per hour) was met least often for all sites. The percentage of permissive burn days differs across the sites; the span is 23% for Criterion 1, 5% for Criterion 2, and 20% for Criterion 3. This finding further illustrates the potential benefit of sub-basin burn rules.

**Figure 5** displays the annual average number of permissive burn days when all three criteria are met for each of the selected sites, and shows that the frequency of permissive burn days depends on the site location. This result is consistent with the variability in temperature and wind speed across sites shown in Figures 2 through 4. **Table 3** contains the underlying data for Figure 5, including the number of permissive burn days by year and the annual averages for each site.

**Table 2.** Annual average percentage of days during 2011–2013 when permissive burn day criteria were satisfied.

Site Name	Annual Average Percentage of Days that Permissive Burn Day Criteria Are Satisfied (%)		
	Criterion 1	Criterion 2	Criterion 3
Baker	78	96	59
Barstow	86	97	68
Blythe	72	97	56
Fort Irwin	88	97	67
Ludlow	80	97	54
Needles	62	92	59
Palmdale-Lancaster	92	95	70
Rice	82	97	59
Ridgecrest	63	95	58
Twentynine Palms	89	95	50
Victorville	95	95	67



**Figure 5.** Annual average number of permissive burn days at the 11 selected sites in the MDAB from 2011–2013, based on NAM predictions.

**Table 3.** Number of permissive burn days per site using the CCR criteria and NAM model predictions.

Site Name	Number of Permissive Burn Days				
	2011	2012	2013 <sup>a</sup>	Annual Average	Annual Average (%)
Baker	175	184	173	177	49
Barstow	228	213	220	220	60
Blythe	167	164	147	159	44
Fort Irwin	224	231	218	224	61
Ludlow	161	153	170	161	44
Needles	170	147	125	147	40
Palmdale-Lancaster	221	238	247	235	64
Rice	185	186	188	186	51
Ridgecrest	178	138	106	141	39
Twentynine Palms	163	155	164	161	44
Victorville	233	230	219	227	62

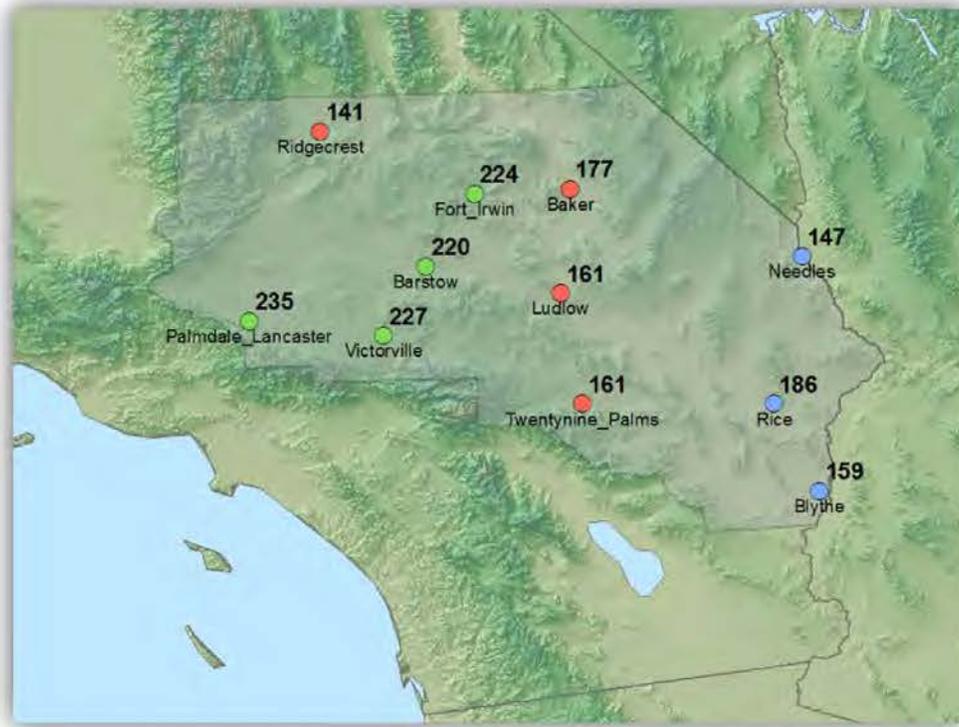
<sup>a</sup> NAM data were missing for 8/16/2013 through 8/31/2013.

### Supplemental Grouping Analysis

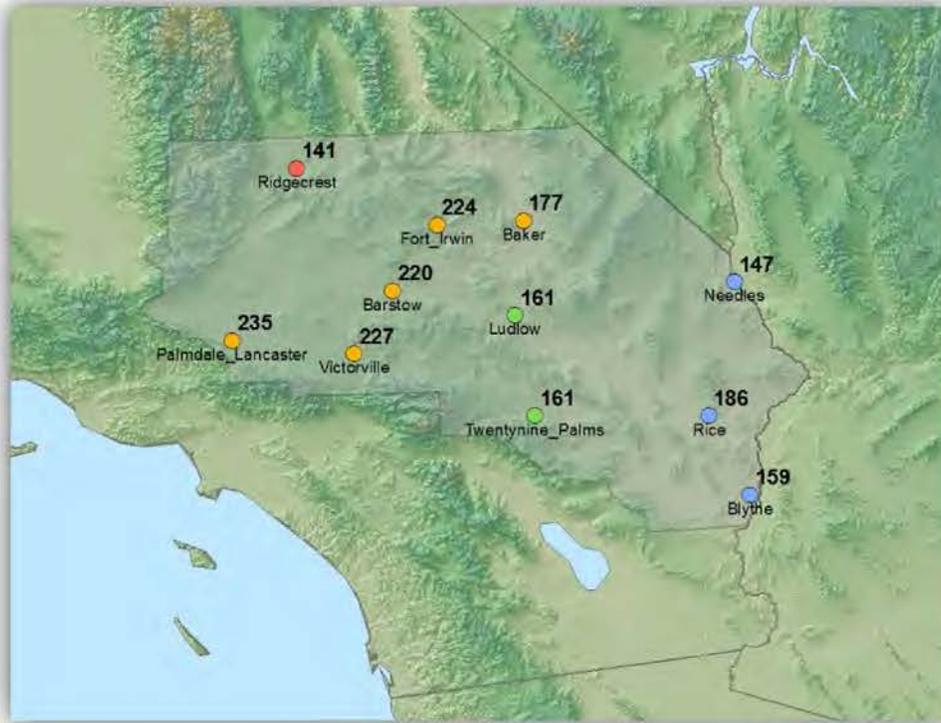
To support the potential designation of burn sub-regions, we have carried out a “grouping analysis” in ArcGIS. Grouping analysis performs a classification procedure that tries to find natural clusters in data (<http://pro.arcgis.com/en/pro-app/tool-reference/spatial-statistics/how-grouping-analysis-works.htm>). When given a number of groups to create, it will determine a solution where all the features within each group are as similar as possible and all groups are as different as possible from other groups. In this case, sites are grouped by the daily burn/no-burn calls that were determined based on the historical meteorological parameters that were discussed above. For example, if two sites each had 100 permissive burn days per year but shared none of these 100 days, these sites would be less likely to be grouped together than two sites that shared burn days. This analysis offers a more rigorous standard for grouping than a simple count of the number of burn days per year.

The grouping tool in ArcGIS has a data limit of 255 entries; therefore, a subsample of days (every fifth day for the 2011-2013 period) was used in the analysis. The results of the grouping analysis depend on several parameter selections in the ArcGIS tool, including the number of groups designated by

the analyst and constraints on spatial continuity of group members. Because of the variation in grouping analysis results, two different grouping examples are shown in [Figures 6 and 7](#).



**Figure 6.** Grouping analysis example. Groups are shown with different colored dots. Average annual number of modeled permissive burn days are included for reference.



**Figure 7.** Grouping analysis example. Groups are shown with different colored dots. Average annual counts of modeled permissive burn days are included for reference.

Although grouping analysis results varied depending on tool parameter selections, most results suggested groupings of sites roughly from west to east, or from northwest to southeast. Since spatially continuous groups may be preferable for burn rules implementation, we recommend a grouping that implements a spatial continuity constraint (Figure 6 is an example). We also recommend further analysis using tools like grouping analysis to support future sub-region designations.

### Task 1 Conclusions

This analysis demonstrates that there is significant spatial variability of the meteorological parameters used in the burn rule criteria across the MDAB. As a result of the meteorological differences, burn decisions within the basin depend significantly on the location at which the burn rule criteria are evaluated; on a given day, a “burn day” designation for one part of the MDAB may not be appropriate for other portions of the basin. Therefore, we recommend applying burn decisions on a sub-regional basis. Based on the preliminary grouping analysis, three or four sub-regions are recommended.

## Task 2. Analysis of How Well the CCR Parameters Characterize Meteorological Conditions that Influence Smoke Dispersion and Transport

Recall that under the current CCR burn guidelines for Mojave Desert Air Basin, the following three rules must be met to allow burning:

- **Criterion 1** – Near the time of day when the surface temperature is at a minimum, the temperature at 3,000 feet (ft) above the surface is not more than 13°F warmer than the surface temperature.
- **Criterion 2** – The expected temperature at 3,000 ft above the surface is colder than the expected surface temperature by at least 11°F for 4 hours.
- **Criterion 3** – The expected daytime wind speed at 3,000 ft above the surface is at least 5 miles per hour.

Although these measures of inversion strength, atmospheric stability, and wind speeds are likely useful parameters for assessing the potential for smoke impacts, the specific parameters employed in Criteria 1-3 may not fully assess smoke dispersion near the surface.

### Analysis Method

To assess the usefulness of the CCR parameters for predicting smoke dispersion, STI compared them against other traditional parameters, including

- **Near-surface wind speed** – Wind speeds near the surface (10 m above ground level) can have a more direct impact on pollutant dispersion from sources near the ground. In addition, surface winds may differ greatly in speed and direction from winds at 3,000 ft.
- **Temperature difference from the surface to 1,000 ft above the surface** – Strong inversions frequently occur in the lowest 1,000 ft above the surface and can significantly limit vertical mixing in the atmosphere, allowing pollutants to accumulate near sources. Although CCR Criteria 1 and 2 may provide some indication of inversion strength and atmospheric stability, an inversion very near the surface may not be captured by temperature differences from the surface to 3,000 ft. However, if a deep temperature inversion exists, its presence will be indicated by both surface-to-1,000 ft and surface-to-3,000 ft differences.

In addition to the CCR parameters analyzed in Task 1, the surface wind speed and temperature difference from the surface to 1,000 ft were evaluated for the 11 test sites in the Mojave Desert Air Basin. In particular, for each site correlations were calculated between:

- Near-surface (10-m) winds speed vs. 3,000-ft wind speeds (as in Criterion 3) during the afternoon (1:00–4:00 p.m.)
- Temperature difference from surface to 1,000 ft vs. temperature difference from surface to 3,000 ft at the coolest part of the day (as in Criterion 1) from 4:00 a.m.–7:00 a.m.

### Analysis Results

Figures 8 and 9 show the correlations explained above based on NAM-modeled meteorological conditions for 2011-2013. Surface wind speeds had correlations ( $r^2$ ) with 3,000 ft wind speeds ranging from 0.60 to 0.87 (Figure 8). Surface-to-1,000-ft temperature differences had correlations with surface-to-3,000-ft temperature differences ranging from 0.61 to 0.93 (Figure 9). At some sites, the parameters were only modestly correlated (below 0.7), especially for the temperature inversion parameters (Figure 9).

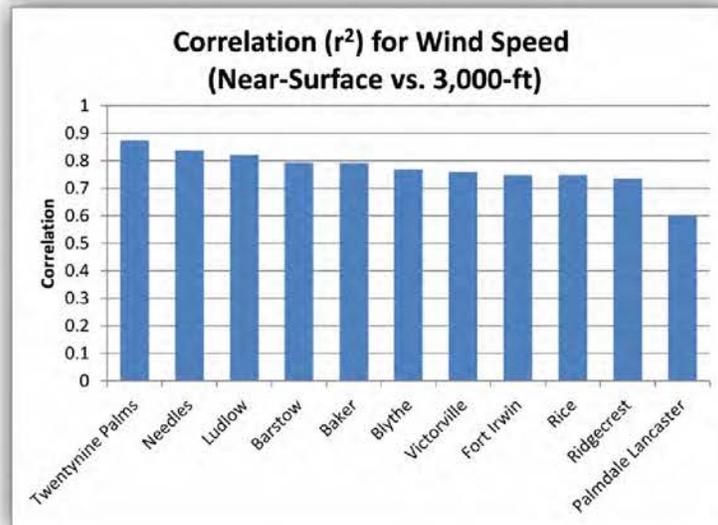


Figure 8. Correlation for wind speed near-surface vs. 3,000 ft.

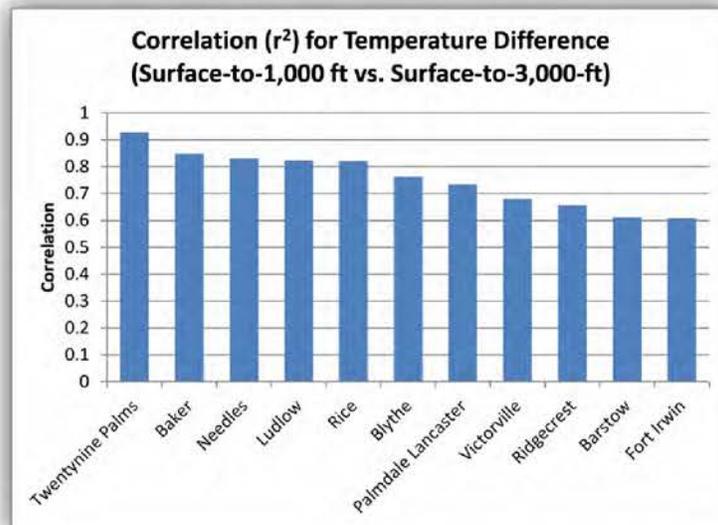
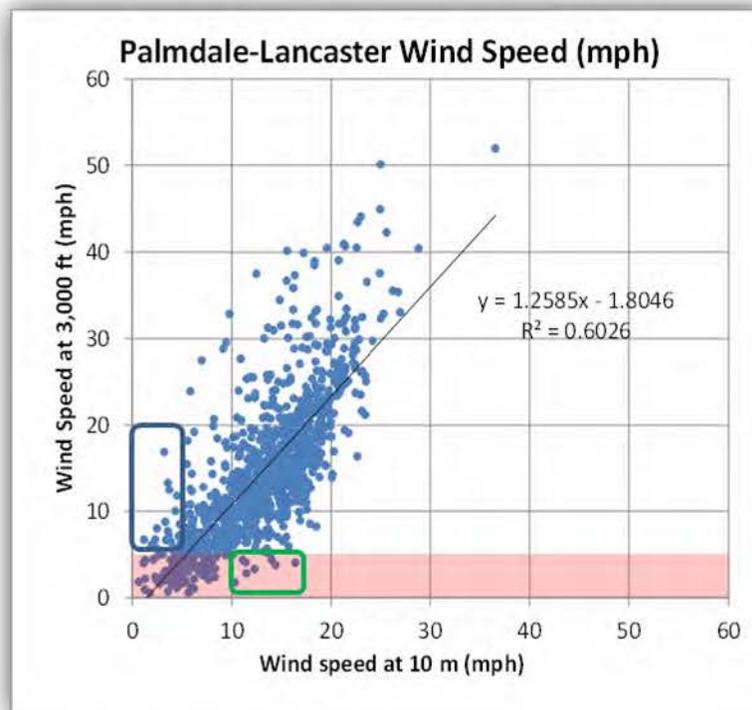


Figure 9. Correlation for temperature difference between surface-to-1,000 ft vs. surface-to-3,000 ft.

**Figure 10** shows a scatterplot of daily 1:00 p.m.–4:00 p.m. modeled 3,000-ft wind speeds (CCR parameter) vs. near-surface wind speeds (supplemental parameter) at the Palmdale-Lancaster analysis site. The red shading indicates values for the CCR parameter (3,000-ft wind speed) that would violate the CCR burn rule and result in a “no-burn” decision. The two colored boxes on the plot highlight cases with disparities between CCR parameters and the new parameters evaluated in this task:

1. **Case 1 (blue box)** – 3,000-ft wind speeds were sufficiently strong (greater than 5 mph) to meet the CCR criterion, resulting in a permissive burn decision. However, surface winds were below 5 mph. Such light near-surface winds would limit smoke dispersion, contrary to the CCR criterion.
2. **Case 2 (green box)** – 3,000-ft wind speeds were too light (less than 5 mph) to meet the CCR criterion, resulting in a “no-burn” decision. However, near-surface winds exceeded 10 mph. Such strong near-surface winds would likely be sufficient to disperse smoke, contrary to the CCR criterion.

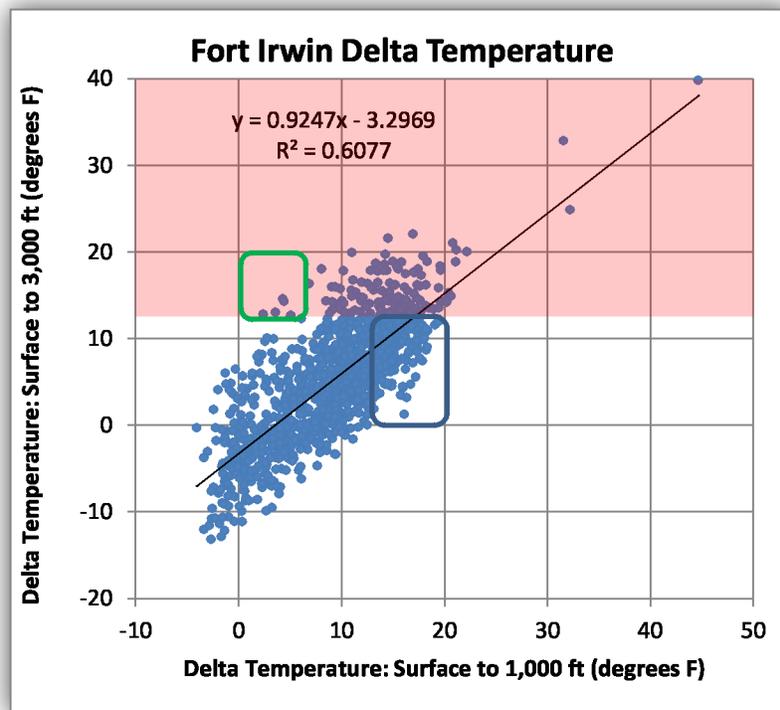


**Figure 10.** Daily afternoon 3,000-ft wind speed vs. 10-m wind speed at the Palmdale-Lancaster site from 2011–2013 based on NAM. Red shading indicates values not meeting CCR criterion. Green box indicates light 3,000-ft winds but strong 10-m winds. Blue box indicates strong 3,000-ft winds but light 10-m winds.

**Figure 11** shows a scatterplot of daily 4:00–7:00 a.m. modeled surface-to-3,000 ft temperature difference (CCR parameter) vs. surface-to-1,000 ft temperature difference (supplemental parameter)

at the Fort Irwin site. Again, red shading denotes values for the CCR parameter that would violate the CCR burn rule and result in a “no-burn” decision. The two colored boxes on the plot highlight cases with disparities between CCR parameters and the new parameters evaluated in this task:

1. **Case 1 (blue box)** – Average surface-to-3,000-ft temperature difference from 4:00 a.m.–7:00 a.m. was sufficiently small to meet the CCR criterion (aloft temperatures were not more than 13°F warmer than surface temperatures), resulting in a permissive burn decision. However, surface-to-1,000-ft temperature differences were greater than 13°F. Such a strong low-level inversion would significantly limit vertical dispersion, contrary to the CCR criterion.
2. **Case 2 (green box)** – Average surface-to-3,000-ft temperature difference from 4:00 a.m.–7:00 a.m. was too great to meet the CCR criterion (aloft temperatures were more than 13°F warmer than surface temperatures), resulting in a no-burn decision. However, surface-to-1,000-ft temperature differences were much less than 13°F. A weak low-level temperature inversion may allow sufficient vertical dispersion to reduce smoke impacts, contrary to the CCR criterion.



**Figure 11.** Daily surface-to-3,000-ft temperature difference vs. surface-to-1,000-ft temperature difference at Fort Irwin, 2011-2013, based on NAM. Red shading indicates values not meeting CCR criterion. Green box indicates strong 3,000-ft inversion but weak 1,000-ft inversion. Blue box indicates weak 3,000-ft inversion but strong 1,000-ft inversion.

## Task 2 Conclusions

The modest correlations at some sites between near-surface winds and 3,000-ft winds, or surface-to-1,000-ft inversion strength and surface-to-3,000-ft inversion strength, illustrate the potential shortcomings of the CCR parameters in assessing near-surface winds and low-level inversion strength. As a result, the CCR criteria may not adequately capture dispersion potential, especially near the ground. To better assess smoke dispersion by wind and mixing in the lower levels of the atmosphere, we recommend supplementing the CCR burn criteria with criteria for near-surface wind speeds and temperature difference from the surface to 1,000 ft.

## Task 3. Determine Whether Current CCR Rules Have Allowed Burning on Poor Air Quality Days in the Past

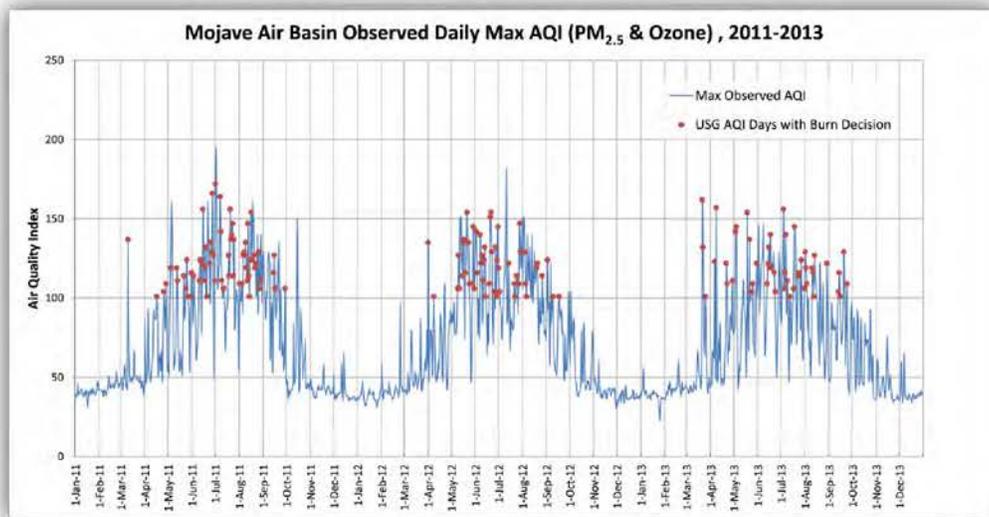
The primary objective of prescribed burn rules is to reduce air quality impacts by allowing burning when impacts will be minimal and preventing burning when significant impacts may occur. Consistent with this objective, successful burn rules should prevent burning on days when observed Air Quality Index (AQI) levels are high. This task aimed to determine whether permissive burn calls in the MDAB were issued on days when observed AQI levels turned out to be high.

### Analysis Method

STI analyzed daily observed air quality conditions in the MDAB for 2011-2013 and daily burn/no-burn calls to assess whether burning was allowed on high-AQI days. A high-AQI day was defined as a day when observed AQI levels exceeded 100, the threshold for Unhealthy for Sensitive Groups (USG) AQI. We analyzed both the actual burn/no-burn call for each day, as well as the modeled burn/no-burn call based on the same meteorological model data used in Tasks 1 and 2.

### Results

**Figure 12** illustrates that permissive burn calls were issued on multiple days throughout the three-year period when AQI levels at any site in the MDAB exceeded 100. Note that “marginal” burn days were classified as permitting burning.



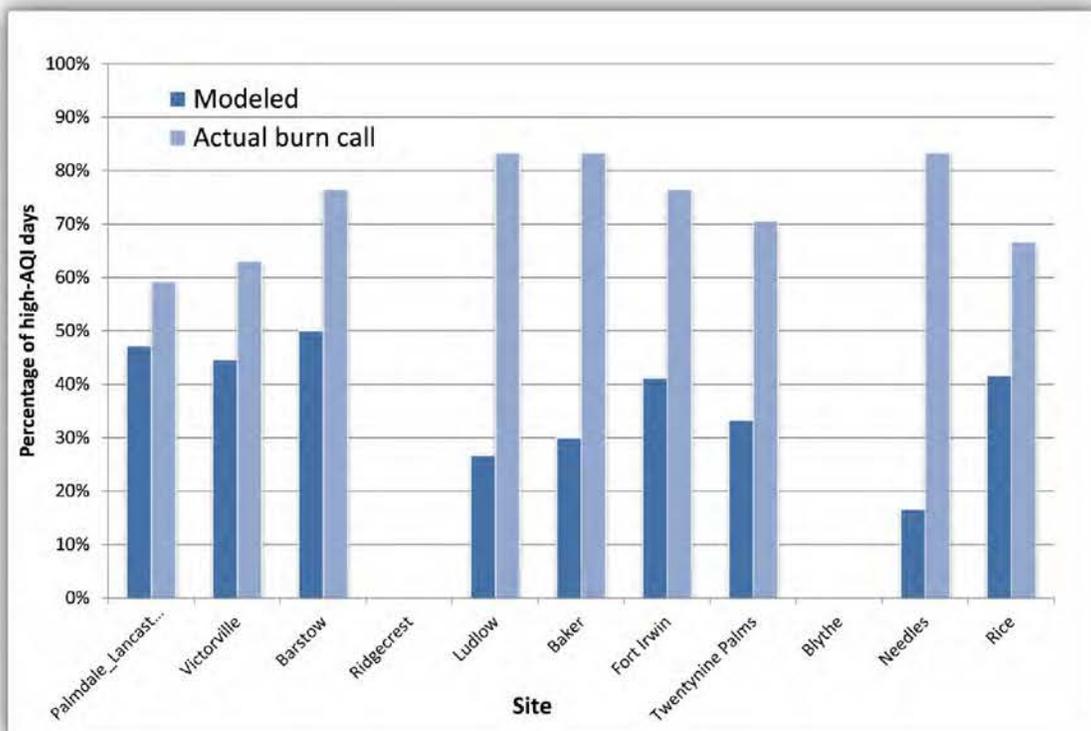
**Figure 12.** Time series of observed region-wide daily maximum AQI levels (blue line) and days with permissive burn calls when AQI levels exceeded 100 (red dots). Burn decision data from <http://www.arb.ca.gov/smp/histor/histor.htm>. Air quality data from <http://www.AirNowTech.org>.

In addition to analyzing regional maximum AQI levels, STI analyzed site-specific AQI levels for the 11 sites selected in Task 1 (“analysis sites”). For analysis sites that did not have a monitoring site, data from the nearest active monitoring sites were used; in some cases, the same monitoring site was used for more than one analysis site. **Table 4** lists the analysis sites and their associated monitoring sites.

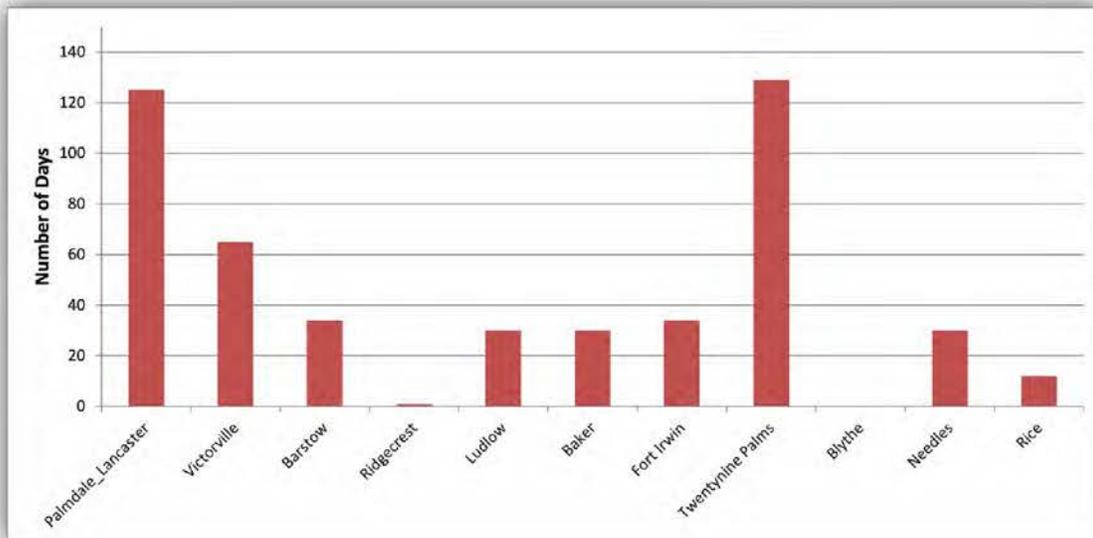
**Figure 13** shows the percentage of high-AQI days when burning was permitted at each of the analysis sites. Light blue bars represent the actual burn calls issued for MDAB. Dark blue bars represent the modeled burn decision at each site using NAM-modeled meteorological conditions (as in Task 1). Note that (1) no high-AQI days were observed in Blythe, and (2) only one high-AQI day was observed in Ridgecrest (monitoring site Trona), and a no-burn call was issued on that day. Across all analysis sites, the burn calls based on model data allowed for burning on roughly 30% of high-AQI days from 2011-2013, while actual burn calls issued allowed burning on roughly 67% of high-AQI days. For reference, the total number of high-AQI days from 2011-2013 is shown for each site in **Figure 14**.

**Table 4.** Analysis sites and monitoring sites used for comparison of burn calls and AQI levels.

Analysis Site	Closest Monitoring Site	AQS Code	Estimated Distance
Palmdale_Lancaster	Lancaster-Division	060379033	N/A
Victorville	Victorville - Armagosa Road	060710014	N/A
	Victorville - Park Avenue	060710306	N/A
Barstow	Barstow	060710001	N/A
Ridgecrest	Trona - Athol and Telegraph	060711234	18 mi
Ludlow	Mojave NPR	060711001	35 mi
Baker	Mojave NPR	060711001	20 mi
Fort Irwin	Barstow	060710001	31 mi
Twentynine Palms	Joshua Tree NP - Black Rock	060719002	20 mi
Blythe	Blythe	060659003	N/A
Needles	Mojave NPR	060711001	70 mi
Rice	Joshua Tree NP - Pinto Wells	060651004	35 mi



**Figure 13.** Percentage of high-AQI days with a permissive burn decision, 2011-2013.

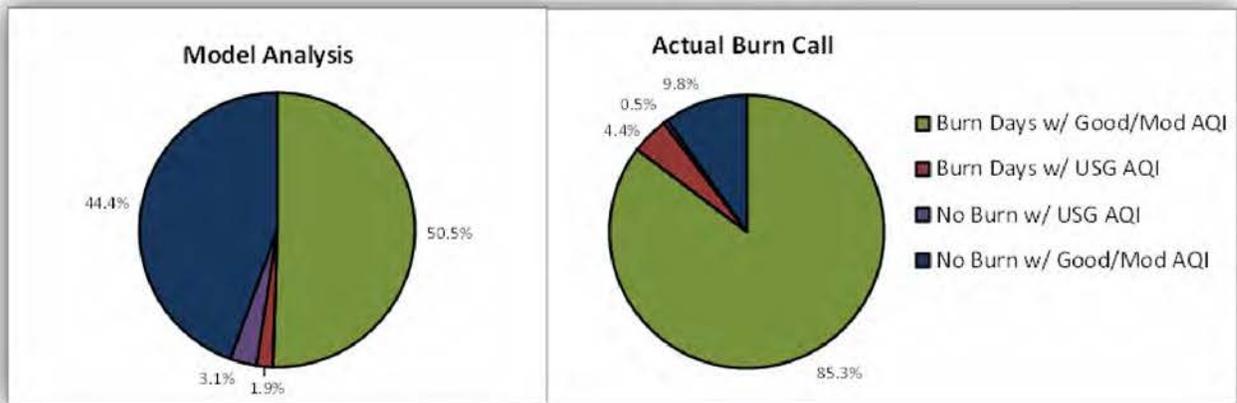


**Figure 14.** Total number of high-AQI days by analysis site, 2011-2013.

Although burning was permitted on a significant percentage of high-AQI days, this subset of days represents a small fraction of total days. The burn rules have correctly allowed burning on many low-AQI days, as intended. **Figure 15** illustrates the distribution days in the following four categories:

1. Burn days with low (Good or Moderate) AQI
2. Burn days with high (USG or above) AQI
3. No-burn days with high AQI
4. No-burn days with low AQI

The results shown in Figure 15 are for both modeled burn calls and actual burn calls. For actual burn calls issued from 2011-2013, high AQI levels were observed on 5% of the days when burning was allowed. One main objective of improving the burn rules should be to reduce this percentage of days.



**Figure 15.** Percentage of burn/no-burn days above and below the 100 AQI threshold for all analysis sites in MDAB, 2011-2013.

### Task 3 Conclusions

This analysis shows that the current burn rules have allowed burning on a significant percentage of high-AQI days in the MDAB. This finding was true for both burns calls based on modeled meteorology by site (burning allowed on 30% of high-AQI days) and actual burn calls (67% of high-AQI days). As a result, STI recommends a revision to the CCR rules to better prevent permissive burn calls on high-AQI days. Furthermore, the application of burn decisions by sub-region (as suggested from Task 1) may reduce the percentage of high AQI days when burning is allowed.

### Task 4. Case Studies of Specific Burns Using BlueSky Playground

The objective of this task was to determine whether there were days on which:

1. Burning was allowed but should have been prohibited at some locations within the basin because of a negative impact on air quality. If a significant impact was modeled for some locations, then the CCR could benefit from revised rules.
2. Burning was prohibited but could have been allowed at some locations within the basin without causing a negative impact on air quality in the basin. If little or no significant impact is modeled for some locations, then the CCR could benefit from revised rules.

Although atmospheric dispersion and mixing are critical to assessing burning impacts, the potential for smoke transport from specific burns to populated areas should also be considered when making burn decisions. The CCR rules do not account for burn-specific transport. However, a tool like BlueSky Playground can simulate transport from specific burns (in addition to simulating dispersion and mixing). This capability makes BlueSky Playground useful both for assessing impacts from burns in the past and for predicting burn impacts in real time to aid daily burn decisions.

## Analysis Method

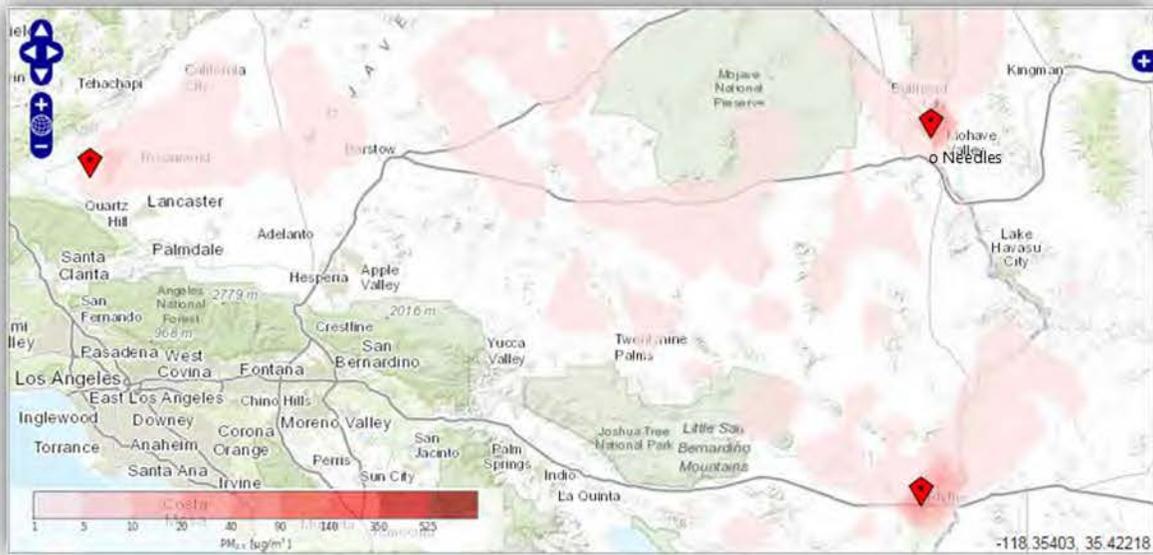
To simulate burning and smoke generation, accumulation, dispersion, and transport, STI used BlueSky Playground (<http://playground.airfire.org/>), a tool developed by STI and the U.S. Forest Service to model fires, estimate pollutant emissions, and predict downwind smoke concentrations. BlueSky Playground users can create dispersion scenarios by choosing fire sizes, times, and locations. The system uses high-resolution Weather Research and Forecasting (WRF) meteorological model data to simulate smoke transport and dispersion. WRF data were available at 2-km grid spacing for the California-Nevada domain for January 2014 through October 2015.

STI used satellite-based fire detections available on the U.S. Forest Service active fire mapping site (<http://activefiremaps.fs.fed.us/>) and the National Oceanic and Atmospheric Administration (NOAA) Hazard Mapping System (available through [www.airnowtech.org](http://www.airnowtech.org)) to determine the most common fire locations and fire sizes in the MDAB for use in the simulations. Three major burn locations were selected in agricultural regions west of Lancaster, north of Needles, and west of Blythe. Two-day smoke dispersion simulations were created for each fire location to predict smoke transport. Simulation dates were in the spring or fall months, when burns were historically most likely to occur.

To analyze Case 1 (burning was allowed but should have been prohibited), we identified several days on which a permissive burn call was issued and one or more sites in the MDAB experienced AQI levels above 100. To analyze Case 2 (burning was prohibited but could have been allowed), we identified days when a no-burn call was issued for the MDAB and Good AQI levels were observed. BlueSky Playground was then used to simulate burns on those days at the three locations described above. Modeling results were analyzed to determine potential smoke dispersion and transport from burn locations to populated areas.

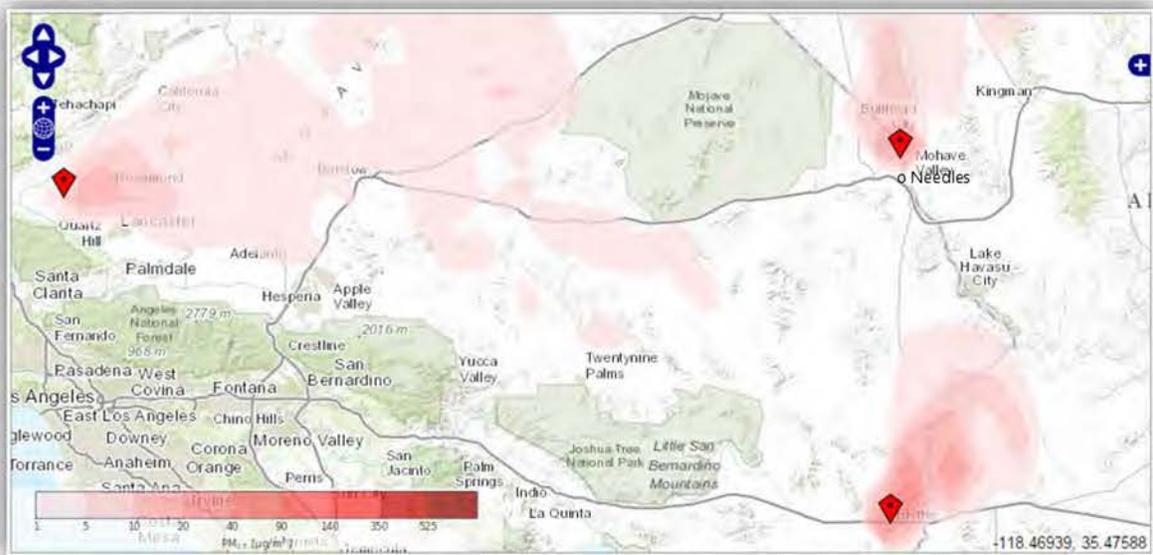
### Selected Analysis Results for Case 1: Burning Was Allowed but Should Have Been Prohibited

On June 6, 2014, nine sites experienced AQI levels over 100 in the MDAB, but a permissive burn call was issued. **Figure 16** shows the dispersion modeling results for burns initiated on June 6. Smoke is indicated by the red shading, which represents daily 1-hour maximum surface PM<sub>2.5</sub> concentrations in µg/m<sup>3</sup>. Burn locations are indicated with red markers. The simulation for this day showed significant smoke accumulation and transport that directly impacted Needles, Blythe, and Rosamond.



**Figure 16.** BlueSky Playground dispersion simulation results for June 6, 2014 (permissive burn day with nine sites above 100 AQI). Surface smoke concentrations indicated with red shading. Burn locations indicated with red markers.

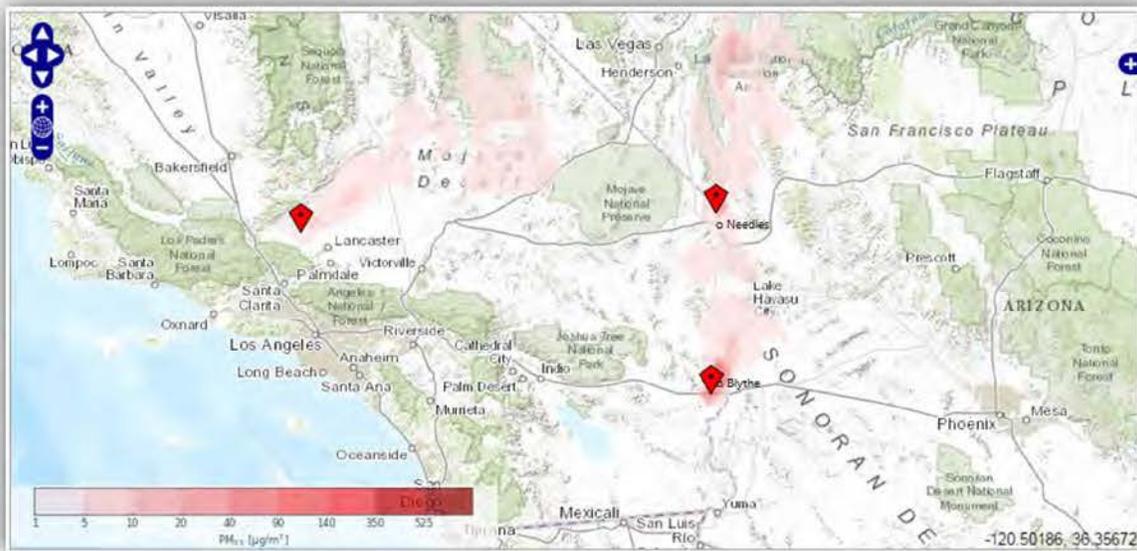
Similarly, on March 28, 2015, two sites in the MDAB experienced AQI levels over 100, and a permissive burn call was issued. The simulation for this day, as shown in **Figure 17**, showed significant smoke transport from fires into Needles, Blyth, California City, Lancaster, and Bullhead City. Additional case studies for Case 1 indicated similar but less pronounced results.



**Figure 17.** BlueSky Playground dispersion simulation results for March 28, 2015 (permissive burn day with two sites above 100 AQI).

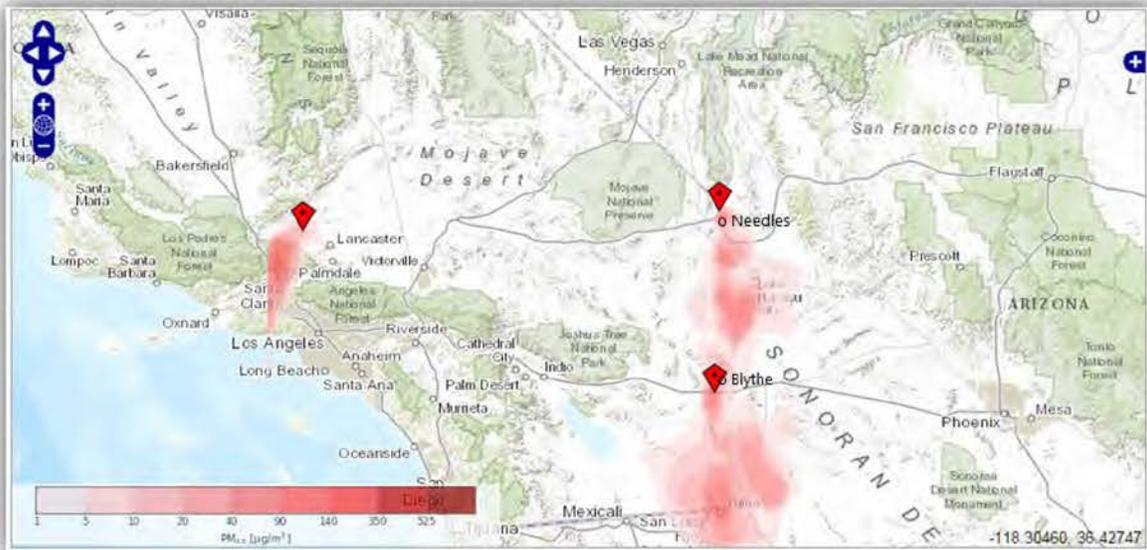
## Selected Analysis Results for Case 2: Burning Prohibited but May Have Been Allowable

Several days were simulated when Good AQI levels were observed but a no-burn call was issued. These simulations indicated either (1) some smoke dispersion, reducing smoke impacts near the ground, or (2) transport of smoke away from MDAB monitoring sites. **Figure 18** shows modeling results for July 1, 2014, when a no-burn call was issued but Good AQI levels were observed across the MDAB. The low PM<sub>2.5</sub> concentrations simulated in BlueSky Playground on this day suggest good atmospheric mixing and smoke dispersion.



**Figure 18.** BlueSky Playground dispersion simulation results for July 1, 2014 (no-burn day with zero sites above 100 AQI).

A no-burn call was also issued on October 4, 2014, when Good AQI levels were again observed across the MDAB. Although the simulation (shown in **Figure 19**) shows smoke transport away from monitoring sites in the MDAB, this case shows more pronounced smoke accumulation and transport into areas outside the MDAB (e.g., Santa Clarita and Yuma). Thus, based on transport analysis from the BlueSky Playground, burning on this day would have been ill-advised, regardless of the Good AQI levels observed at MDAB monitoring sites. Smoke transport into populated areas both inside and outside the MDAB should be considered in implementing revised burn rules criteria.



**Figure 19.** BlueSky Playground dispersion simulation results for October 4, 2014 (no-burn day with zero sites above 100 AQI).

## Task 4 Conclusions

Although smoke impacts from these BlueSky Playground simulations were modest in most cases ( $5\text{--}10\ \mu\text{g}/\text{m}^3$ ), the results from Case 1 illustrate that the current burn criteria may, in some cases, allow burning when smoke accumulation and transport will impact populated areas in the MDAB. Improvements to the burn criteria will hopefully reduce the number of such cases. Additionally, the use of a tool like BlueSky Playground may be useful in making burn decisions in real time, given its ability to simulate smoke transport from user-specified burns

## Overall Conclusions and Recommendations

The analysis of burning and meteorological conditions for the Mojave Desert Air Basin revealed five key findings:

1. Within the MDAB, there is significant spatial variability in the meteorological conditions used to make burn/no-burn decisions. As a result, there is also significant variability in the number of permissive burn days at sites throughout the Basin.
2. Grouping analysis indicates that sites may be grouped according to similarity (based on modeled permissive burn days), and these groups may constitute burning sub-regions.
3. Current CCR meteorological parameters do not correlate well with parameters traditionally used to assess near-surface smoke dispersion, mixing, or transport.

4. Current CCR rules have allowed burning on days when monitoring sites in the MDAB reported AQI levels above 100. Rule revisions would hopefully reduce the frequency of such days.
5. Current CCR rules do not address smoke transport within and outside of the MDAB.

In response to these findings, STI recommends the following revisions to existing prescribed burn rules:

1. Application of prescribed burn rules on a sub-regional basis, with at least three distinct sub-regions as illustrated in Figures 6 and 7. The designation of specific sub-regions should be supported by additional analysis like the grouping analysis performed as a supplement to Task 1.
2. Supplementing the current burn rules criteria with rules based on (a) near-surface wind speeds and (b) surface-to-1,000-ft temperature differences. We recommend further analysis to develop specific supplemental burn rules based on near-surface winds, low-level inversion strength, and other parameters.
3. Investigation of the usefulness of BlueSky Playground (or a similar model) as an operational forecast tool to predict smoke dispersion and transport associated with user-specified burns.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 7*

**DATE:** April 25, 2016

**RECOMMENDATION:** Receive and file

**SUMMARY:** The Legislative Report for April 6, 2016

**CONFLICT OF INTEREST:** None

**BACKGROUND:** Legislative actions proposed at the federal and state level have the potential to impact the implementation of the District's mission as well as its regulatory operations. An important tool for the District is to monitor the flood of information and its status which allows for comment early in the process and preparation for any changes that may be required. The District contracts this service and receives periodic reports with summaries to help sort the pertinent legislative proposals.

Strategic Partners Group (SPG) is the consultant to the District providing this service to monitor certain legislative and regulatory activities at the federal and local level. Staff will direct questions to SPG regarding any of the material presented or follow up on any matter of interest to the Governing Board.

Seventy measures are of particular interest and 11 are of particular interest to the MDAQMD and are marked "\*\*\*\*\*" for easy reference on report. Following the table of proposed legislation are several Articles of Interest of relevant information.

**REASON FOR RECOMMENDATION:** This item is provided for information subject to direction of the Governing Board.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about April 11, 2016.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Eldon Heaston, Executive Director



Government Affairs and Communication Consulting

FRANK T. SHEETS, III  
LAURIE HANSEN SHEETS

**MEMORANDUM**

**TO: Eldon Heaston  
Bret Banks**

**FROM: Frank Sheets  
Laurie Hansen**

**DATE: April 6, 2016**

**RE: Bill Tracking Report**

Strategic Partners Group is pleased to provide an update on California proposed legislation we are currently tracking on behalf of the Mojave Desert and the Antelope Valley Air Quality Management Districts as well as provide some recent media coverage that we feel you will find of interest. For informational purposes, this report is being submitted electronically in that the bill list contains internet links that can be useful for additional review of each bill should the reader care to do so. For example, several bills now have current analyses that can help to interpret the intent of proposed legislation.

With the 2015/2016 legislature into its fourth month of the 2016 session, most bills are moving out of their houses of origin to various committees for consideration and many are already being amended. We say most because as of this writing some bills have not been assigned to a committee.

For review, following is the list of subjects SPG used to filter through the 2195 bills introduced prior to the February 19<sup>th</sup> deadline. Using these subjects, 70 bills have been identified that should be of interest to the Districts to varying degrees. As the legislature proceeds to consider bills, most will not pass through the various committees and the number of bills tracked will be reduced significantly. Periodically, additional bills may be added to the list as the amendments change the subject matter of some bills.

- |  |   |
|--|---|
| Air Quality                                | CEQA  |
| Mining                                     | Toxics  |
| Water Quality                              | Carl Moyer                                    |
| Air Pollution                              | Air Resources Board                           |
| Climate Change                             | Greenhouse Gas                                |
| Public Utilities Commission                | Mojave Desert Air Quality Management District |
| California Environmental Protection Agency | Environmental Protection Agency               |
| Carbon Sequestration                       | Pollution Control Equipment                   |
| Renewable Energy                           | Governing Board                               |
| AB-32                                      | Cement  |
| Coal                                       | Natural Gas                                   |

Carbon Credits	CO <sub>2</sub>
Prevention of Significant Deterioration	PSD
GHG Tailoring Rule	Monitoring
Pm <sub>2.5</sub>	Mercury
Sulfur	Sulfur Dioxide
Sulfur Oxides	Nitrous Oxides
Ozone	Chromium
Hexavalent Chromium	Metals
Nation Ambient Air Quality Standards	Criteria Pollutants
Alternative Fuels	MACT
Maximum Achievable Control Technology	NSPS
New Source Performance Standards	ATCM
Refuse Derived Fuels	Engineered Fuels
New Source Review	Sludge Derived Fuel

As mentioned previously, an ongoing theme is the grab for money out of the Green House Gas Reduction Fund that is generated by the Cap and Trade Program. Based on the February auction proceeds report generated by ARB, SPG estimates approximately \$2.36 billion will be added to the fund this year. Although via statute many of those funds are currently appropriated, the following bills seek to obtain funding for various additional programs: AB 1550, 1555, 1780, 1815, 1982, 2146 2223 2293 and SB 1402.

Interestingly, AB 1550 (by Assembly Member Gomez) calls for 50% of those monies to be applied toward disadvantaged communities and low-income households. Assembly Member Gomez also wants an additional \$800 Million for other projects and is asking for a reserve in the amount of \$150 M for future priorities. From our perspective, two of these bills seem to have more merit than others. AB 1992 asks for funding for enhanced traffic synchronization to help reduce GHGs and AB 2146 would use some of these funds to support measures to suppress future GHG emissions from uncontrolled wildfires.

Other proposed legislation we would like to highlight is the following (these are marked “\*\*\*\*\*” in the following table):

- AB 45:** proposes a household hazardous waste collection system, we think to be a good idea.
- AB 1115:** deals with prima fascia speed limits for vehicular traffic in school zones, a subject familiar to the district.
- AB 1590:** proposes to increase the number of members on the State Water Board. There may be concern about this bill because a trend seems to be developing in that when someone doesn’t like certain actions of a state board, (similar to recent activity at the SCAQMD), legislators draft legislation to change board makeup hoping for different results.
- AB 1717:** interestingly proposes to re-appropriate money in the GHG reduction fund away from the Governors high-speed rail program, currently guaranteed a percentage of that fund.
- AB 1903,04, and 05:** all are a direct result of the Porter Valley (Aliso Canyon) natural gas leak calling for additional regulations and studies.
- AB 2125:** calls for guidelines for emissions from solvents and polishes used in finger nail salons.
- AB 2426:** seeks grants for electrical vehicle charging stations which might be of interest to the Districts,
- AB 2800:** a progressive bill calling for the review of State infrastructure projects and their compatibility with climate change issues.

**AB 2829:** acknowledges the Carl Moyer program but calls for the sunset of that program in 2024.

**SB 209:** deals with updates to SMARA and has been enrolled. Its companion measure, **AB 1142**, continues to proceed and should be adopted. The mining industry has been following these bills carefully and acknowledges an update to the SMARA regulations is appropriate.

**SB 1383:** proposes a reduction of short live climate pollutants in a manner similar to the structure of AB 32.

## **AQMD 2016 Bills**

### **Wednesday, April 06, 2016**

**AB 45**

\*\*\*\*\*

**(Mullin D) Household hazardous waste.**

**Current Text: Amended: 1/21/2016** [pdf](#) [html](#)

**Current Analysis: 01/26/2016** [Assembly Floor Analysis \(text 1/21/2016\)](#)

**Introduced: 12/1/2014**

**Last Amend: 1/21/2016**

**Location: 2/4/2016-S. E.Q.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary: Would require the Department of Resources Recycling and Recovery to adopt one or more model ordinances for a comprehensive program for the collection of household hazardous waste and would authorize a local jurisdiction that provides for the residential collection and disposal of solid waste that proposes to enact an ordinance governing the collection and diversion of household hazardous waste to adopt one of the model ordinances adopted by the department.**

**Vote Events:**

**01/27/2016 ASM. FLOOR (Y:50 N:18 A:11) (P)**

**01/21/2016 ASM. APPR. (Y:12 N:0 A:5) (P)**

**04/28/2015 ASM. E.S. & T.M. (Y:4 N:2 A:1) (P)**

**04/22/2015 ASM. L. GOV. (Y:6 N:3 A:0) (P)**

**Notes 1: SPG feels this to be a reasonable proposal and wonders why none have proposed it in the past. Such a household hazardous waste collection program could assist in the proper management of this waste stream.**

**AB 1115**

\*\*\*\*\*

**(Salas D) School zones: state highways.**

**Current Text: Amended: 1/13/2016** [pdf](#) [html](#)

**Current Analysis: 01/19/2016** [Assembly Appropriations \(text 1/13/2016\)](#)

**Introduced: 2/27/2015**

**Last Amend: 1/13/2016**

**Location: 2/4/2016-S. T. & H.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary: Current law generally provides that the Department of Transportation and local authorities have authority over the highways under their respective jurisdictions. This bill would designate a specified portion of State Highway Route 184 in the County of Kern as a school zone and require the zone to be identified with standard "SCHOOL" warning signs. The bill would provide that the specified referenced provisions governing prima facie speed limits in school zones apply in that zone. This bill contains other**

current laws.

Vote Events:

01/27/2016 ASM. FLOOR (Y:78 N:0 A:1) (P)

01/21/2016 ASM. APPR. (Y:17 N:0 A:0) (P)

01/11/2016 ASM. TRANS. (Y:16 N:0 A:0) (P)

Notes 1: SPG felt members of the Mojave Desert AQMD might have interest in this bill as it has similarities to efforts to deal with vehicular traffic in school districts.

**AB 1550**

**(Gomez D)** Greenhouse gases: investment plan: disadvantaged communities.

Current Text: Amended: 3/28/2016 [pdf](#) [html](#)

Current Analysis: 03/31/2016 [Assembly Natural Resources \(text 3/28/2016\)](#)

Introduced: 1/4/2016

Last Amend: 3/28/2016

Location: 4/5/2016-A. APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. This bill would require the investment plan to allocate a minimum of 25% of the available moneys in the fund to projects located within disadvantaged communities and a separate and additional 25% to projects that benefit low-income households which earn less than 200% of the federal poverty level.

Vote Events:

04/04/2016 ASM. NAT. RES. (Y:7 N:0 A:2) (P)

Notes 1: AB 1532, codified in 2012, mandates the state to use monies generated by the Cap and Trade program and deposited in the California Green House Gas Reduction fund to be used to the benefit of disadvantaged communities. This bill would mandate 25% of the funds be used for projects in disadvantages communities and another 25% of the fund be used for projects that benefit low-income households. This accounts for 50% of such funds be used in the proposed manners. To provide a feel for how much money this represents, based on the February 2016 auction proceeds, approximately \$2.360 billion will be generated in 2016. This bill proposes a request for 50% of those funds for such programs. Of course these numbers are estimates only and should only be represented as such, but gives the reader a flavor for the amounts of moneys such bills seed to direct to specific projects.

**AB 1555**

**(Gomez D)** Greenhouse Gas Reduction Fund.

Current Text: Amended: 3/28/2016 [pdf](#) [html](#)

Introduced: 1/4/2016

Last Amend: 3/28/2016

Location: 3/29/2016-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would appropriate \$800,000,000 from the Greenhouse Gas Reduction Fund for the 2016-17 fiscal year to various state agencies in specified amounts for various purposes including, among other things, low carbon transportation and infrastructure, clean energy communities, wetland and watershed restoration, and carbon sequestration. The bill would state the intent of the Legislature to reserve \$150,000,000 from the fund to fund future legislative priorities.

**AB 1569** (**Steinorth R**) *California Environmental Quality Act: exemption: existing transportation infrastructure.*  
**Current Text:** Amended: 3/28/2016 [pdf](#) [html](#)  
**Current Analysis:** 03/31/2016 [Assembly Natural Resources \(text 3/28/2016\)](#)  
**Introduced:** 1/4/2016  
**Last Amend:** 3/28/2016  
**Location:** 4/5/2016-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** *Would exempt from the provisions of the California Environmental Quality Act a project, or the issuance of a permit for a project, that consists of the inspection, maintenance, repair, rehabilitation, replacement, or removal of, or the addition of an auxiliary lane or bikeway to, existing transportation infrastructure and that meets certain requirements. The bill would require the public agency carrying out the project to take certain actions.*

**Vote Events:**  
04/04/2016 ASM. NAT. RES. (Y:3 N:5 A:1) (F)  
04/04/2016 ASM. NAT. RES. (Y:9 N:0 A:0) (P)

**Notes 1:** *Assembly Member Steinorth wants to streamline transportation infrastructure improvements by exempting many of them from CEQA review if they qualify.*

**AB 1589** (**Mathis R**) *California Environmental Quality Act: exemption: drought mitigation.*  
**Current Text:** Amended: 3/14/2016 [pdf](#) [html](#)  
**Current Analysis:** 03/31/2016 [Assembly Natural Resources \(text 3/14/2016\)](#)  
**Introduced:** 1/6/2016  
**Last Amend:** 3/14/2016  
**Location:** 4/5/2016-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** *Would, for the duration of a state of emergency proclaimed by the Governor due to drought conditions, exempt from the requirements of CEQA certain projects that are undertaken, carried out, or approved by a public agency to mitigate those drought conditions. This bill contains other related provisions and other existing laws.*

**Vote Events:**  
04/04/2016 ASM. NAT. RES. (Y:1 N:6 A:2) (F)  
04/04/2016 ASM. NAT. RES. (Y:9 N:0 A:0) (P)

**Notes 1:** *Another CEQA exemption request for state approved projects dealing with specific drought related emergencies.*

**AB 1590** (**Mathis R**) *State Water Resources Control Board: appointments.*  
\*\*\*\*\*  
**Current Text:** Amended: 3/10/2016 [pdf](#) [html](#)  
**Introduced:** 1/6/2016  
**Last Amend:** 3/10/2016  
**Location:** 3/14/2016-A. W.,P. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** *Would require that an additional 4 members be appointed to the State Water Resources Control Board by the Legislature. The bill would require that one member each be appointed by the Speaker of the Assembly, the Assembly Minority Leader, the President pro Tempore of the Senate, and the Senate Minority Leader. The bill would require that vacancies be immediately filled by the appointing power.*

**Notes 1: Considering potential legislation regarding changes to Board appointments as a result of recent personal changes at the SCAQMD, we find it interesting that there is a proposal regarding Board appointments to the State Water Resources Control board as well. Is this becoming a trend in the State Legislature, to attempt to make regulatory board membership changes if people are not happy with particular actions of a Board? We felt Board members at the Districts might have an interest in this activity.**

**AB 1591 (Frazier D) Transportation funding.**

**Current Text: Introduced: 1/6/2016 [pdf](#) [html](#)**

**Introduced: 1/6/2016**

**Location: 2/1/2016-A. TRANS.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary: Would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would require the California Transportation Commission to adopt performance criteria to ensure efficient use of the funds available for the program. This bill contains other related provisions and other existing laws.**

**Notes 1: The generation of "performance criteria" to be used in the evaluation of proposed projects to maintain and repair of transportation infrastructure is an interesting proposal. The cement industry is a major advocate of such a proposal.**

**AB 1657 (O'Donnell D) Air pollution: public ports and intermodal terminals.**

**Current Text: Introduced: 1/13/2016 [pdf](#) [html](#)**

**Current Analysis: 03/31/2016 [Assembly Natural Resources \(text 1/13/2016\)](#)**

**Introduced: 1/13/2016**

**Location: 4/5/2016-A. TRANS.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary: Would establish the Zero- and Near-Zero-Emission Intermodal Terminals Program to be administered by the State Air Resources Board to fund equipment upgrades and investments at intermodal terminals, as defined, to help transition the state's freight system to be zero-emission and near-zero-emission operations. The bill would authorize the program to be implemented with moneys from the Greenhouse Gas Reduction Fund. This bill contains other related provisions and other existing laws.**

**Vote Events:**

**04/04/2016 ASM. NAT. RES. (Y:9 N:0 A:0) (P)**

**Notes 1: Another grab for GHG Reduction Fund monies to help improve infrastructure at intermodal facilities.**

**AB 1683 (Eggman D) Alternative energy financing.**

**Current Text: Amended: 3/8/2016 [pdf](#) [html](#)**

**Current Analysis: 03/31/2016 [Assembly Revenue And Taxation \(text 3/8/2016\)](#)**

**Introduced: 1/20/2016**

**Last Amend: 3/8/2016**

**Location: 4/4/2016-A. REV. & TAX SUSPENSE FILE**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary: The California Alternative Energy and Advanced Transportation Financing Authority Act authorizes, until January 1, 2021, the California Alternative Energy and Advanced Transportation Financing Authority to provide financial assistance in the form of a sales and use tax exclusion for projects, including those that promote California-based manufacturing, California-based jobs, advanced**

*manufacturing, the reduction of greenhouse gases, or the reduction in air and water pollution or energy consumption. The act prohibits the sales and use tax exclusions from exceeding \$100,000,000 for each calendar year. This bill would instead prohibit the sales and use tax exclusions from exceeding \$200,000,000 for each calendar year.*

**AB 1685** (**Gomez D**) *New motor vehicles: emission standards: civil penalties.*

**Current Text:** Amended: 3/18/2016 [pdf](#) [html](#)

**Introduced:** 1/20/2016

**Last Amend:** 3/18/2016

**Location:** 3/28/2016-A. TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** *Would require the State Air Resources Board to update civil penalties to ensure state law provides appropriate penalties, accounting for the intent of the violator, for introducing into commerce in California vehicles that do not meet emission standards adopted by the state board.*

**AB 1691** (**Gipson D**) *Vehicular air pollution: vehicle retirement.*

**Current Text:** Introduced: 1/21/2016 [pdf](#) [html](#)

**Introduced:** 1/21/2016

**Location:** 2/8/2016-A. TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** *Current law creates an enhanced fleet modernization program for the retirement of high polluting vehicles to be administered by the Bureau of Automotive Repair pursuant to guidelines adopted by the State Air Resources Board. This bill would require the state board, in consultation with the bureau, to adopt, as a part of the program, an element of the program to commence on July 1, 2017, subject to appropriation by the Legislature, with a goal of annually replacing 10,000 vehicles from disadvantaged communities over a 5-year period.*

**Notes 1:** *This bill proposes to utilize state general funds to replace, starting in 2017, 10,000 high polluting vehicles in disadvantaged communities if certain conditions are met.*

**AB 1698** (**Hadley R**) *Renewable energy.*

**Current Text:** Introduced: 1/25/2016 [pdf](#) [html](#)

**Introduced:** 1/25/2016

**Location:** 2/18/2016-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:** 4/11/2016 2:30 p.m. - State Capitol, Room 447 ASSEMBLY NATURAL RESOURCES, WILLIAMS, Chair

**Summary:** *Current law continuously appropriates specified portions of the annual proceeds in the Greenhouse Gas Reduction Fund to various programs related to transportation, affordable housing, and sustainable communities. This bill would discontinue the Electric Program Investment Charge surcharge and repeal the EPIC Fund. The bill would create the Green and Renewable Energy Enlisting New Technologies (GREEN) Fund to fund the GREEN program. The bill would transfer previously collected EPIC moneys to a specified account within the GREEN Fund.*

**AB 1710** (**Calderon D**) *Vehicular air pollution: zero-emission and near-zero-emission vehicles.*  
**Current Text:** Amended: 4/5/2016 [pdf](#) [html](#)  
**Introduced:** 1/26/2016  
**Last Amend:** 4/5/2016  
**Location:** 4/5/2016-A. TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:** 4/11/2016 2:30 p.m. - State Capitol, Room 4202 ASSEMBLY TRANSPORTATION, FRAZIER, Chair

**Summary:** *Would require, on or before January 1, 2019, the State Air Resources Board to develop and implement a comprehensive program comprised of a portfolio of incentives to promote zero-emission and near-zero-emission vehicle deployment in the state to drastically increase the use of those vehicles and to meet specified goals established by the Governor and the Legislature. This bill contains other related provisions and other existing laws.*

**AB 1717** (**Hadley R**) *Greenhouse Gas Reduction Fund.*  
 \*\*\*\*\*  
**Current Text:** Amended: 3/18/2016 [pdf](#) [html](#)  
**Introduced:** 1/27/2016  
**Last Amend:** 3/18/2016  
**Location:** 3/28/2016-A. TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:** 4/11/2016 2:30 p.m. - State Capitol, Room 4202 ASSEMBLY TRANSPORTATION, FRAZIER, Chair

**Summary:** *Would reappropriate the 25% share of the annual proceeds of the Greenhouse Gas Reduction Fund designated for the high-speed rail project to the Transportation Agency for the Transit and Intercity Rail Capital Program under specified conditions. The bill would make legislative findings and declarations.*

**Notes 1:** *This is an interesting proposal in that the bill would re-appropriate monies directed to the Governor's high speed rail program to other transportation projects. It will be interesting to see whether this bill moves at all.*

**AB 1773** (**Obernolte R**) *Local government renewable energy self-generation program.*  
**Current Text:** Amended: 3/28/2016 [pdf](#) [html](#)  
**Current Analysis:** 04/05/2016 [Assembly Utilities And Commerce \(text 3/28/2016\)](#)  
**Introduced:** 2/3/2016  
**Last Amend:** 3/28/2016  
**Location:** 3/29/2016-A. U. & C.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:** 4/6/2016 1:30 p.m. - State Capitol, Room 437 ASSEMBLY UTILITIES AND COMMERCE, GATTO, Chair

**Summary:** *Under existing law, the Public Utilities Commission is vested with regulatory authority over public utilities. Existing law authorizes a local governmental entity, except a joint powers authority, to receive a bill credit to a designated benefiting account, for electricity exported to the electrical grid by an eligible renewable generating facility and requires the commission to adopt a rate tariff for the benefiting account. This bill would include as a local governmental entity for this purpose a joint powers authority,*

except as specified. This bill contains other related provisions and other existing laws.

**AB 1780** (**Medina D**) *Greenhouse Gas Reduction Fund: trade corridors.*

**Current Text:** Amended: 3/28/2016 [pdf](#) [html](#)

**Current Analysis:** 03/31/2016 [Assembly Transportation \(text 3/28/2016\)](#)

**Introduced:** 2/3/2016

**Last Amend:** 3/28/2016

**Location:** 4/5/2016-A. APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapered
1st House				2nd House							

**Summary:** *Would, beginning in the 2016-17 fiscal year, continuously appropriate 20% of the annual proceeds of the Greenhouse Gas Reduction Fund to the California Transportation Commission to be allocated to reduce greenhouse gas emissions in trade corridors consistent with specified guidelines, thereby making an appropriation.*

**Vote Events:**

04/04/2016 ASM. TRANS. (Y:15 N:0 A:1) (P)

**Notes 1:** *Another request for GHG Reduction Funds.*

**AB 1787** (**Gomez D**) *California Environmental Protection Agency: cross-media enforcement unit.*

**Current Text:** Introduced: 2/4/2016 [pdf](#) [html](#)

**Current Analysis:** 04/04/2016 [Asm Comm Committee On Appropriations \(text\)](#)

**Introduced:** 2/4/2016

**Location:** 3/15/2016-A. APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapered
1st House				2nd House							

**Calendar:** 4/6/2016 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ, Chair

**Summary:** *Current law requires the Secretary for Environmental Protection's deputy secretary for law enforcement and counsel to, in consultation with the Attorney General, establish a cross-media enforcement unit to assist boards, departments, offices, or other agencies that implement a law or regulation within the jurisdiction of CalEPA, as specified. This bill would require the cross-media enforcement unit to prioritize the state's most disadvantaged communities, as specified.*

**Vote Events:**

03/14/2016 ASM. NAT. RES. (Y:7 N:0 A:2) (P)

**AB 1815** (**Alejo D**) *California Global Warming Solutions Act of 2006: disadvantaged communities.*

**Current Text:** Amended: 3/28/2016 [pdf](#) [html](#)

**Current Analysis:** 03/31/2016 [Assembly Natural Resources \(text 3/28/2016\)](#)

**Introduced:** 2/8/2016

**Last Amend:** 3/28/2016

**Location:** 4/5/2016-A. APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapered
1st House				2nd House							

**Summary:** *Current law requires the California Environmental Protection Agency to identify disadvantaged communities and requires the Department of Finance, in consultation with the State Air Resources Board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. Current law requires the 3-year investment plan to*

allocate a minimum of 25% of the available moneys in the fund to projects that provide benefits to disadvantaged communities. This bill would require the agency to establish a comprehensive technical assistance program, upon the appropriation of moneys from the Greenhouse Gas Reduction Fund, for eligible applicants, as specified, assisting eligible communities, as defined.

Vote Events:

04/04/2016 ASM. NAT. RES. (Y:7 N:2 A:0) (P)

**AB 1833** (**Linder R**) **Transportation projects: environmental mitigation.**

Current Text: Amended: 3/16/2016 [pdf](#) [html](#)

Current Analysis: 04/04/2016 [Asm Comm Committee On Transportation \(text\)](#)

Introduced: 2/9/2016

Last Amend: 3/16/2016

Location: 4/5/2016-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would create the Advanced Mitigation Program in the Department of Transportation to implement environmental mitigation measures in advance of future transportation projects. The bill, by February 1, 2017, would require the department to establish a steering committee to advise the department in that regard.

Vote Events:

04/04/2016 ASM. TRANS. (Y:15 N:0 A:1) (P)

**AB 1851** (**Gray D**) **Vehicular air pollution: reduction incentives.**

Current Text: Amended: 4/4/2016 [pdf](#) [html](#)

Introduced: 2/10/2016

Last Amend: 4/4/2016

Location: 4/5/2016-A. TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar: 4/11/2016 2:30 p.m. - State Capitol, Room 4202 ASSEMBLY TRANSPORTATION, FRAZIER, Chair

Summary: Would, as part of the Clean Vehicle Rebate Project, require the State Air Resources Board to provide specified rebate amounts for battery electric vehicles, fuel-cell vehicles, and plug-in hybrid electric vehicles; to limit rebates to vehicles with a manufacturer's suggested retail price of \$60,000 or less; and to implement a process to allow eligible applicants to obtain prompt preapproval from the state board prior to purchasing an eligible vehicle, as specified.

**AB 1903** (**Wilk R**) **Aliso Canyon gas leak: health impact study.**

\*\*\*\*\*

Current Text: Amended: 4/4/2016 [pdf](#) [html](#)

Current Analysis: 03/29/2016 [Assembly Utilities And Commerce \(text 2/11/2016\)](#)

Introduced: 2/11/2016

Last Amend: 4/4/2016

Location: 4/5/2016-A. HEALTH

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the Public Utilities Commission to authorize a study by the Office of Environmental Health Hazard Assessment of the long-term health impacts of the significant natural gas

leak from the Aliso Canyon natural gas storage facility located in the County of Los Angeles that started approximately October 23, 2015, as specified. The bill would require the commission to publish and transmit the report by the Office of Environmental Health Hazard Assessment and its ongoing findings to the appropriate policy committees of the Legislature on a biennial basis, on or before January 1 of every even-numbered year, from 2018 until 2028.

Vote Events:

03/30/2016 ASM. U. & C. (Y:15 N:0 A:0) (P)

Notes 1: In response to the Porter Ranch gas leak.

**AB 1904**

\*\*\*\*\*

(**Wilk R**) Hazardous materials: natural gas odorants.

Current Text: Introduced: 2/11/2016 [pdf](#) [html](#)

Current Analysis: 03/24/2016 [Assembly Environmental Safety And Toxic Materials \(text 2/11/2016\)](#)

Introduced: 2/11/2016

Location: 3/30/2016-A. APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the Office of Environmental Health Hazard Assessment to submit a report to the Legislature, on or before January 1, 2018, that includes an assessment of the danger of odorants currently used in natural gas storage facilities in the state to public health and safety and the environment, and that identifies alternative odorants for possible use in natural gas storage facilities, as specified. This bill contains other related provisions.

Vote Events:

03/29/2016 ASM. E.S. & T.M. (Y:7 N:0 A:0) (P)

Notes 1: In response to the Porter Ranch Natural gas leak.

**AB 1905**

\*\*\*\*\*

(**Wilk R**) Natural gas injection and storage: study.

Current Text: Introduced: 2/11/2016 [pdf](#) [html](#)

Current Analysis: 03/31/2016 [Assembly Natural Resources \(text 2/11/2016\)](#)

Introduced: 2/11/2016

Location: 4/5/2016-A. APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the Secretary of the Natural Resources Agency, on or before July 1, 2017, to cause to be conducted, and completed, an independent scientific study on natural gas injection and storage practices and facilities, as specified. This bill contains other related provisions.

Vote Events:

04/04/2016 ASM. NAT. RES. (Y:8 N:0 A:1) (P)

Notes 1: In response to the Porter Ranch Gas leak.

**AB 1923**

(**Wood D**) Bioenergy feed-in tariff.

Current Text: Amended: 4/5/2016 [pdf](#) [html](#)

Current Analysis: 03/29/2016 [Assembly Utilities And Commerce \(text 2/11/2016\)](#)

Introduced: 2/11/2016

Last Amend: 4/5/2016

Location: 4/6/2016-A. THIRD READING

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar: 4/7/2016 #1 ASSEMBLY SECOND READING FILE -- ASSEMBLY BILLS

**Summary:** *Would require the Public Utilities Commission to direct the electrical corporations to authorize a bioenergy electric generation facility with a nameplate generating capacity of up to 5 megawatts to participate in the bioenergy feed-in tariff if the facility delivers no more than 3 megawatts to the grid in any hour and complies with specified interconnection and payment requirements.*

**Vote Events:**

03/30/2016 ASM. U. & C. (Y:15 N:0 A:0) (P)

**Notes 1:** *Appears to broaden the number of participants who can participate in providing renewable electricity into the states electrical grid.*

**AB 1937**

**(Gomez D) Electricity: procurement.**

**Current Text:** Amended: 4/4/2016 [pdf](#) [html](#)

**Introduced:** 2/12/2016

**Last Amend:** 4/4/2016

**Location:** 4/5/2016-A. U. & C.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapered
1st House				2nd House							

**Calendar:** 4/13/2016 1:30 p.m. - State Capitol, Room 437 ASSEMBLY UTILITIES AND COMMERCE, GATTO, Chair

**Summary:** *This bill would require electrical corporations' proposed procurement plans to also include a showing that the electrical corporations (1), in soliciting bids for gas-fired generation resources, actively seek bids that are not located in or adjacent to disadvantaged communities and (2), in considering bids for, or negotiating bilateral contracts for, gas-fired generation resources, give priority to generation resources that are not located in or adjacent to disadvantaged communities.*

**Notes 1:** *This bill has been significantly amended from its original version in that it now calls for restrictions on where electrical utilities can acquire electricity generated from natural gas fired generation.*

**AB 1964**

**(Bloom D) High-occupancy vehicle lanes: vehicle exceptions.**

**Current Text:** Amended: 3/28/2016 [pdf](#) [html](#)

**Current Analysis:** 03/31/2016 [Assembly Transportation \(text 3/28/2016\)](#)

**Introduced:** 2/12/2016

**Last Amend:** 3/28/2016

**Location:** 4/4/2016-A. APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapered
1st House				2nd House							

**Summary:** *Would extend the operation of the provisions allowing specified vehicles to use HOV lanes until the date federal authorization expires, or until the Secretary of State receives a specified notice, whichever occurs first. The bill would end the authority of the Department of Motor Vehicles to issue those identifiers for specified vehicles on January 1, 2018, and would provide that those identifiers issued before January 1, 2018, are valid until January 1, 2019. The bill would authorize the department to issue other identifiers until the date federal authorization expires, or until the Secretary of State receives a specified notice, whichever occurs first. The bill would provide that those other identifiers issued on or after January 1, 2018, but before January 1, 2019, would be valid until January 1, 2021. The bill would provide that those other identifiers issued after January 1, 2019, would be valid until January 1 of the 3rd year after the year of issuance. The bill would make conforming changes allowing vehicles displaying those other identifiers to use HOV lanes. This bill contains other related provisions and other existing laws.*

**Vote Events:**

04/04/2016 ASM. TRANS. (Y:14 N:2 A:0) (P)

[AB 1965](#) (**Cooper D**) *Vehicle retirement and replacement.*  
**Current Text:** Amended: 3/16/2016 [pdf](#) [html](#)  
**Introduced:** 2/12/2016  
**Last Amend:** 3/16/2016  
**Location:** 3/17/2016-A. TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:** 4/11/2016 2:30 p.m. - State Capitol, Room 4202 ASSEMBLY TRANSPORTATION, FRAZIER, Chair

**Summary:** Current law creates an enhanced fleet modernization program for the retirement of high polluting vehicles to be administered by the Bureau of Automotive Repair pursuant to guidelines adopted by the State Air Resources Board. This bill would require the state board, no later than July 1, 2018, and every other year thereafter, to collect and post on the program's Internet Web site specified information on the program. The bill would authorize the state board to allocate moneys, upon appropriation, from specified funds to expand the vehicle replacement component of the program.

[AB 1973](#) (**Campos D**) *School facilities: school districts: energy efficiency projects.*  
**Current Text:** Amended: 3/18/2016 [pdf](#) [html](#)  
**Introduced:** 2/16/2016  
**Last Amend:** 3/18/2016  
**Location:** 3/28/2016-A. ED.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:** 4/13/2016 1:30 p.m. - State Capitol, Room 4202 ASSEMBLY EDUCATION, O'DONNELL, Chair

**Summary:** Current law expresses legislative findings and declarations that it is in the interest of the state and of the people thereof for the state to aid school districts in finding cost-effective methods of conserving energy in school buildings maintained by the school districts. This bill would appropriate an unspecified amount of money to the Santa Clara County Office of Education for allocation to school districts within the county for a pilot program for purposes of energy efficiency projects.

**Notes 1:** This bill in its original version sought financial support from the GHG fund for educational energy efficiency improvements. The bill now is specific to the Santa Clarita area. SPG is considering dropping this bill from Air District reports.

[AB 1981](#) (**Maves R**) *California Environmental Quality Act: environmental impact report.*  
**Current Text:** Introduced: 2/16/2016 [pdf](#) [html](#)  
**Introduced:** 2/16/2016  
**Location:** 2/16/2016-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The California Environmental Quality Act requires the lead agency to determine whether a project may have a significant effect on the environment based on substantial evidence in light of the whole record. This bill would make nonsubstantive changes to that provision.

[AB 1982](#) (**Bloom D**) *Greenhouse Gas Reduction Fund: traffic signal synchronization.*

**Current Text:** Introduced: 2/16/2016 [pdf](#) [html](#)  
**Introduced:** 2/16/2016  
**Location:** 2/25/2016-A. TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:** 4/11/2016 2:30 p.m. - State Capitol, Room 4202 ASSEMBLY TRANSPORTATION, FRAZIER, Chair

**Summary:** Current law authorizes the allocation of moneys in the Greenhouse Gas Reduction Fund for investment in a traffic signal synchronization project as a sustainable infrastructure project if the project is designed and implemented to achieve cost-effective reductions in greenhouse gas emissions and includes specific reduction targets and metrics to evaluate the project's effect. This bill would additionally require that an eligible traffic signal synchronization project be timed to move vehicles at an average speed of 12 to 15 miles per hour.

**Notes 1:** SPG is not aware whether the goals of this bill with respect to average vehicle speeds achieved through traffic synchronization are reasonable, however goals to achieve traffic synchronization appear worthwhile. The Funding of this effort is however via the GHG Reduction Fund.

[AB 2038](#) ([Gaines, Beth R](#)) California Environmental Quality Act: environmental impact report: substantial evidence.

**Current Text:** Introduced: 2/16/2016 [pdf](#) [html](#)  
**Introduced:** 2/16/2016  
**Location:** 2/16/2016-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The California Environmental Quality Act requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would make nonsubstantive changes to those provisions.

[AB 2090](#) ([Alejo D](#)) Low Carbon Transit Operations Program.

**Current Text:** Introduced: 2/17/2016 [pdf](#) [html](#)  
**Introduced:** 2/17/2016  
**Location:** 2/29/2016-A. TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:** 4/11/2016 2:30 p.m. - State Capitol, Room 4202 ASSEMBLY TRANSPORTATION, FRAZIER, Chair

**Summary:** Current law continuously appropriates specified portions of the annual proceeds in the Greenhouse Gas Reduction Fund to various programs, including 5% for the Low Carbon Transit Operations Program, which provides operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. This bill would additionally authorize moneys appropriated to the program to be expended to support the operation of existing bus or rail service if the governing board of the requesting transit agency declares a fiscal emergency and other criteria are met, thereby expanding the scope of an existing continuous appropriation.

Notes 1: Another request for additional money from the GHG Reduction Fund.

**AB 2109** (**Dahle R**) Greenhouse gas emissions reduction: state agencies.  
Current Text: Introduced: 2/17/2016 [pdf](#) [html](#)  
Introduced: 2/17/2016  
Location: 2/17/2016-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020. The act requires state agencies to consider and implement strategies to reduce their greenhouse gas emissions. This bill would make technical, nonsubstantive changes to this provision.

**AB 2125**  
\*\*\*\*\*  
(**Chiu D**) Healthy Nail Salon Recognition Program.  
Current Text: Amended: 4/5/2016 [pdf](#) [html](#)  
Current Analysis: 03/25/2016 [Assembly Health \(text 2/17/2016\)](#)  
Introduced: 2/17/2016  
Last Amend: 4/5/2016  
Location: 4/5/2016-A. E.S. & T.M.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:** 4/12/2016 1:30 p.m. - State Capitol, Room 444 ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, ALEJO, Chair

**Summary:** Would require the State Department of Public Health to publish guidelines, including one or more model ordinances, for cities, counties, and city and counties to voluntarily implement local healthy nail salon recognition (HNSR) programs with specified criteria for nail salons, including the use of less toxic nail polishes and polish removers and improved ventilation. The bill would also require the department to develop awareness campaigns, model ordinances for local governments, and post specified information on its Internet Web site.

**Vote Events:**  
03/29/2016 ASM. HEALTH (Y:18 N:0 A:1) (P)

Notes 1: Toxic air emissions from finger nails. Sounds like a reasonable program!

**AB 2145** (**Linder R**) Vehicle replacement: rebates.  
Current Text: Introduced: 2/17/2016 [pdf](#) [html](#)  
Current Analysis: 03/31/2016 [Assembly Transportation \(text 2/17/2016\)](#)  
Introduced: 2/17/2016  
Location: 4/4/2016-A. TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The Charge Ahead California Initiative, administered by the State Air Resources Board, includes goals of, among other things, placing in service at least 1,000,000 zero-emission and near-zero-emission vehicles by January 1, 2023, and increasing access for disadvantaged, low-income, and moderate-income communities and consumers to zero-emission and near-zero-emission vehicles. This bill, for the purpose of calculating the vehicle license fee, would authorize the amount of compensation provided to a low-income motor vehicle owner under the enhanced fleet modernization program to be deducted from the motor

vehicle's price, as specified.  
**Vote Events:**  
 04/04/2016 ASM. TRANS. (Y:6 N:5 A:5) (F)  
 04/04/2016 ASM. TRANS. (Y:16 N:0 A:0) (P)

**AB 2146** (**Patterson R**) **Forestry and fire protection: greenhouse gas emissions.**  
**Current Text: Amended: 3/28/2016** [pdf](#) [html](#)  
**Current Analysis: 03/31/2016** [Assembly Natural Resources \(text 3/28/2016\)](#)  
**Introduced: 2/17/2016**  
**Last Amend: 3/28/2016**  
**Location: 4/5/2016-A. APPR.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** *Would continuously appropriate \$200,000,000 from the annual proceeds of the Greenhouse Gas Reduction Fund to the Department of Forestry and Fire Prevention for activities that reduce greenhouse gas emissions in the state caused by uncontrolled forest fires. The bill would authorize the department to use these funds to provide payments to local governmental entities that carry out fire prevention activities and incentives for actions by private parties to reduce the risk or intensity of wildfires or improve the resiliency of lands prone to wildfires.*  
**Vote Events:**  
 04/04/2016 ASM. NAT. RES. (Y:9 N:0 A:0) (P)

**Notes 1:** *This is a forestry management bill proposing to appropriate \$200,000,000 annually from the GHG Reduction Fund to reduce GHG emissions from uncontrolled forest fires. Considering the numerous requests for money from this fund, this one in our opinion has merit.*

**AB 2206** (**Williams D**) **Biomethane: interconnection and injection into common carrier pipelines: research.**  
**Current Text: Introduced: 2/18/2016** [pdf](#) [html](#)  
**Current Analysis: 04/05/2016** [Assembly Utilities And Commerce \(text 2/18/2016\)](#)  
**Introduced: 2/18/2016**  
**Location: 3/10/2016-A. U. & C.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar: 4/6/2016 1:30 p.m. - State Capitol, Room 437 ASSEMBLY UTILITIES AND COMMERCE, GATTO, Chair**

**Summary:** *Would request the California Council on Science and Technology to undertake and complete a study analyzing the regional and gas corporation specific issues relating to minimum heating value and maximum siloxane specifications adopted by the Public Utilities Commission for biomethane before it can be injected into common carrier gas pipelines. If the California Council on Science and Technology agrees to undertake and complete the study, the bill would require each gas corporation operating common carrier pipelines in California to proportionately contribute to the expenses to undertake the study with the cost recoverable in rates.*

**AB 2223** (**Gray D**) **Greenhouse Gas Reduction Fund: dairy digesters.**  
**Current Text: Amended: 3/28/2016** [pdf](#) [html](#)  
**Current Analysis: 03/31/2016** [Assembly Natural Resources \(text 3/28/2016\)](#)  
**Introduced: 2/18/2016**  
**Last Amend: 3/28/2016**  
**Location: 4/5/2016-A. AGRI.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar: 4/13/2016 1:30 p.m. - State Capitol, Room 126 ASSEMBLY AGRICULTURE, DODD, Chair

**Summary:** Would continuously appropriate \$100,000,000 annually from the Greenhouse Gas Reduction Fund to the Department of Food and Agriculture to provide incentives for the implementation of dairy digesters and other dairy methane reduction projects and management practices, thereby making an appropriation.

**Vote Events:**

04/04/2016 ASM. NAT. RES. (Y:8 N:1 A:0) (P)

**Notes 1:** Another request for money from the GHG Reduction fund.

**AB 2276** (**Brown D**) Greenhouse gases: emissions reduction.

**Current Text:** Introduced: 2/18/2016 [pdf](#) [html](#)

**Introduced:** 2/18/2016

**Location:** 2/18/2016-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Current law requires the Strategic Growth Council to develop and administer the Affordable Housing and Sustainable Communities Program to reduce greenhouse gas emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development and that support other related and coordinated public policy objectives. This bill would make nonsubstantive changes to that provision. This bill contains other current laws.

**AB 2293** (**Garcia, Cristina D**) Greenhouse Gas Reduction Fund: Green Assistance Program.

**Current Text:** Amended: 3/29/2016 [pdf](#) [html](#)

**Current Analysis:** 03/31/2016 [Assembly Natural Resources \(text 3/29/2016\)](#)

**Introduced:** 2/18/2016

**Last Amend:** 3/29/2016

**Location:** 4/5/2016-A. APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would establish the Green Assistance Program, to be administered by the Secretary for Environmental Protection to, among other things, assist small businesses and small nonprofit organizations in applying for moneys from programs using moneys from the fund, as specified.

**Vote Events:**

04/04/2016 ASM. NAT. RES. (Y:9 N:0 A:0) (P)

**AB 2313** (**Williams D**) Renewable natural gas: monetary incentive program for biomethane projects.

**Current Text:** Amended: 3/16/2016 [pdf](#) [html](#)

**Introduced:** 2/18/2016

**Last Amend:** 3/16/2016

**Location:** 3/31/2016-A. U. & C.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would require the Public Utilities Commission to modify the monetary incentive program for biomethane projects so that the total available incentive limitation for a project, other than a dairy cluster

biomethane project, as defined, is increased from \$1,500,000 to \$3,000,000. The bill would require the commission to increase the total available incentive limitation for a dairy cluster biomethane project to \$5,000,000 and would require that gathering lines for transport of biogas to a centralized processing facility for the project be treated as an interconnection cost.

Vote Events:

03/31/2016 ASM. RLS. (Y:8 N:0 A:3) (P)

**AB 2323** (Ridley-Thomas D) Electricity: rates: low-carbon fuel production facilities.

Current Text: Amended: 3/29/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Last Amend: 3/29/2016

Location: 3/30/2016-A. U. & C.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar: 4/13/2016 1:30 p.m. - State Capitol, Room 437 ASSEMBLY UTILITIES AND COMMERCE, GATTO, Chair

Summary: Would require an electrical corporation that offers time-of-use rates, critical peak pricing, real-time pricing, or peak time rebates for the charging of electric vehicles, as part of a program to encourage transportation electrification, to offer similar rates to low-carbon transportation fuel production facilities and public and private fueling stations dedicated to providing low-carbon fuels for transportation purposes. This bill contains other related provisions and other existing laws.

**AB 2334** (Mullin D) Alternative energy financing.

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Current Analysis: 04/04/2016 [Asm Comm Committee On Revenue And Taxation \(text\)](#)

Introduced: 2/18/2016

Location: 4/4/2016-A. REV. & TAX SUSPENSE FILE

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Alternative Energy and Advanced Transportation Financing Authority Act authorizes, until January 1, 2021, the authority to provide financial assistance in the form of a sales and use tax exclusion for any lease or transfer of title of tangible personal property constituting a project to any participating party, and defines a project and participating party for those purposes. The act limits the sales and use tax exclusion to \$100,000,000 for each calendar year. This bill would extend the sales and use tax exclusion to any contractor for use in the performance of a construction contract for the participating party that will use that property as an integral part of the approved project.

**AB 2415** (Garcia, Eduardo D) California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Current Analysis: 03/31/2016 [Asm Comm Committee On Transportation \(text\)](#)

Introduced: 2/19/2016

Location: 4/6/2016-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar: 4/7/2016 #3 ASSEMBLY SECOND READING FILE -- ASSEMBLY BILLS

**Summary:** *Would, between January 2, 2018, and January 1, 2023, require no less than 50% or \$100,000,000, whichever is greater, of the moneys allocated each year for technology development, demonstration, precommercial pilots, and early commercial deployments of zero- and near-zero-emission medium- and heavy-duty truck technology be allocated and spent to support the commercial deployment of existing zero- and near-zero-emission heavy-duty truck technology that meets or exceeds a specified emission standard. This bill contains other existing laws.*

**Vote Events:**

04/04/2016 ASM. TRANS. (Y:15 N:0 A:1) (P)

**AB 2426**

\*\*\*\*\*

**(Low D) Workplace Charging Station Grant Program.**

**Current Text:** Amended: 3/18/2016 [pdf](#) [html](#)

**Introduced:** 2/19/2016

**Last Amend:** 3/18/2016

**Location:** 3/28/2016-A. TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** *Would require the State Air Resources Board, until January 1, 2021, to establish and implement the Workplace Charging Stations Grant Program to award grants to eligible applicants, as defined, for the installation of electric vehicle charging stations in commercial parking facilities for employees and visitors. The bill would require eligible applicants awarded grants pursuant to the program to report annually to the state board on certain usage statistics of the charging stations.*

**AB 2452**

**(Quirk D) California Environmental Quality Act: judicial remedies: emissions of greenhouse gases.**

**Current Text:** Introduced: 2/19/2016 [pdf](#) [html](#)

**Introduced:** 2/19/2016

**Location:** 3/8/2016-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** *CEQA authorizes a court, in an action or proceeding brought challenging the decision of a public agency on the ground of noncompliance with CEQA, to enter an order to suspend any specific project activity if the court finds that the activity will prejudice the consideration and implementation of particular mitigation measures or alternatives to the project. This bill would, in an action or proceeding under CEQA, prohibit a court from staying or enjoining transportation infrastructure projects, as defined, based solely on the project's potential contribution to the emissions of greenhouse gases.*

**Notes 1:** *Interestingly this bill prohibits, under a CEQA review, a court from stopping a transportation infrastructure project sole on the basis of potential emissions of GHG.*

**AB 2454**

**(Williams D) Energy: procurement plans.**

**Current Text:** Amended: 3/17/2016 [pdf](#) [html](#)

**Introduced:** 2/19/2016

**Last Amend:** 3/17/2016

**Location:** 3/28/2016-A. U. & C.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** *The Public Utilities Act requires that an electrical corporation's proposed procurement plan include certain elements, including a showing that the electrical corporation will first meet its unmet needs through all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible. This bill would also require the electrical corporation's proposed procurement plan to include a*

showing that it will first meet its unmet needs through all available demand response resources.

[AB 2460](#) **(Irwin D)** Solar thermal systems.

Current Text: Amended: 3/17/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Last Amend: 3/17/2016

Location: 3/28/2016-A. U. & C.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar: 4/13/2016 1:30 p.m. - State Capitol, Room 437 ASSEMBLY UTILITIES AND COMMERCE, GATTO, Chair

**Summary:** Would revise the solar water heating program to, among other things, promote the installation of solar water systems throughout the state, set the funding cap for the program between January 1, 2017, and July 31, 2027, at \$1,000,000,000, reserve 50% of the total program budget for the installation of solar water heating systems in low-income residential housing or in buildings in disadvantaged communities, and extend the operation of the program through July 31, 2027.

[AB 2564](#) **(Cooper D)** Clean Vehicle Rebate Project: income eligibility.

Current Text: Amended: 3/29/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Last Amend: 3/29/2016

Location: 3/30/2016-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The Charge Ahead California Initiative requires the State Air Resources Board to adopt, no later than June 30, 2015, revisions to the criteria and other requirements for the Clean Vehicle Rebate Project to, among other things, limit eligibility based on income. This bill would, for all eligible vehicle types except fuel cell electric vehicles, establish the maximum gross annual income at unspecified levels for a person to be eligible for a rebate under the project.

[AB 2585](#) **(Williams D)** California Global Warming Solutions Act of 2006: market-based compliance mechanisms.

Current Text: Amended: 3/15/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Last Amend: 3/15/2016

Location: 3/16/2016-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would require the State Air Resources Board, no later than July 1, 2018, to review any regulation adopted as part of a market-based compliance mechanism to consider the intended purpose and consistency of requirements aimed to prevent resource shuffling, as defined, among all fuels subject to that regulation.

**Notes 1:** AB 2585 has been significantly amended. The bill previously death with the promotion of Biomethane to reduce the states GHG emissions, now deals with improving efficiencies in GHG regulatory development.

[AB 2620](#) **(Dababneh D)** Passenger rail projects: funding.

Sacramento: 1107 9th St., Suite 930 Sacramento, CA 95814 • Telephone (916) 447-9884 • Fax (916) 441-4211

Inland Empire: 32012 Masters Place, Llano, CA 93544 (661) 944-9460

Email: lhansen@strategicpartnersgroup.org; fsheets@strategicpartnersgroup.org

**Current Text: Amended: 3/18/2016** [pdf](#) [html](#)  
**Introduced: 2/19/2016**  
**Last Amend: 3/18/2016**  
**Location: 3/28/2016-A. TRANS.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary: Would reallocate funds allocated pursuant to the Clean Air and Transportation Improvement Act of 1990 that are not expended or encumbered by July 1, 2020, to any other existing passenger rail project in the state. The bill would require the commission to determine the existing passenger rail projects in the state and implement the reallocation on a pro-rata basis. By reallocating unexpended or unencumbered funds to any other existing passenger rail project, the bill would make an appropriation. This bill contains other existing laws.**

**[AB 2653](#) ([Garcia, Eduardo D](#)) Greenhouse Gas Reduction Fund: report.**

**Current Text: Introduced: 2/19/2016** [pdf](#) [html](#)  
**Introduced: 2/19/2016**  
**Location: 3/10/2016-A. NAT. RES.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary: Current law requires state agencies to submit annually to the Secretary for Environmental Protection a specified report that includes, among other things, a list of measures that have been adopted and implemented by that state agency to meet greenhouse gas emission reduction targets, as defined, and a status report on the actual greenhouse gas emissions reduced as a result of those measures. This bill would create additional requirements on state agencies submitting that report, including identifying the types of business entities receiving moneys and the actions taken to connect residents of disadvantaged communities, as defined, and other target populations with the business, employment, and training opportunities offered through activities funded with moneys from the fund.**

**[AB 2699](#) ([Gonzalez D](#)) Department of Consumer Affairs: solar companies: solar energy systems.**

**Current Text: Introduced: 2/19/2016** [pdf](#) [html](#)  
**Introduced: 2/19/2016**  
**Location: 3/10/2016-A. B.&P.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar: 4/12/2016 9:30 a.m. - State Capitol, Room 4202 ASSEMBLY BUSINESS AND PROFESSIONS, SALAS, Chair**

**Summary: Would, among other things, require a solar company selling, financing, or leasing a solar energy system, as defined, to provide each customer with a specified "solar energy system disclosure document." The bill would also require the Department of Consumer Affairs to adopt a regulation that includes a specified "Department of Consumer Affairs solar energy system disclosure document" informing customers of the risks and rewards of solar energy system ownership and warranty issues, and protecting those customers from unscrupulous or unfair business practices.**

**Notes 1: Apparently the author feels that the consumer is being taken advantage of by unscrupulous solar installation companies.**

**[AB 2702](#) ([Atkins D](#)) Greenhouse gases: study.**

**Current Text: Amended: 3/18/2016** [pdf](#) [html](#)

**Introduced: 2/19/2016**  
**Last Amend: 3/18/2016**  
**Location: 3/28/2016-A. NAT. RES.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary: Would require the State Air Resources Board to conduct a study that outlines best practices and policies for meeting state goals to reduce greenhouse gas emissions. The bill also would authorize the state board to collaborate with air pollution control and air quality management districts.**

**AB 2722** **(Burke D) Transformative Climate Communities Program.**

**Current Text: Introduced: 2/19/2016** [pdf](#) [html](#)  
**Introduced: 2/19/2016**  
**Location: 3/10/2016-A. NAT. RES.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary: Would create the Transformative Climate Communities Program, to be administered by the Strategic Growth Council. The bill would appropriate \$250,000,000 from the Greenhouse Gas Reduction Fund to the council to administer the program. The bill would require the council, in coordination with the California Environmental Protection Agency Assistant Secretary for Environmental Justice and Tribal Affairs, to award competitive grants to specified eligible entities for transformative climate community plans in disadvantaged communities, as defined.**

**Notes 1: Another request for money from the GHG Reduction Fund.**

**AB 2769** **(Patterson R) Renewable energy.**

**Current Text: Introduced: 2/19/2016** [pdf](#) [html](#)  
**Introduced: 2/19/2016**  
**Location: 2/19/2016-A. PRINT**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary: Current law establishes the California Renewables Portfolio Standards Program, which is codified in the Public Utilities Act, with the target to increase the amount of electricity generated per year from eligible renewable energy resources to an amount that equals at least 50% of the total electricity sold to retail customers per year by December 31, 2030. This bill would make a nonsubstantive change to legislative findings and declarations relating to the above-described provisions.**

**AB 2800** **(Quirk D) Climate change: infrastructure planning.**

\*\*\*\*\*

**Current Text: Amended: 3/18/2016** [pdf](#) [html](#)  
**Introduced: 2/19/2016**  
**Last Amend: 3/18/2016**  
**Location: 3/28/2016-A. NAT. RES.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary: Would require the Natural Resources Agency, by July 1, 2020, and every 5 years thereafter, to establish and update guidelines for effectively incorporating the effects of climate change into state infrastructure planning and investment decisions. The bill would require the agency to establish a science advisory panel with expertise in climate change impacts in California and state infrastructure engineering.**

**AB 2829** (**Baker R**) **Carl Moyer Memorial Air Quality Standards Attainment Program.**

\*\*\*\*\*  
Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)  
Introduced: 2/19/2016  
Location: 2/19/2016-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Current law establishes the Carl Moyer Memorial Air Quality Standards Attainment Program, which is administered by the State Air Resources Board. The program authorizes the state board to provide grants to offset the incremental cost of eligible projects that reduce emissions from covered vehicular sources. The program also authorizes funding for a fueling infrastructure demonstration program and for technology development efforts that are expected to result in commercially available technologies in the near-term that would improve the ability of the program to achieve its goals. This bill would make technical, nonsubstantive changes to these provision.

**Notes 1:** Obviously a bill of interest to the Districts in that it deals with the Carl Moyer Program. The bill proposes to terminate the program in 2024.

**SB 209** (**Pavley D**) **Surface mining: financial assurances: reclamation plans.**

\*\*\*\*\*  
Current Text: Enrolled: 4/4/2016 [pdf](#) [html](#)  
Current Analysis: 03/30/2016 [Senate Floor Analyses \(text 3/17/2016\)](#)  
Introduced: 2/11/2015  
Last Amend: 3/17/2016  
Location: 3/31/2016-S. ENROLLMENT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would establish the Division of Mine Reclamation within the Department of Conservation under the direction of the Supervisor of Mine Reclamation. The bill also would raise the maximum amount of the annual reporting fee to \$10,000 per mining operation, except as specified. The bill would raise the maximum amount of the total revenue generated from the reporting fee to \$8,000,000, as specified. This bill contains other related provisions and other existing laws.

**Vote Events:**  
03/31/2016 SEN. FLOOR (Y:28 N:8 A:4) (P)  
03/28/2016 ASM. FLOOR (Y:54 N:20 A:5) (P)  
08/27/2015 ASM. APPR. (Y:12 N:4 A:1) (P)  
07/13/2015 ASM. NAT. RES. (Y:7 N:1 A:1) (P)  
05/28/2015 SEN. FLOOR (Y:25 N:13 A:2) (P)  
05/26/2015 SEN. APPR. (Y:5 N:2 A:0) (P)  
03/24/2015 SEN. N.R. & W. (Y:7 N:2 A:0) (P)

**Notes 1:** Fran Pavely's bill SB 209 has now been enrolled and is expected to be signed by the Governor in that it was his desire to update SMARA. The mining industry basically agreed with the modifications detailed in the legislation.

**SB 925** (**Gaines R**) **State Air Resources Board.**

Current Text: Introduced: 1/28/2016 [pdf](#) [html](#)  
Introduced: 1/28/2016  
Location: 2/18/2016-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Current law designates the State Air Resources Board as the state agency charged with

coordinating efforts to attain and maintain ambient air quality standards, to conduct research into the causes of and solution to air pollution, and to systematically attack the serious problem caused by motor vehicles. This bill would make a nonsubstantive change to this provision.

**SB 1043** (Allen D) Renewable gas: biogas and biomethane.

Current Text: Amended: 3/30/2016 [pdf](#) [html](#)

Current Analysis: 04/05/2016 [Senate Energy, Utilities And Communications \(text 3/30/2016\)](#)

Introduced: 2/12/2016

Last Amend: 3/30/2016

Location: 4/5/2016-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would require the State Air Resources Board to consider and adopt policies to significantly increase the sustainable production and use of renewable gas, as defined, and, in so doing, would require the state board, among other things, to ensure the production and use of renewable gas provides direct environmental benefits and identify barriers to the rapid development and use of renewable gas and potential sources of funding.

**Vote Events:**

04/05/2016 SEN. E.,U. & C. (Y:7 N:0 A:4) (P)

**SB 1239** (Gaines R) Smog check: exemptions.

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Location: 3/3/2016-S. T. & H.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:** 4/12/2016 1:30 p.m. - John L. Burton Hearing Room (4203) SENATE TRANSPORTATION AND HOUSING, BEALL, Chair

**Summary:** Would exempt all motor vehicles manufactured prior to the 1981 model year from the biennial smog-check inspections.

**SB 1383** (Lara D) Short-lived climate pollutants.

\*\*\*\*\*

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Current Analysis: 04/04/2016 [Sen Comm Senate Committee On Environmental Quality \(text\)](#)

Introduced: 2/19/2016

Location: 3/10/2016-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:** 4/6/2016 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair

**Summary:** Would require the State Air Resources Board to approve and implement that comprehensive strategy to reduce emissions of short-lived climate pollutants to achieve a reduction in methane by 40%, hydrofluorocarbon gases by 40%, and anthropogenic black carbon by 50% below 2013 levels by 2030, as specified.

**Notes 1:** Calls for specific reductions in short lived climate pollutants.

**SB 1398**

**(Leyva D) Public water systems: lead pipes.**

**Current Text: Amended: 3/28/2016 [pdf](#) [html](#)**

**Introduced: 2/19/2016**

**Last Amend: 3/28/2016**

**Location: 3/31/2016-S. E.Q.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar: 4/20/2016 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair**

**Summary: Would require a public water system to compile an inventory of lead pipes in use by July 1, 2018, and, after completing the inventory, to provide a timeline for replacement of lead pipes in the system to the board. This bill would require the board to establish best practices to ensure that chemicals introduced into public water systems do not create corrosion or contamination within the system.**

**SB 1402**

**(Pavley D) Low-carbon fuels.**

**Current Text: Amended: 3/28/2016 [pdf](#) [html](#)**

**Current Analysis: 04/04/2016 [Sen Comm Senate Committee On Environmental Quality \(text\)](#)**

**Introduced: 2/19/2016**

**Last Amend: 3/28/2016**

**Location: 3/28/2016-S. E.Q.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar: 4/6/2016 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair**

**Summary: Would create the California Low-Carbon Fuels Incentive Program to be administered by the state board and the State Energy Resources Conservation and Development Commission, and would authorize moneys in the fund appropriated to the program to be used to provide incentives for the in-state production of low-carbon transportation fuels from new and existing facilities using sustainable feedstock, with priority to be given to projects benefitting disadvantaged communities.**

**Notes 1: Advocates the use of money from the GHG Reduction Fund to promote in-state manufacture of low-carbon intensity fuels.**

**SB 1430**

**(Pavley D) Vehicular air pollution: greenhouse gas emissions.**

**Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)**

**Introduced: 2/19/2016**

**Location: 3/10/2016-S. RLS.**

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary: Would state the intent of the Legislature to enact legislation that would direct the State Air Resources Board to reassert its authority to regulate tail pipe emissions if the upcoming federal midterm review process on fuel economy and greenhouse gas emissions standards results in a weakening of the proposed standards.**

**SB 1441**

**(Leno D) Natural gas: methane emissions.**

**Current Text: Amended: 3/28/2016 [pdf](#) [html](#)**

**Current Analysis:** 04/05/2016 [Senate Energy, Utilities And Communications \(text 3/28/2016\)](#)

**Introduced:** 2/19/2016

**Last Amend:** 3/28/2016

**Location:** 4/5/2016-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would require the State Air Resources Board, to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions. This bill contains other related provisions and other existing laws.

**Vote Events:**

04/05/2016 SEN. E.,U. & C. (Y:8 N:1 A:2) (P)

**Notes 1:** This bill was originally crafted in response to the Porter Ranch natural gas leak but has been expanded to specifically deal with reductions in methane emissions associated with the management of natural gas supply infrastructure within California.

**[SB 1453](#)**

**(De León D)** Electrical generation: greenhouse gases emission performance standard.

**Current Text:** Introduced: 2/19/2016 [pdf](#) [html](#)

**Current Analysis:** 04/05/2016 [Senate Energy, Utilities And Communications \(text 2/19/2016\)](#)

**Introduced:** 2/19/2016

**Location:** 4/5/2016-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would require the PUC to review any capital expenditure proposed by an electrical corporation for baseload generation that does not comply with the greenhouse gases emission performance standard established by the PUC and to not permit those costs to be recovered in rates if it finds, among other things, that the proposed capital expenditure will materially extend the service life of the baseload generation. This bill contains other related provisions and other existing laws.

**Vote Events:**

04/05/2016 SEN. E.,U. & C. (Y:7 N:0 A:4) (P)

**Notes 1:** The bill advocates that Utilities not be allow to recover capital expenditure costs for the repair of base-load generation if it is determined that the generating facility does not meet the GHG emission performance standard (1,100 # CO2/ megawatt hour).

**[SB 1464](#)**

**(De León D)** California Global Warming Solutions Act of 2006: greenhouse gas emissions reduction.

**Current Text:** Introduced: 2/19/2016 [pdf](#) [html](#)

**Introduced:** 2/19/2016

**Location:** 3/10/2016-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:** 4/20/2016 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair

**Summary:** Current law requires the State Air Resources Board to consult with other states, the federal government, and other nations to identify the most effective strategies and methods to reduce greenhouse gases, manage greenhouse gas control programs, and facilitate the development of integrated and cost-effective regional, national, and international greenhouse gas reduction programs. This bill would require the state board to also consult with local agencies for these purposes.

**Total Measures: 70**  
**Total Tracking Forms: 70**

### Articles of Interest

#### **A Delta Tunnel Project's Lofty Ambitions Have Been Scaled Back**

A dog trotted down the middle of a levee road as red-winged blackbirds darted in and out of the reeds. A few fishermen dangled their baited lines into the muddy brown water.

Only a close look at the Middle River revealed anything amiss in this part of the Sacramento-San Joaquin Delta. Instead of flowing north toward San Francisco Bay, as nature intended, the Middle was headed south. On the other side of Bacon Island, the Old River was doing the same thing.

The backward flow of these two obscure channels is at the core of a proposal to build California's biggest water project in decades: a \$15-billion diversion and tunnel system in the delta, the ecologically failing hub of the state's waterworks.

The long-planned project would draw directly from the Sacramento River as it enters the north delta and send water to enormous pumping plants that now pull supplies entirely from the south delta. The intensive pumping that now takes place causes the environmentally harmful reverse flows that have triggered increasingly tight limits on water deliveries to San Joaquin Valley growers and Southern California cities.

In news releases and tweets, tunnel backers have lamented the "lost" and "wasted" water from the Sacramento River that could have been pumped south during this year's winter storms if only the delta had a "modern delivery system." About 486,000 acre-feet — or enough water to serve 3.6 million people for a year — could have been captured, the [project website](#) proclaims in big, bold numbers.

But scroll down on the website, below those impressive figures, and you now find a cautionary note: "The project on average over time is not expected to provide a significant increase in water deliveries from the Delta."

The language reflects a major scaling back of the project's once lofty ambitions.

#### **Delta tunnels**

Two 35-mile-long tunnels would divert Sacramento River water to government pumping plants at Clifton Court Forebay. The proposal would reduce direct withdrawals from the south delta that endanger native fish.

Sources: California Natural Resources Agency, Mapbox, OpenStreetMap

@latimesgraphics



Sacramento: 1107 9th St., Suite 930 Sacramento, CA 95814 • Telephone (916) 447-9884 • Fax (916) 441-4211

Inland Empire: 32012 Masters Place, Llano, CA 93544 (661) 944-9460

Email: [lhansen@strategicpartnersgroup.org](mailto:lhansen@strategicpartnersgroup.org); [fsheets@strategicpartnersgroup.org](mailto:fsheets@strategicpartnersgroup.org)

The San Joaquin Valley irrigation districts and Southland water agencies that would pay for the project originally envisioned it as a grand delta fix that would push water exports back to — or even above — their peak in the early 2000s of an average 5.3 million acre-feet a year.

But as the project has gone through a protracted environmental review by skeptical federal fishery agencies, reality has set in. Instead of cranking open the pumps, the tunnels will, at best, do little more than maintain the status quo.

"This idea that it's all going to be resolved is fiction," said state Department of Water Resources Director Mark Cowin, whose agency is overseeing the proposal along with the U.S. Bureau of Reclamation.

The tunnels would lessen the damaging reverse flows. But they would not cure the delta's other ecological ailments, many of which stem from the exports and upstream diversions that have profoundly altered delta hydrology and robbed the ecosystem of about half its natural flow to the bay.

Nor would the project escape the regulations concerning endangered species and water quality that will probably grow tougher in response to the delta's cascading environmental woes.

If the tunnels are built, state modeling indicates future delta exports to the valley's thirsty fields and Southern California's faucets would average 4.9 million acre-feet a year — only a small improvement over recent averages.

Without the project, however, Cowin warns that number could fall by 1 million acre-feet — to roughly 1970s levels.

Officially named the California WaterFix, the project has become less a fix than a multibillion-dollar tourniquet.

The Old and Middle rivers are in the south end of the delta. There, the state and federal pumping plants draw water to fill the highway-size California Aqueduct and the Delta-Mendota Canal that carry supplies south.

The harder the enormous pumps work, the stronger their wrong-way pull on south delta channels and native fish. Migrating chinook salmon and steelhead wander off course into the mouths of predators or to the dead-end of the pumps.

The finger-size delta smelt — declared a threatened species by the federal government — follow the unnatural flows away from good spawning habitat, edging ever closer to extinction.

Two in three fish drawn into the south delta by the pumping perish, according to government biologists.

Under WaterFix, the new water diversion point on the Sacramento River in the north delta would feed two massive 35-mile tunnels supplying the pumps. Thus, less water would be drawn directly from the south delta, reducing the problematic reverse flows.

It is a variation of an old idea. Decades before the Endangered Species Act was enacted, when delta smelt were so plentiful they were used as bait, water managers foresaw problems with using the delta as a water pipeline for the south.

## Replumbing the delta

The proposed delta tunnels would reduce direct withdrawals from the south delta that cause water channels to flow backward toward the pumps, endangering native fish.

Sources: California Natural Resources Agency, Mapbox, OpenStreetMap

Paul Duginski / @latimesgraphics



By the 1960s, government planners were pushing plans for a peripheral canal to carry supplies from California's biggest river, the Sacramento, around the delta to existing federal pumps and the soon-to-be built State Water Project pumping plant.

Among the benefits cited in a 1966 state document: Improvements in the quality of exported water and a halt to "damage to the delta fishery."

But it was cheaper to use the delta. The canal wasn't built. The proposal resurfaced again years later, only to be killed by voters in a 1982 statewide referendum that played on California's perennial north-south water tensions.

This time, opposition is centered in the delta, where the landscape of levee-ringed farm islands and curling water channels hasn't changed much in a century.

"Save the delta. Stop the tunnels," signs are staked next to delta roads. Local growers don't want a mammoth, years-long construction project mucking up islands in the eastern delta. And most of all, they don't want the tunnels sucking up good-quality Sacramento River water before it gets to their irrigation ditches.

Environmentalists worry about salmon losses at the three big river intakes that would be built near Hood, Calif. And state assurances to the contrary, they are convinced the tunnels will inevitably be used to suck more water from the delta watershed.

The nerve center of the State Water Project and the federal Central Valley Project is housed in a nameless building in a Sacramento suburb, where managers in the Joint Operations Center monitor data around the clock and relay orders to the field offices that move water supplies around California.

Crucial to that movement are delta conditions, which are religiously measured, recorded and scrutinized.

How much water is being released from upstream reservoirs in the Sacramento and San Joaquin river watersheds? How much fresh water is flowing into the delta? How much is going out to San Francisco Bay? What are the salinity levels? How muddy is the water? How many protected fish have been collected at the pumps? How strong are the reverse flows in the Old and Middle rivers?

The reverse flow is measured in negative numbers on either side of Bacon Island and plays such

Sacramento: 1107 9th St., Suite 930 Sacramento, CA 95814 • Telephone (916) 447-9884 • Fax (916) 441-4211

Inland Empire: 32012 Masters Place, Liano, CA 93544 (661) 944-9460

Email: lhansen@strategicpartnersgroup.org; fsheets@strategicpartnersgroup.org

a dominant role in exports that Cowin said he can recite it any minute of the day.

It is by no means, however, the only limit on delta pumping.

In the final months of last year and the early days of January the pumps were turned down to meet water quality and other state standards. If not enough fresh water flows out of the delta to the bay, salty water can intrude, tainting delta supplies.

Then it started raining and "we were meeting the outflow, no problem," recalled state water operations chief John Leahigh. Exports bumped up, though they were still capped to protect out-migrating salmon.

By mid-January, storm runoff had driven up the turbidity levels that trigger delta smelt movement. Daily sampling surveys found some of the translucent little fish near the mouths of the Old and Middle.

To avoid drawing smelt to the pumps, the pumping rate limit was tightened and exports dipped. When smelt were caught at the pumps Jan. 21, the exports were further restricted, only to rise again when turbidity levels dropped during February's dry spell.

On a late February afternoon, the drone of 100,000 horsepower of pumping muscle filled the federal C.W. "Bill" Jones Pumping Plant not far from the walled subdivisions of Tracy, Calif.

Four of the plant's six pumps were discharging delta water into the head of the 117-mile-long Delta-Mendota Canal for a trip to the San Joaquin Valley.

At the nearby diversion point on the Old River, a network of screens guided fish into pipes that carried them to large collection tanks. There they were held until tank trucks transported them to the western delta for release.

As part of a routine check for protected species, a worker hoisted a cone-shaped bucket out of one of the holding tanks and emptied it into a rectangular sorting tray.

Biologist Rene Reyes dipped a net into the water, scooping up a baby catfish. Next came a couple of bluegills and six silversides. "All introduced species, very hardy," he said.

No smelt. No salmon. It was a good day for water exports.

## **Air Quality District Votes to Allow Exxon Mobil to Restore Torrance Refinery**

The South Coast Air Quality Management District voted late Saturday to allow Exxon Mobil to fully restore its refinery in Torrance after an explosion at the facility last year.

After nearly 12 hours of public comment and expert testimony at Torrance City Hall, the district's board voted 3 to 2 to approve the order.

ExxonMobil will also pay approximately \$5 million in penalties for air pollution violations as a result of the 2015 explosion and violations that could occur during the startup of the refinery. Half of the monies will be earmarked for projects to benefit the communities surrounding the Torrance facility.

"We agree with the decision of the South Coast Air Quality Management District Hearing Board and appreciate its hard work and guidance as we work to safely restart the Torrance Refinery," Exxon Mobil said in a statement.

The public hearing started at 9 a.m. and the board listened for hours as dozens of neighbors of

the Torrance facility testified against the proposal. The board's vote was taken shortly before 9 p.m.

The February 2015 explosion, which triggered state and federal investigations, led to higher gas prices in Los Angeles than the rest of the nation. The fully operational refinery provided a fifth of the refined gasoline capacity in Southern California and 10% of the statewide capacity.

But the explosion prompted neighbors to call for permanently closing the facility after reports revealed that harmful chemicals may have been released as a result of the blast.

The approval of Exxon Mobil's request to fully restore the Torrance refinery could help tighten the gap in gasoline prices between the Los Angeles region and the other areas around the country.

The facility has operated at less than 20% of its normal capacity since the explosion.

A return to full service is expected to lead to a sale of the plant to New Jersey-based PBF Energy, which announced last fall that it was acquiring the refinery should it return to full operations.

Exxon Mobil and PBF said they expect to close the deal by mid-2016.

The acquisition, experts said, could help lower California gas prices, depending on how aggressively PBF decides to operate.

The company says it intends to fully utilize the Torrance plant.

"PBF is a competitive, growth-oriented, merchant refiner that is excited to be expanding into Southern California," said spokesman Michael Karlovich.

"After we purchase the Torrance refinery, we will begin selling into an established wholesale market, so having a new merchant refiner in the region ... should further increase competitiveness."

Gordon Schremp, senior fuels analyst for the California Energy Commission, said Exxon Mobil's plans for safely returning Torrance to full operations appear to have regulatory support. Now that Exxon Mobil has approval, it will take several days for the plant to reach capacity.

### **A former EPA administrator turned industry consultant has been picked to lead the agency in charge of cleaning up air pollution in Southern California, long the nation's worst region for foul air.**

Wayne Nastri, who oversaw EPA enforcement on the West Coast under the George W. Bush administration, was appointed the new acting head of the South Coast Air Quality Management District by the same board that fired his predecessor four weeks ago. The vote was 12-0 to give Nastri a six-month contract while the agency conducts a nationwide search for a permanent executive officer.



*Former EPA administrator Wayne Nastri, who oversaw EPA enforcement on the West Coast under the George W. Bush administration, was appointed the new acting head of the South Coast Air Quality Management District*

On March 4, the 13-member board voted to dismiss longtime executive officer Barry Wallerstein after members of the board's new Republican majority

Sacramento: 1107 9th St., Suite 930 Sacramento, CA 95814 • Telephone (916) 447-9884 • Fax (916) 441-4211

Inland Empire: 32012 Masters Place, Liano, CA 93544 (661) 944-9460

Email: lhansen@strategicpartnersgroup.org; fsheets@strategicpartnersgroup.org

vowed to temper new rules to fight smog with concerns from business and industry.

“Wayne brings a strong environmental record and decades of experience at the local, state and federal level working on clean air solutions and myriad environmental issues with the community and stakeholders,” AQMD board chair William Burke said in a statement.

Nastri did not return calls for comment, but in a statement said, “I’m honored to be appointed as acting executive officer of the nation’s largest and most prominent local air pollution control agency. As a resident of this air basin and an environmental professional in the field for over 30 years, I have a deep appreciation of the fact that we face some of the nation’s most challenging air problems.”

Some environmentalists expressed concern over Nastri’s appointment based in part on his record from EPA. He was involved in the creation of two regional air quality plans that courts later overturned as inadequate to meet the requirements of the federal Clean Air Act.

Before Friday, Nastri was co-president of the environmental consulting firm E4 Strategic Solutions, which has represented companies with business before the AQMD board.

Adrian Martinez, staff attorney for the environmental law firm EarthJustice, is worried Nastri will bring a pro-business bias to AQMD, particularly as the agency works on a new air quality management plan to meet federal standard for smog and other air pollution.

“This executive officer is going to approve and shepherd through the process the most important smog plan in two decades,” Martinez said. “So whether it’s a short term appointment or not, we have a major air plan coming under this watch. We need someone who is going to put forward a big important bold plan that will bring clean air to Los Angeles residents.”

Joel Reynolds of the Natural Resources Defense Council called Nastri “very smart with a commitment to conservation and public participation in environmental decision making.”

Nastri has represented the conservation group Trout Unlimited, and Reynolds has worked with Nastri to stop plans for a massive gold and copper mine in Southeast Alaska.

“I know him pretty well and have worked with him over the past several years,” Reynolds said.

Still, Reynolds has not worked with Nastri on air quality issues, and he said Nastri’s “ties to regulated industries” is a concern.

“We will be watching him very closely to make sure he elevates the protection of air quality above all other considerations,” Reynolds said.

The Center for Responsive Politics lists Nastri among its roster of “[revolving door](#)” figures who have alternated service as government regulators with jobs in lobbying and industry.

In the years before he formed E4, Nastri and his E4 partner Howard Berman co-directed energy and environmental issues at mCapitol Management, a Washington, DC-based government relations and lobbying firm. A 2011 client of mCapital Management was Motorola Solutions.

As a lobbyist at Dutko International in 2009 and 2010, Nastri’s clients were the Compressed Gas Association, the law firm Manatt, Phelps & Phillips, Olin Corp. and Trout Unlimited. Among the big issues facing the AQMD is a potentially multi-million dollar lawsuit seeking to sanction Southern California Gas Company over the gigantic natural gas leak near Porter Ranch.

Nastri headed the EPA’s Pacific Southwest region from 2001-2009. During his tenure, he oversaw work on two air quality plans, for the Los Angeles region and for the San Joaquin Valley, that were both overturned by courts in 2012.

In 2004 Nastri took credit for new on- and off-road diesel rules, which he called “the toughest standards in the world for diesel engines.”

From 1990 to 1995, Nastri was vice president of the lobbying firm Jefferson Group, whose client list was not available.

## **Lawmakers Act to Shine Light On California Coastal Commission, Other Key State Boards**

Widespread complaints that state commissions operate in the dark and are cozy with businesses had California lawmakers on Wednesday wrestling with a flurry of bills aimed at shedding light on the panels to regain public trust.

More than a dozen pieces of legislation are pending that would change transparency procedures at the California Coastal Commission, the state Public Utilities Commission and the Board of Equalization.

“People naturally distrust government agencies and bureaucracies,” said Sen. [Jerry Hill](#) (D-San Mateo), author of six bills. “The Legislature has a responsibility to keep those agencies in check and responsible to the citizens. I think we are seeing the Legislature doing its job.”

An Assembly panel approved a measure on Wednesday that would prohibit private conversations between members of the Coastal Commission and those seeking to lobby them on an issue during the 24 -hour period before the matter will be discussed at a commission hearing.

The bill, which was authored by Assemblyman Mark Stone (D-Scotts Valley) and supported by 24 of his colleagues, would also require those who advocate for issues to a commission member to register as lobbyists and disclose who is paying them.

The measure was introduced after the commission removed former Executive Director Charles Lester during a recent closed-door session. Little public explanation was offered after more than 200 environmental activists and others testified against the ouster.

The bill was supported by Amy Trainer, deputy director of the California Coastal Protection Network, who said there is concern that coastal commissioners have been seen having drinks with lobbyists for businesses the night before a vote.

“I think it’s fair to say that the public trust in this agency is at an all-time low, and that’s unfortunate,” Trainer told the panel. “There is such a lack of transparency right now.”

Stone, a former coastal commissioner, said it appears lobbyists “have their hooks” in some commissioners.

“My intent is to open up and provide transparency in the conversations that are happening between the paid lobbyists and the commissioners themselves,” Stone told the Assembly Elections and Redistricting Committee before it voted, 6-1, to advance the bill.

Later Wednesday, a Senate panel advanced a bill authored by Hill that would prohibit any member of the state Board of Equalization from acting on a tax matter involving someone who has donated money to that member in the previous 12 months. The donations would also have to be disclosed.

The bill was introduced after the Los Angeles Times reported that companies were circumventing a \$250 limit on contributions by funneling them through political action committees or by having employees give dozens of checks for \$249 each to board members.

Sacramento: 1107 9th St., Suite 930 Sacramento, CA 95814 • Telephone (916) 447-9884 • Fax (916) 441-4211

Inland Empire: 32012 Masters Place, Llanos, CA 93544 (661) 944-9460

Email: [lhansen@strategicpartnersgroup.org](mailto:lhansen@strategicpartnersgroup.org); [fsheets@strategicpartnersgroup.org](mailto:fsheets@strategicpartnersgroup.org)

"All contributions should be subject to the disclosure and recusal requirement since the Board of Equalization is the only elected tax commission in the nation," Hill told the state Senate Governance and Finance Committee before it OK'd the bill.

The measure is opposed by Board of Equalization member Jerome Horton, according to his staff attorney, Joss Tillard-Gates.

"It is our belief that restricting even small contributions of \$1 to board members, although seemingly innocuous, is unnecessary and most notably a violation of the 1st Amendment right of freedom of expression without a legitimate public interest."

But Emily Rusch, executive director of California Public Interest Research Group, said a ban is justified. "We think it will improve public trust in the Board of Equalization," Rusch said.

Hill also won committee approval of a measure requiring the Public Utilities Commission to provide more disclosure of public records, which the senator said have often been shielded from release by a rule allowing utilities broad discretion in declaring documents confidential.

The current rules forced the city of San Bruno to sue to get public records on pipeline maintenance after a [Pacific Gas & Electric Co.](#) natural gas pipeline explosion killed eight people in that city in 2010.

"The PUC management's indifference to the public's interest has at times bordered on disdain," Hill told the Senate Energy, Utilities and Communications Committee before it approved the measure.

All of the proposed bills must still pass floor votes in both houses.

## **Granite Bay Water District Says It Will No Longer Follow State Water Conservation Mandate**

Pointing to improved conditions at Folsom Lake, a water district serving one of the region's wealthiest areas announced Friday that it would not follow conservation targets mandated by the state this year and would instead ask its customers to voluntarily cut water use by 10 percent.

The San Juan Water District provides water to about 32,000 retail customers near Folsom Lake, including the community of Granite Bay. Its customers consistently use more water per capita than the customers of any other water district in the region, though they also sharply reduced their use during the last nine months, state figures show.

The state has mandated that the district cut its water use by 33 percent through October. Other districts across the state also face mandated cuts. However, San Juan district officials said Friday that rapidly improving conditions at Folsom Lake and a healthy Sierra snowpack make such large cuts unnecessary.

The district's board of directors voted Wednesday to shift from a State 4 Water Crisis Conservation level back to a Stage 2 Water Alert Conservation level. A Stage 2 level translates to a voluntary water cuts of 10 percent and the removal of a drought surcharge.

"Our greatly improved water supply conditions make it very difficult to defend a continued 33 percent reduction in use," said Keith Durkin, San Juan's assistant general manager. "We are still encouraging customers to conserve and use water efficiently. Moving to a Stage 2 doesn't mean

we are going back to the way things were before the drought.”

San Juan officials said they expect the state to back off conservation mandates later this spring due to improving conditions.

“For the first time in years water is being released from Folsom, Shasta and Oroville reservoirs for flood control,” said Lisa Brown, San Juan’s customer service manager. “We think reducing from a mandatory Stage 4 to a voluntary Stage 2, which includes removing the drought surcharge, is an important step in recognizing that we are in a different water status now.”

George Kostyrko, a spokesman for the State Water Resources Control Board, said the board will consider changes to its conservation mandates in May, after the rainy season has ended. Before then, it will hold a public workshop seeking input on mandated conservation targets.

But nothing has been decided yet, Kostyrko said, and much of the state is still struggling with low reservoir levels and depleted groundwater aquifers. In recent months, the board has fined water districts not following conservation orders.

“The drought is not over,” he said. “While some parts of the state, primarily Northern California, have benefited from recent rains and snowpack, other parts of the state such as the San Joaquin Valley and Southern California continue to endure drought conditions.”

Brown said district officials have been in contact with the state board and discussed their concerns but did not seek its blessing before Wednesday’s action. District officials acknowledge that some areas may need to continue strict conservation mandates, but San Juan is not among them, she said. District officials expect San Juan customers will continue to conserve, but to a lesser degree.

“This is not a slap in the face of the Water Resources Control Board,” she said. “Even though we are moving kind of against their action, we still support what they are doing.”

Durkin said that board members “were not trying to be adversarial” and that they “directed staff to continue to work collaboratively with the State Water Resources Control Board to provide ideas on how to ‘unwind’ the emergency regulations.”

Tom Gray, general manager at the Fair Oaks Water District, said he agrees that the region’s water supply is in much better shape than it has been for years, and that it is unfair for the state to mandate steep cuts for his district this year. But he will recommend to his board that they not yet defy the state water board.

“I think it is prudent to give (the state water board) a chance to perform,” he said. “My recommendation will be to see what the state does.”

In July, San Juan Water District customers used more than 400 gallons of water per capita, more than 100 gallons per capita more than any other district in the region, state figures show. However, the district’s customers also managed to decrease water use by 34 percent from June 2015 to February 2016. The district’s customers tend to have larger-than-average lots, which increases the amount of water needed for irrigation.

The district is heavily reliant on Folsom Lake for its water. Folsom Lake levels are currently above their historic average for this time of year and officials have released tens of billions of gallons in recent weeks from the lake for flood control.

“We have been getting so many calls from our customers saying, ‘I can’t believe you are still calling for us to save when they are releasing water,’” Brown said. “It’s a very difficult message. They just don’t understand.”

## Tensions Rise Over The Storage Of Spent San Onofre Nuclear Fuel

Tempers flared at an Oceanside public meeting as speakers demanded that Southern California Edison remove tons of nuclear waste from a beachside bluff at the shuttered San Onofre Nuclear Generating Station – even though the utility essentially is blocked from doing so by federal regulations.

“This nuclear waste, at this site, is as vulnerable a target as you could possibly have for terrorists,” said Michael Aguirre, a San Diego consumer attorney who’s suing the state over the issue. “Edison should take responsibility for the nuclear waste that it produced from which it derived billions of dollars of income.”

Many audience members at Thursday’s meeting on the plant’s decommissioning echoed those sentiments, bemoaning the California Coastal Commission’s approval of a “concrete monolith” to house spent fuel in temporary, dry-cask storage at the site. The contained radioactive material is expected to remain in place until 2049.

Edison told the crowd of about 100 that the spent fuel is safe and well-protected on site. But company representatives also said Edison wants to see the waste removed from populous Southern California sooner than what’s planned.

Edison – and the nation’s other nuclear power plant operators – contracted with the U.S. Department of Energy in the early 1980s for the removal and permanent disposal of nuclear waste. The federal government agreed to start accepting waste from commercial reactors by 1998 at the latest, in exchange for about \$750 million a year in payments from ratepayers who used electricity from nuclear plants.

But after collecting more than \$41 billion in the Nuclear Waste Fund, no radioactive waste had been removed under the program. A judge ordered the Department of Energy to stop collecting the fee in 2014.

Edison “would need an authorized, licensed destination for spent fuel before it could be moved. At the moment there’s no such destination,” said Scott Burnell, spokesman for the U.S. Nuclear Regulatory Commission. “The Department of Energy does have a contractual obligation to take possession of the spent fuel, but without a destination, it’s a moot point for now.”

The Department of Energy has been sued by the utilities for breach of contract, and has paid out more than \$3.7 billion in damages as a result. Continued failure could cost federal taxpayers \$21.4 billion before the problem is solved, according to an analysis by the Government Accountability Office.

Political paralysis has characterized past federal efforts to find a permanent home for nuclear waste. But now the Department of Energy is launching a new effort to create temporary storage sites in regions eager for the business, currently in West Texas and New Mexico.

Several such sites could accept nuclear waste while the hunt for a permanent repository continues. Public meetings on the new plan begin next week in Chicago. One will be held in Sacramento on April 26.

David Victor, who chairs the San Onofre Community Engagement Panel, which held Thursday’s meeting, said critics of the current plan to store waste at the plant south of San Clemente should direct their demands at officials who can make a difference.

“It’s crucial to get support in Congress,” Victor said. “And in addition to talking to members of Congress, support from local agencies is crucial. The official resolutions from cities like San Clemente and Oceanside, asking the federal government to act, are very, very important.”

Sacramento: 1107 9th St., Suite 930 Sacramento, CA 95814 • Telephone (916) 447-9884 • Fax (916) 441-4211

Inland Empire: 32012 Masters Place, Llano, CA 93544 (661) 944-9460

Email: lhansen@strategicpartnersgroup.org; fsheets@strategicpartnersgroup.org

The Department of Energy can begin planning for new, temporary storage sites, he said. But Congress ultimately will have to take action to ensure the facilities are completed and can accept radioactive waste, because private companies are concerned about liability, he said.

Two bills in Congress address temporary storage: SB854 and HR3643. Interested individuals should make sure their representatives are focusing on the issue, Victor said.

The Community Engagement Panel wants to focus on results, he said, and not what he characterized as inflammatory rhetoric from Aguirre and others.

“Consolidated interim storage – that is a real option,” Victor said. “It is not a guarantee, and a lot could still go wrong with that option. But it is plausible and real.”

## **CALPERS Makes Big California Solar Investment**

CalPERS said Wednesday that it’s buying a significant stake in a solar energy company with operations near Palm Springs.

The California Public Employees’ Retirement System said it has agreed to buy up to 25 percent of Desert Sunlight Investment Holdings, which owns two big solar generation facilities near Palm Springs.

The price wasn’t disclosed. But previous deals suggest it was substantial: Last June, a 25 percent share of Desert Sunlight was sold to a New Jersey company called NRG Yield Inc. for \$285 million, according to Securities and Exchange Commission filings.

The two solar plants, opened in late 2014, sell their energy to California utilities via long-term contracts.

“Desert Sunlight presents a great opportunity for CalPERS, allowing us to invest both in California and in clean renewable energy,” said CalPERS Chief Operating Officer Ted Eliopoulos in a prepared statement. “Infrastructure has been one of our best performing programs and is an important part of the CalPERS portfolio.”

The pension fund has devoted \$2.3 billion to invest in various infrastructure projects.

CalPERS is buying the Desert Sunlight stake from Sumitomo Corp. of Americas, a subsidiary of the Japanese conglomerate.

## **State Analyst Questions New High Speed Rail Proposal**

California’s high-speed rail project has received fresh scrutiny on its latest proposed business plan. The Legislature’s non-partisan budget analyst released a new report Thursday that questions how the project will be funded.

The High-Speed Rail Authority announced last month that, instead of opening the first segment of the rail line in Southern California, it would start with a less-costly northern section from San Jose to Kern County.

The authority says it has the funds to get that portion of the system up and running, because the governor has pledged a quarter of all cap and trade proceeds to the project. The report notes that, contrary to the authority’s plan, lawmakers would need to approve those funds after 2020.

"About half of the funding identified in the draft business plan for the proposed IOS is from cap and trade auction revenues after 2020. While the administration indicates it plans to continue the cap and trade program beyond 2020, current law does not appear to authorize the program's continuation," the report states. "This means that without legislative action, the cap and trade funds HSRA plans to use to build the IOS would likely not be available."

The report also questions the new plan's southern terminus. Without federal assistance, the initial line would end just north of Shafter, California, a town with a population of 18,000 people.

In a statement, the High Speed Rail Authority points out another section of the Legislative Analyst's Office report finds starting the rail line in the North has "some merit."

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 8*

**DATE:** April 25, 2016

**RECOMMENDATION:** Approve a revised Agreement between the Mojave Desert Air Quality Management District (MDAQMD) and the Antelope Valley Air Quality Management District (AVAQMD) to deliver contracted services to the AVAQMD and authorize the Chairman to execute the Agreement.

**SUMMARY:** This item presents non-substantive revisions to the Agreement between the MDAQMD and the AVAQMD.

**CONFLICT OF INTEREST:** None.

**BACKGROUND:** At the October 26, 2015 meeting, the Governing Board approved a draft agreement between the MDAQMD and the AVAQMD for the MDAQMD to deliver contracted air pollution control and administrative services to the AVAQMD. After review the by AVAQMD, the draft Agreement was revised to include additional cross references and to improve clarity. The Agreement was approved by the AVAQMD Governing Board on December 15, 2015 and ratified by the MDAQMD Governing Board on February 22, 2016. The AVAQMD has engaged third party legal services and upon review of the Agreement requested revisions to further clarify certain sections. Staff, Special Counsel to the AVAQMD, and Special Counsel to the MDAQMD consider the sections revised to be non-substantial.

The attachments to this item include a table describing changes to content, a redline document that compares the revisions and the Agreement approved by the AVAQMD on December 15, 2015 and ratified by the MDAQMD on February 22, 2016; and “clean” copy of the Agreement with the noted revisions

**REASON FOR RECOMMENDATION:** Governing Board approval is required to enter into Agreements.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 8*

**PAGE 2**

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about April 11, 2016.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Jean Bracy, Deputy Director / Administration

Agreement Between the  
Antelope Valley Air Quality Management District  
and the Mojave Desert Air Quality Management District  
April 2016

Paragraph Reference and Description/Impact	Recommendations in Redline	Revised Version
<p><u>Paragraph 4 - Compensation.</u> The revision restates the description of the payment for services and allows for the occasions when MDAQMD employees may provide time proportionately to one or the other District.</p>	<p>B. <del>AVAQMD shall pay the pro rata portion of base salary and associated employment benefits for all time spent by Program Staff, (as defined in Section 11; to support the scope of services) on AVAQMD matters as described in the Annual Budget will be contracted at cost for each position including the base salary of the position, and associated employment benefits.</del></p>	<p>B. AVAQMD shall pay the pro rata portion of base salary and associated employment benefits for all time spent by Program Staff (as defined in Section 11) on AVAQMD matters as described in the Annual Budget.</p>
<p><u>Paragraph 11 – Program Staff.</u> This section was revised to further clarify the employment status of staff assigned, or “Dedicated,” to work the AVAQMD contract. If the AVAQMD chooses to engage a different contractor for the services now being provided by the MDAQMD, the AVAQMD agrees to request the new contractor offer comparable positions to the employees under the new third party contract.</p>	<p>Following the expiration or termination, if services will be performed by a third party contractor, then AVAQMD may request 1) that the third party contractor offer position(s) to the Dedicated Employees; and 2) <del>that the third party contractor give priority offers of employment of same or similar positions to the Dedicated Employees. and the Dedicated Employees will have a right of first refusal to any offers of employment extended by that third party contractor for the same or similar positions.</del></p>	<p>Following the expiration or termination, if services will be performed by a third party contractor, then AVAQMD may request 1) that the third party contractor offer position(s) to the Dedicated Employees; and 2) that the third party contractor give priority offers of employment of same or similar positions to the Dedicated Employees.</p>
<p><u>Paragraph 12 – Legislated Positions.</u> The revision corrects the references to the statutes that require the AVAQMD to appoint an Air Pollution Control Officer (APCO) and legal counsel.</p>	<p>The Governing Board of the AVAQMD shall appoint an Air Pollution Control Officer (APCO) <del>and District Counsel</del> pursuant to H&amp;S §41350(b); <del>and legal counsel pursuant to H&amp;S §41357.</del></p>	<p>The Governing Board of the AVAQMD shall appoint an Air Pollution Control Officer (APCO) pursuant to H&amp;S §41350(b); and legal counsel pursuant to H&amp;S §41357.</p>

Agreement Between the  
 Antelope Valley Air Quality Management District  
 and the Mojave Desert Air Quality Management District  
 April 2016

<p><u>Paragraph 15</u> – Contract Performance. The revision adds a new requirement. The MDAQMD will annually submit a contract performance report to the AVAQMD Governing Board in detail according to the specific services provided and described in Exhibit 1 of the Agreement.</p>	<p><del>A</del><b>An Annual</b> report of contract performance will be delivered to the Governing Boards of the AVAQMD and MDAQMD <b>in or about June of each year</b> (or upon request of either of the respective Governing Boards) regarding the contracted services including, but not limited to, <b>each of the</b> activities and services performed as specified in Exhibit 1.</p>	<p>An Annual report of contract performance will be delivered to the Governing Boards of the AVAQMD and MDAQMD in or about June of each year (or upon request of either of the respective Governing Boards) regarding the contracted services including, but not limited to, each of the activities and services performed as specified in Exhibit 1.</p>
<p><u>Exhibit I – Scope of Materials and Services.</u>      The revisions clarify the specific air monitoring services.</p> <p>The revisions also add the requirements of compliance to the Brown Act and Public Records act when certain legal services are provided. The AVAQMD has contracted a third party to provide legal services, this not a service currently provided by the MDAQMD</p>	<p><b>Air Monitoring Program:</b> all activities including, but not limited to, <del>related to</del>(i) measuring and monitoring air quality, <del>and</del> (ii) <u>providing maintaining</u> equipment and <u>providing</u> technical maintenance;</p> <p><b>Executive Services:</b> all activities including, but not limited to services of the Air Pollution Control Officer, Legal Counsel <u>(including, but not limited to, compliance with the Brown Act and Public Records Act)</u>, direction and oversight of all operations of the AVAQMD, support for boards, commissions, and committees, including the Governing Board and the Hearing Board, <del>including, but not limited to, Compliance with the Brown Act and Public Records Act.</del></p>	<p><b>Air Monitoring Program:</b> all activities including, but not limited to, (i) measuring and monitoring air quality, and (ii) maintaining equipment and providing technical maintenance;</p> <p><b>Executive Services:</b> all activities including, but not limited to services of the Air Pollution Control Officer, Legal Counsel (including, but not limited to, compliance with the Brown Act and Public Records Act), direction and oversight of all operations of the AVAQMD, support for boards, commissions, and committees, including the Governing Board and the Hearing Board.</p>





1 year (“Annual Budget”). The Annual Budget for the fiscal year commencing on July 1, 2016, is  
2 attached hereto as Exhibit “B”. The Annual Budget will be subject to amendment in accordance with  
3 changes in the actual costs of goods and services provided by MDAQMD as described in Section 5(c).  
4 Exhibit 1 may be amended in whole or in part to reflect any changes or adjustments as directed by the  
5 actions of the Governing Boards of the AVAQMD and/or the MDAQMD. For purposes of  
6 interpretation of the scope and nature of the Services, the governing order of document precedence  
7 shall be first Exhibit 1 and second the current fiscal year budget for the AVAQMD, as amended.

8 **4. 4. — COMPENSATION**

9 The MDAQMD shall perform its obligations under this agreement in accordance with the  
10 approved Annual Budget, as amended, each fiscal year during the term of this agreement or until  
11 the termination or expiration of this agreement. Compensation is based on the cost matrix as  
12 described below:

- 13
- 14 A. MDAQMD may purchase materials and supplies which will be reimbursed by the  
15 AVQMD at the actual cost of the material or supplies;
- 16 B. AVAQMD shall pay the pro rata portion of base salary and associated employment  
17 benefits for all time spent by Program Staff, (as defined in Section 11, to support the scope  
18 of services) on AVAQMD matters as described in the Annual Budget ~~will be contracted at~~  
19 ~~cost for each position including the base salary of the position, and associated employment~~  
20 ~~benefits.~~
- 21 C. The MDAQMD agrees to provide the following products and services in the scope of  
22 this agreement to the level used by the MDAQMD in the scope of its regular business  
23 practices: ~~—~~Questys (electronic file and content management system), AccuFund  
24 (accounting system), CAPS (Compliance and Permit System), AirVision (air monitoring  
25 data collection and reporting system). Where the AVAQMD has purchased and/or owns  
26 user licenses or enhancements, or chooses to enhance any of these services beyond the  
27 level used by MDAQMD, the AVAQMD agrees to cover the cost for the enhancements  
28 and related maintenance.

1 D. Except as provided in Paragraph C above, the MDAQMD may make available certain  
2 services or products for which they are the sole owner, or certain services or purchases from  
3 which both Districts derive relevant benefits. The MDAQMD may assess a  
4 proportionate share of the purchase cost and/or service costs to the AVAQMD not to  
5 exceed a proportionate amount based on the ratio of operating permits between both  
6 Districts at the end of current fiscal year.

7 E. If additional services are required or requested over and above the services described in  
8 Exhibit 1 or which exceed the Annual Budget, as amended, then such services and  
9 associated costs shall be provided when directed and approved by the AVAQMD  
10 Governing Board.

11 F. AVAQMD will further pay a charge to cover administrative overhead and compensate  
12 MDAQMD for the indirect costs of delivering the services described herein. Said charge  
13 will be calculated as 14% of the total billed each month for services and will be added  
14 to the invoice.  
15

16 **5. ~~5.~~ PAYMENT OF COSTS**

17 On a monthly basis or as necessary, the MDAQMD shall deliver to the AVAQMD an invoice  
18 for materials and services provided. The invoice shall include a description of the materials and  
19 services provided.

20 A. Payment for the costs of services and materials provided by the MDAQMD to the  
21 AVAQMD pursuant to this agreement shall be made at the direction of the AVAQMD  
22 Governing Board.

23 B. Professional services of MDAQMD staff will be billed monthly at 1/12 of the  
24 contracted amount approved in the annual AVAQMD Budget as set forth in the  
25 line item, "Program Staff."

26 C. Not less than quarterly, the MDAQMD will reconcile the actual costs to deliver the  
27 Services against the estimates approved in the Annual Budget. If the actual cost to  
28 deliver the Services exceeds the estimate in the Annual Budget, then MDAQMD

1 will be entitled to invoice AVAQMD for such excess cost. If the actual cost to  
2 deliver the Services is less than the estimate in the Annual Budget, then MDAQMD  
3 will credit AVAQMD for such cost ~~savings~~saving. If an increase or decrease in actual  
4 cost is expected to continue for the remainder of the fiscal year, then the Annual  
5 Budget and the monthly billing will be modified accordingly, provided, however, that  
6 with respect to increases in the Annual Budget, MDAQMD will cooperate with  
7 AVAQMD to find ways to mitigate such increases.

8  
9 D. The AVAQMD shall pay the amount indicated on the invoice within forty-five (45)  
10 days of the date of the invoice. If the AVAQMD does not pay the amount indicated  
11 on the invoice within forty-five (45) days, interest may accrue on the unpaid amount at  
12 the legal rate of interest per annum or such rate as allowed by any subsequent  
13 amendment to California law.

14 In the event the AVAQMD disputes an amount indicated on an invoice, such dispute shall  
15 be resolved in accordance with the conflict resolution procedures as set forth in Section 8 below. In  
16 the event of such a dispute, interest will accrue on only that part of the disputed amount which is  
17 determined to be due and owing to the MDAQMD as provided in Section 4 above.

18 In the event of a breach or termination of this agreement, the MDAQMD is entitled to payment  
19 for Services actually performed and materials actually provided as of the date of the breach or  
20 termination. In such event the MDAQMD shall provide a final invoice as set forth above  
21 detailing the materials and services provided and hours expended for the period between the last  
22 date indicated on the previous invoice to the date of the breach or termination. The final invoice  
23 will include the cost of MDAQMD to transition all Dedicated Staff, as defined in Section 11, and for  
24 AVAQMD to assume all Personnel Costs as set forth in Section 11.

25 **6. ~~6.~~ INDEMNITY AND LIABILITY**

26 AVAQMD and MDAQMD shall, to the extent authorized by law, indemnify and hold  
27 harmless each other, their agents and employees against all liabilities arising out of or connected  
28 with the performance of this agreement.

1 In the event litigation is threatened or commenced by a third party regarding negligent acts  
2 or omissions of the AVAQMD, its officers, ~~employees,~~ volunteers and authorized agents while  
3 performing services for the AVAQMD to which the MDAQMD becomes a party, the AVAQMD shall  
4 retain and bear all litigation costs of the AVAQMD and MDAQMD engendered by such litigation.

5 In the event litigation is threatened or commenced by a third party regarding negligent acts  
6 or omissions of the MDAQMD, its officers, employees, volunteers and authorized agents while  
7 performing services for the MDAQMD to which the AVAQMD becomes a party, the MDAQMD shall  
8 retain and bear all litigation costs of the AVAQMD and MDAQMD engendered by such litigation.

9 For the purposes of this section, negligent acts and omissions include, but not limited to,  
10 the following: the adoption and implementation of rules, regulations, plans and policies; the  
11 issuance of permits; the issuance and management of grants and grant programs; the performance of  
12 duties under the California Environmental Quality Act Pub. Res. Code 21000 et seq.); and the  
13 enforcement of rules, regulations, and orders of either the AVAQMD or MDAQMD.  
14 Notwithstanding the foregoing, MDAQMD staff will not be considered to be acting negligently if  
15 they properly carry out the rules, regulations, plans and policies adopted by AVAQMD.  
16 AVAQMD remains solely responsible for such rules, regulations, permit issuance, grant activities,  
17 plans and policies, as well as defending any third party claim which challenges the enforceability  
18 and/or legality of same.

19  
20 **7. ~~7.~~ INSURANCE**

21 Within thirty (30) days from the execution of this agreement and for the term of this  
22 agreement: ~~the~~ MDAQMD will include the AVAQMD as an additional named insured on the  
23 MDAQMD policies for general liability insurance, worker's compensation insurance, and  
24 employment practices insurance; and ~~the~~ AVAQMD will include the MDAQMD as an additional  
25 named insured on such policies.

26 ~~It~~ is mutually understood that while the AVAQMD and the MDAQMD continue to  
27 purchase insurance protection from the same risk pool additional insurance is not required.  
28

1           —The AVAQMD shall obtain and maintain general liability insurance, property  
2 insurance, vehicle comprehensive and collision insurance, errors and omissions insurance, and other  
3 insurance as approved by the AVAQMD Governing Board at the expense of the AVAQMD.

4           —In the event the AVAQMD directly obtains the services of officers and employees outside  
5 the scope of this agreement the AVAQMD shall obtain and maintain worker's compensation and  
6 employment practices insurance at the expense of the AVAQMD. Such additional insurance shall be  
7 obtained within thirty (30) days from the employment of officers or employees outside the scope of  
8 this agreement The AVAQMD will, as necessary, include the MDAQMD as an additional named  
9 insured on such policies.

#### 10 **8. 8. CONFLICT RESOLUTION**

11           Conflicts regarding the terms, provisions, nature, scope, delivery, provision of specific services  
12 or materials, or arising as a result of the implementation of this agreement shall be resolved in the  
13 following manner:

- 14           A. The chair of the Governing Board of the AVAQMD or MDAQMD shall contact  
15           the other chair, inform him or her of the nature and scope of the conflict and  
16           attempt to resolve the conflict
- 17           B. If the chairs of the AVAQMD and MDAQMD cannot resolve the conflict by  
18           discussion, each chair shall place an item on the agendas of the next regularly  
19           scheduled meetings for their respective Governing Boards regarding the conflict and  
20           appointment of Governing Board members to a Conflict Resolution Committee.
- 21           C. The AVAQMD and MDAQMD board shall each appoint two (2) members to the  
22           Conflict Resolution Committee.
- 23           D. The Conflict Resolution committee shall schedule a meeting to occur within fifteen  
24           (15) days of the later of the AVAQMD or MDAQMD Governing Board meeting at  
25           which members were appointed to the Conflict Resolution Committee. The Conflict  
26           Resolution Committee shall have fifteen (15) days from the date of the first meeting of  
27           the committee to attempt to resolve the conflict  
28

1 E. If the Conflict Resolution Committee fails to resolve the conflict within the time stated  
2 above, the matter shall be submitted to non-binding arbitration by either party. Each  
3 party agrees to bear one-half (1/2) the cost of obtaining such non-binding arbitration.  
4 An impartial arbitrator shall be selected by alternately striking from a list provided by  
5 the California State Mediation and Conciliation Service who shall hear the matter and  
6 render a decision.

7 F. If either of the Governing Boards elects not to accept the decision of the arbitrator at  
8 its next regularly scheduled meeting or the arbitrator fails to resolve the matter, either  
9 the AVAQMD or the MDAQMD may terminate this agreement in accordance with the  
10 terms set forth herein.

11 G. Each party reserves its rights and remedies to enforce the terms of this agreement at  
12 law or equity.

13  
14 ~~9.~~ ~~9.~~ **DUE DILIGENCE**

15 Upon commencement of the term of this agreement the MDAQMD agrees to perform with  
16 due diligence the services specified herein.

17 ~~10.~~ ~~10.~~ **EQUIPMENT**

18 Equipment owned by the AVAQMD at the expiration or termination of this agreement  
19 shall remain the property of the AVAQMD.

20 Equipment owned by the MDAQMD prior to the expiration or termination of this agreement  
21 but used in the performance of services under this agreement shall remain the property of the  
22 MDAQMD.

23 Equipment purchased and billed to the AVAQMD pursuant to the terms of this agreement shall  
24 be the property of the AVAQMD.

25 MDAQMD agrees that upon expiration or termination of this agreement, any property of  
26 the AVAQMD which is in the possession of the MDAQMD shall be returned to the AVAQMD at a  
27 location designated by the AVAQMD within fifteen (15) days of the expiration or termination of this  
28 agreement.

1 **11. ~~11.~~ PROGRAM STAFF**

2 MDAQMD will provide professional officers and employees of the MDAQMD to perform  
3 the Services for AVAQMD pursuant to the terms of this agreement. It is intended that MDAQMD  
4 will use both (a) existing MDAQMD staff; and (b) staff which has been hired by MDAQMD solely to  
5 perform the Services (“Dedicated Staff”). All officers and employees of the MDAQMD, including the  
6 Dedicated Staff, shall remain the officers and employees of the MDAQMD. Notwithstanding the  
7 provisions of paragraph 4 above, the MDAQMD shall remain solely responsible for the payment  
8 of all salaries and benefits, including but not limited to salary, health and dental benefits, union  
9 benefits if any, employment related taxes and pension contributions (collectively, “Personnel  
10 Costs”), for its officers and employees when such officers and employees are performing the  
11 Services.

12 ~~\_\_\_\_\_~~ The duties which the officers and employees of the MDAQMD may be required to perform for  
13 the AVAQMD pursuant to this agreement shall conform to the job descriptions of such officers and  
14 employees in their duties with the MDAQMD. For the purposes of this agreement “job description”  
15 shall be the current and most recent job description or as subsequently amended by the MDAQMD  
16 for the MDAQMD’s officers and employees.

17 Upon expiration or termination of this agreement with the MDAQMD, it is intended that  
18 the Dedicated Staff and its office location will be transitioned to AVAQMD ~~and that AVAQMD.~~ In  
19 the event the AVAQMD ~~may offers~~ employment to such Dedicated Staff in the same or a similar  
20 capacity and subject to the personnel policies and procedures of the AVAQMD and other  
21 requirements as determined by the AVAQMD Governing Board, if any~~;~~ AVAQMD will assume all  
22 Personnel Costs of the Dedicated Staff transferred to the AVAQMD employment on the transition  
23 date. MDAQMD and AVAQMD will cooperate to transition any existing pension benefits to the  
24 extent permitted by applicable law. Following the expiration or termination, ~~if services will be~~  
25 ~~performed by a third party contractor, then AVAQMD may request~~ 1) that the third party contractor  
26 offer position(s) to the Dedicated Employees; and 2) that the third party contractor give priority offers  
27 of employment of same or similar positions to the Dedicated Employees. ~~and the Dedicated Employees~~  
28

1 ~~will have a right of first refusal to any offers of employment extended by that third party contractor for the~~  
2 ~~same or similar positions.~~ Notwithstanding the use of a third party contractor, AVAQMD will  
3 remain financially responsible for the assumption of all Personnel Costs for transferred staff as of the  
4 transition date.

5 In the event that AVAQMD or any third party contractor employed by AVAQMD fails to  
6 transition the Dedicated Staff, then MDAQMD will continue to treat the Dedicated Staff in  
7 accordance with MDAQMD's normal existing policies and procedures and Dedicated Staff will have  
8 the same rights and seniority in the same manner and to the same extent as MDAQMD staff who have  
9 not been dedicated to provide services to AVAQMD. Notwithstanding the foregoing, MDAQMD  
10 reserves the right to terminate Dedicated Staff if no position(s) are available and AVAQMD will  
11 be responsible for all reasonable costs and expenses incurred by MDAQMD in connection with such  
12 termination.

13  
14 **12. ~~12.~~ LEGISLATED POSITIONS**

15 The Governing Board of the AVAQMD shall appoint an Air Pollution Control Officer  
16 (APCO) ~~and District Counsel~~ pursuant to H&S §41350(b); [and legal counsel pursuant to H&S §41357.](#)

17 **13. OPERATIONAL OVERSIGHT**

18 MDAQMD will provide the services of its Deputy Director to act in the capacity of the  
19 Executive Director of AVAQMD. It is acknowledged and understood that the position of  
20 Executive Director is unique and that the person serving in this position must have the full confidence  
21 of the Governing Board of the AVAQMD. Accordingly, the Governing Board of the AVAQMD  
22 with a 75% majority will have the right, at any time, to request the removal of the Deputy Director or  
23 any replacement thereof from the position of Executive Director. The replacement for the position of  
24 Executive Director will be subject to the review and approval of AVAQMD and AVAQMD will  
25 be responsible for all costs incurred by MDAQMD to locate and hire any replacement. The initial  
26 Executive Director of AVAQMD will be Bret Banks. Any removal of Bret Banks from this position  
27 will not alter the terms of his employment as a Deputy Director of MDAQMD.  
28

1 The Governing Board of the AVAQMD reserves the right to contract separately for  
2 operational oversight of the AVAQMD office. The MDAQMD will provide reasonable access to  
3 its records and personnel for such oversight. Such third party hired for oversight may direct day to  
4 day operations under the contract as well as oversee actions of staff to provide services under the  
5 contract as well as oversee actions of staff to provide services under the contract, however they shall  
6 not have the right to change the scope or nature of Services under the agreement nor exercise any  
7 personnel related authority under the existing MDAQMD policies and procedures including but not  
8 limited to performance reviews and discipline, of MDAQMD personnel. Nothing in this provision  
9 shall prevent either the AVAQMD Governing Board or any person contracted to provide operational  
10 oversight from providing input, advice and consultation regarding such issues.

11 **14. FEES, FINES, SUBVENTIONS, GRANTS AND OTHER REVENUE**

12 All fees, fines, subventions, grants and other revenue owed to the AVAQMD pursuant  
13 to Federal, State or AVAQMD law, rule, regulation, permit or order of a State or Federal Court  
14 of competent jurisdiction shall be received by the AVAQMD. In the event that any such fee, fine,  
15 subventions, grants and other revenue owed to the AVAQMD is received by the MDAQMD shall  
16 be transferred to the AVAQMD immediately upon receipt and shall not affect payments made under  
17 this agreement

18 **15. CONTRACT PERFORMANCE**

19 An Annual report of contract performance will be delivered to the Governing Boards  
20 of the AVAQMD and MDAQMD in or about June of each year (or upon request of either of the  
21 respective Governing Boards) regarding the contracted services including, but not limited to, each of  
22 the activities and services performed as specified in Exhibit 1.

23 The MDAQMD agrees to make and maintain all records that are required by Federal,  
24 or State law or AVAQMD rule, regulation, permit or order or by an order of a State or Federal  
25 Court of competent jurisdiction and to transfer such records to the AVAQMD upon expiration or  
26 termination of this agreement.  
27  
28

1 A Governing Board member of the respective Governing Boards of the AVAQMD and  
2 MDAQMD may attend any Governing Board meetings of the other agency and any public meetings of  
3 the other agency which directly relate to the materials and services provided pursuant to this agreement.

4 **16. ~~16.~~—COPYRIGHT MATERIALS**

5 The AVAQMD reserves the right to any copyrightable materials developed pursuant to  
6 this agreement. Upon acceptance of the copyrightable materials the AVAQMD shall have the right,  
7 title, and interest including trade secret and copyright interest in the copyrightable materials. ~~The~~  
8 During the term of this Agreement, the MDAQMD shall ~~retain~~have a non-exclusive right to use, copy  
9 and otherwise benefit from such materials.

10 **17. ~~17.~~—FISCAL AUDIT**

11 ———The AVAQMD shall designate an auditor and a fiscal audit shall be conducted  
12 annually by a qualified accountancy firm. The results of the audit shall be presented to the  
13 Governing Board on completion.

14 In the event the contract expires or terminates, an audit shall be provided to the Governing  
15 Board of the AVAQMD within ninety (90) days of the expiration or termination of the agreement.

16 ———The MDAQMD agrees that the AVAQMD or its duly authorized representative shall  
17 have access and the right to examine, audit, excerpt, transcribe and copy the MDAQMD's financial  
18 records, documents, papers, and records which are related or pertinent to this agreement. Such  
19 materials shall be retained for a period of at least two (2) years or such other longer period as  
20 required by State or Federal law, rule or regulation or by MDAQMD policy or procedure.

21 The AVAQMD agrees that the MDAQMD or its duly authorized representative shall have  
22 access and the right to examine, audit, excerpt, transcribe and copy the AVAQMD's financial records,  
23 documents, papers, and records which are related or pertinent to this agreement. Such materials shall  
24 be retained for a period of at least two (2) years or such other longer period as required by State or  
25 Federal law, rule or regulation or by AVAQMD policy or procedure.

26 **18. ~~18.~~—PRIVILEGES AND IMMUNITIES**

1           —Pursuant to the provisions of Government Code 6513 and any other applicable law,  
2 all of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all  
3 pension, relief, disability, workmen’s compensation and other benefits which apply to the activity of  
4 officers, agents or employees of the MDAQMD shall apply to the same degree and extent while  
5 such officers, agents or employees of MDAQMD are engaged in the performance of any of their  
6 functions and duties within the jurisdiction of the AVAQMD or MDAQMD.

7 **19. 19.—SUCCESSORS**

8           —Neither party will assign or transfer any rights or obligations under this agreement  
9 without the written consent of the other.

10           —Each party and their successors, legal representatives, and to the extent permitted  
11 herein, their assigns, are hereby bound to the other party and to the successors, legal representatives,  
12 and the assigns of the other party in respect to all covenants, agreements and obligations of this  
13 agreement

14 **20. 20.—AMENDMENT**

15           —This agreement and its Exhibits, as amended from time to time in accordance with the  
16 terms of this agreement, constitute the entire agreement between the parties and will supersede all  
17 prior written or oral understandings. \_This agreement and its Exhibits, as amended, may only be  
18 amended, supplemented, and modified by an executed written instrument as approved by the  
19 Governing Boards of the AVAQMD and MDAQMD. Notwithstanding the foregoing, the Governing  
20 Boards may specify a threshold for modifications to the Services and the Annual Budget which are  
21 within the discretion of the General Managers of each entity.

22           —For purposes of this agreement, the annual adoption of the Annual Budget for each  
23 successive fiscal year until the expiration or termination of this agreement as provided for in  
24 Paragraph 3 shall be deemed an amendment to Exhibit B of this agreement upon mutual approval of  
25 the Annual Budget and its adoption by the Governing Board of the AVAQMD.

26 **21. 21.—TERMINATION**

1           \_\_\_\_\_The Governing Boards of the AVAQMD or MDAQMD may terminate this agreement  
2 at any time by giving written notice to the other party 180 days in advance of the proposed  
3 termination, but not less than ninety (90) days before the effective date of the proposed termination.

4           \_\_\_\_\_In the event this agreement is terminated, all finished and unfinished documents and  
5 other materials produced by the MDAQMD pursuant to the terms of this agreement shall be  
6 provided to the AVAQMD. If the agreement is terminated by either party, the MDAQMD shall be  
7 paid all amounts due and unpaid, whether or not such amounts had been billed to the AVAQMD,  
8 as of the date of the termination subject to the resolution of any disputed amounts pursuant to the  
9 conflict resolution procedure set forth in Section 8 above.

10           \_\_\_\_\_In the event this agreement is terminated, MDAQMD Dedicated Staff will be  
11 transitioned in accordance with the terms of Section 11.

12  
13 **22. ~~22.~~ EFFECTIVE DATE**

14 \_\_\_\_\_This contract shall be effective January 1, 2016 for the term specified in Section 2 above.

15       23. \_\_\_\_\_

16 **23. VENUE**

17           \_\_\_\_\_The venue for any claims or actions brought related to or regarding this agreement shall  
18 lie in the County of Riverside, California.

19           This agreement is executed in the city of Victorville, San Bernardino County, and in the city  
20 of Lancaster, Los Angeles County, California.

21 ¶

22 ~~ANTELOPE VALLEY~~ \_\_\_\_\_ ~~MOJAVE DESERT~~  
23 ~~AIR QUALITY MANAGEMENT DISTRICT~~ \_\_\_\_\_ ~~AIR QUALITY MANAGEMENT DISTRICT~~

24 \_\_\_\_\_  
25 ~~Marvin Crist, Chair~~ \_\_\_\_\_ ~~Robert Lovingood, Chair~~

26 ~~Dated:~~ \_\_\_\_\_ ~~Dated:~~ \_\_\_\_\_

27  
28 ~~Approved as to Legal Form~~

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
28

ALLISON BURNS, Special Counsel to the  
to the Governing Board

PIERO C. DALLARDA, Special Counsel  
to the Governing Board

Dated:

ANTELOPE VALLEY  
AIR QUALITY MANAGEMENT DISTRICT

MOJAVE DESERT  
AIR QUALITY MANAGEMENT DISTRICT

Marvin Crist, Chair

Robert Lovingood, Chair

Dated:

Dated:

Approved as to Legal Form

ALLISON BURNS, Special Counsel to  
the Governing Board

PIERO C. DALLARDA, Special Counsel to  
the Governing Board

Dated:

Dated:

END OF CONTRACT

1 **EXHIBIT 1**

2 **SCOPE OF MATERIALS AND SERVICES**

3 The MDAQMD agrees to provide services to the AVAQMD as specified in the  
4 Agreement, namely: ~~provide~~ administration and operations, adequate to meet the regulatory and  
5 legislated responsibilities of an air quality management district within the AVAQMD jurisdiction  
6 specified in Division 26 of the California Health & Safety Code (commencing with §39000). The  
7 scope of services that the MDAQMD may provide as directed by the fiscal year budget ~~year~~ are  
8 described below.

9 In the event the AVAQMD Governing Board redirects or appoints a third party to perform  
10 any of the services or functions listed herein to another party, contractor, consultant, or vendor, the  
11 MDAQMD will be relieved from any and all liabilities arising out of or connected with the  
12 performance of such services by any or all third parties from the effective date of such  
13 assignment. The AVAQMD shall indemnify and hold harmless the MDAQMD, its agents, and  
14 employees, against all liabilities arising out of or connected with the transfer of such assignment.

15 ~~—————~~ **Air Monitoring Program:** all activities including, but not limited to, ~~related~~  
16 ~~to~~ (i) measuring and monitoring air quality; ~~and (ii) providing maintaining~~ equipment and ~~providing~~  
17 technical maintenance;

18 ~~—————~~ **Compliance Program:** all activities including, but not limited to, inspection  
19 services, programs for variance support, asbestos, complaint response, emissions violations, source  
20 test, EPA Report preparation, and delinquent billing.

21 ~~—————~~ **Planning and Rule Development:** ~~—~~ all activities including, but not limited to,  
22 development of new or amendment of existing rules to facilitate regulatory compliance.

23 ~~—————~~ **Grants Management:** all activities including, but not limited to, making application  
24 for available funds, soliciting projects that meet the objectives of each grant program, developing  
25 and administering contracts to ensure the grant program objectives are met; disbursing funds and  
26 performing reviews on contract performance.  
27  
28

1            ~~\_\_\_\_\_~~ **Community Relations and Education:** –all activities including, but not  
2 limited to, public outreach and education.

3            ~~\_\_\_\_\_~~ **Administrative Services:** all activities including, but not limited to, operations  
4 for a staffed office located in the AVAQMD jurisdiction with regular business operating hours,  
5 revenue collection and expenditure tracking, budget preparation and administration, development,  
6 implementation and maintenance of an automated system for tracking permits and permit activities,  
7 procurement and maintenance of facilities, operations, and fixed assets as set forth in the annual  
8 budget, and miscellaneous expenses as identified in the annual budget. Financial and accounting  
9 services including, but not limited to, appropriate accounting procedures to maintain bank accounts,  
10 receive and expend funds and report accordingly, computer information systems.

11            ~~\_\_\_\_\_~~ **Executive Services:** all activities including, but not limited to services of  
12 the Air Pollution Control Officer, Legal Counsel (including, but not limited to, compliance with the  
13 Brown Act and Public Records Act), direction and oversight of all operations of the AVAQMD,  
14 support for boards, commissions, and committees, including the Governing Board and the Hearing  
15 Board. ~~including, but not limited to, Compliance with the Brown Act and Public Records Act.~~



1 In consideration of the mutual covenants and conditions the AVAQMD and the MDAQMD  
2 agree as follows:

3 **TERMS AND CONDITIONS**

4 **1. PURPOSE**

5 The purpose of this agreement is for the AVAQMD to contract from the MDAQMD certain  
6 administrative and operations services as AVAQMD and MDAQMD have determined are necessary  
7 to enable AVAQMD to meet the regulatory and legislated responsibilities of an air quality  
8 management district for compensation consistent with all applicable laws and regulations. This  
9 agreement is entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 of the  
10 California Government Code (commencing with §6500).

11 **2. TERM OF AGREEMENT**

12 The term of this agreement shall be for a period of five (5) years commencing on January 1,  
13 2016 and ending on June 30, 2021, with an option to continue for two (2) more years under the same  
14 terms and conditions, unless earlier terminated, extended, or modified as provided herein. Although  
15 the agreement will become effective as of January 1, 2016, and the parties will commence planning  
16 for the 2016-2017 fiscal year, it is intended that the provision of Services pursuant to this agreement  
17 will commence on July 1, 2016. All Services that are provided between January 1, 2016 and June 30,  
18 2016, will be subject to the existing agreement between MDAQMD and AVAQMD for administrative  
19 services.

20 **3. SCOPE OF SERVICES**

21 The MDAQMD agrees to provide the administration, operations, and services as specified in  
22 "Scope of Materials and Services" (Exhibit "A"), attached and incorporated by this reference  
23 (collectively, the "Services"). MDAQMD and AVAQMD will mutually agree upon an annual budget  
24 for the Services based on a best estimate of the costs to provide such Services and historical data,  
25 which budget will be adopted by AVAQMD prior to the commencement of each fiscal year ("Annual  
26 Budget"). The Annual Budget for the fiscal year commencing on July 1, 2016, is attached hereto as  
27 Exhibit "B". The Annual Budget will be subject to amendment in accordance with changes in the  
28

1 actual costs of goods and services provided by MDAQMD as described in Section 5(c). Exhibit 1  
2 may be amended in whole or in part to reflect any changes or adjustments as directed by the actions of  
3 the Governing Boards of the AVAQMD and/or the MDAQMD. For purposes of interpretation of the  
4 scope and nature of the Services, the governing order of document precedence shall be first Exhibit 1  
5 and second the current fiscal year budget for the AVAQMD, as amended.

6 **4. COMPENSATION**

7 The MDAQMD shall perform its obligations under this agreement in accordance with the  
8 approved Annual Budget, as amended, each fiscal year during the term of this agreement or until  
9 the termination or expiration of this agreement. Compensation is based on the cost matrix as  
10 described below:

- 11 A. MDAQMD may purchase materials and supplies which will be reimbursed by the  
12 AVQMD at the actual cost of the material or supplies;
- 13 B. AVAQMD shall pay the pro rata portion of base salary and associated employment  
14 benefits for all time spent by Program Staff (as defined in Section 11) on AVAQMD  
15 matters as described in the Annual Budget.
- 16 C. The MDAQMD agrees to provide the following products and services in the scope of  
17 this agreement to the level used by the MDAQMD in the scope of its regular business  
18 practices: Questys (electronic file and content management system), AccuFund  
19 (accounting system), CAPS (Compliance and Permit System), AirVision (air monitoring  
20 data collection and reporting system). Where the AVAQMD has purchased and/or owns  
21 user licenses or enhancements, or chooses to enhance any of these services beyond the  
22 level used by MDAQMD, the AVAQMD agrees to cover the cost for the enhancements  
23 and related maintenance.
- 24 D. Except as provided in Paragraph C above, the MDAQMD may make available certain  
25 services or products for which they are the sole owner, or certain services or purchases from  
26 which both Districts derive relevant benefits. The MDAQMD may assess a  
27 proportionate share of the purchase cost and/or service costs to the AVAQMD not to  
28

1 exceed a proportionate amount based on the ratio of operating permits between both  
2 Districts at the end of current fiscal year.

3 E. If additional services are required or requested over and above the services described in  
4 Exhibit 1 or which exceed the Annual Budget, as amended, then such services and  
5 associated costs shall be provided when directed and approved by the AVAQMD  
6 Governing Board.

7 F. AVAQMD will further pay a charge to cover administrative overhead and compensate  
8 MDAQMD for the indirect costs of delivering the services described herein. Said charge  
9 will be calculated as 14% of the total billed each month for services and will be added  
10 to the invoice.

11 **5. PAYMENT OF COSTS**

12 On a monthly basis or as necessary, the MDAQMD shall deliver to the AVAQMD an invoice  
13 for materials and services provided. The invoice shall include a description of the materials and  
14 services provided.

15 A. Payment for the costs of services and materials provided by the MDAQMD to the  
16 AVAQMD pursuant to this agreement shall be made at the direction of the AVAQMD  
17 Governing Board.

18 B. Professional services of MDAQMD staff will be billed monthly at 1/12 of the  
19 contracted amount approved in the annual AVAQMD Budget as set forth in the  
20 line item, "Program Staff."

21 C. Not less than quarterly, the MDAQMD will reconcile the actual costs to deliver the  
22 Services against the estimates approved in the Annual Budget. If the actual cost to  
23 deliver the Services exceeds the estimate in the Annual Budget, then MDAQMD  
24 will be entitled to invoice AVAQMD for such excess cost. If the actual cost to  
25 deliver the Services is less than the estimate in the Annual Budget, then MDAQMD  
26 will credit AVAQMD for such cost saving. If an increase or decrease in actual cost is  
27 expected to continue for the remainder of the fiscal year, then the Annual Budget and  
28

1 the monthly billing will be modified accordingly, provided however, that with respect  
2 to increases in the Annual Budget, MDAQMD will cooperate with AVAQMD to find  
3 ways to mitigate such increases.

4 D. The AVAQMD shall pay the amount indicated on the invoice within forty-five (45)  
5 days of the date of the invoice. If the AVAQMD does not pay the amount indicated  
6 on the invoice within forty-five (45) days, interest may accrue on the unpaid amount at  
7 the legal rate of interest per annum or such rate as allowed by any subsequent  
8 amendment to California law.

9 In the event the AVAQMD disputes an amount indicated on an invoice, such dispute shall  
10 be resolved in accordance with the conflict resolution procedures as set forth in Section 8 below. In  
11 the event of such a dispute, interest will accrue on only that part of the disputed amount which is  
12 determined to be due and owing to the MDAQMD as provided in Section 4 above.

13 In the event of a breach or termination of this agreement, the MDAQMD is entitled to payment  
14 for Services actually performed and materials actually provided as of the date of the breach or  
15 termination. In such event the MDAQMD shall provide a final invoice as set forth above  
16 detailing the materials and services provided and hours expended for the period between the last  
17 date indicated on the previous invoice to the date of the breach or termination. The final invoice  
18 will include the cost of MDAQMD to transition all Dedicated Staff, as defined in Section 11, and for  
19 AVAQMD to assume all Personnel Costs as set forth in Section 11.

20 **6. INDEMNITY AND LIABILITY**

21 AVAQMD and MDAQMD shall, to the extent authorized by law, indemnify and hold  
22 harmless each other, their agents and employees against all liabilities arising out of or connected  
23 with the performance of this agreement.

24 In the event litigation is threatened or commenced by a third party regarding negligent acts  
25 or omissions of the AVAQMD, its officers, volunteers and authorized agents while performing  
26 services for the AVAQMD to which the MDAQMD becomes a party, the AVAQMD shall retain and  
27 bear all litigation costs of the AVAQMD and MDAQMD engendered by such litigation.

1 In the event litigation is threatened or commenced by a third party regarding negligent acts  
2 or omissions of the MDAQMD, its officers, employees, volunteers and authorized agents while  
3 performing services for the MDAQMD to which the AVAQMD becomes a party, the MDAQMD shall  
4 retain and bear all litigation costs of the AVAQMD and MDAQMD engendered by such litigation.

5 For the purposes of this section, negligent acts and omissions include, but not limited to,  
6 the following: the adoption and implementation of rules, regulations, plans and policies; the  
7 issuance of permits; the issuance and management of grants and grant programs; the performance of  
8 duties under the California Environmental Quality Act Pub. Res. Code 21000 et seq.); and the  
9 enforcement of rules, regulations, and orders of either the AVAQMD or MDAQMD.  
10 Notwithstanding the foregoing MDAQMD staff will not be considered to be acting negligently if  
11 they properly carry out the rules, regulations, plans and policies adopted by AVAQMD.  
12 AVAQMD remains solely responsible for such rules, regulations, permit issuance, grant activities,  
13 plans and policies, as well as defending any third party claim which challenges the enforceability  
14 and/or legality of same.

## 15 **7. INSURANCE**

16 Within thirty (30) days from the execution of this agreement and for the term of this  
17 agreement: the MDAQMD will include the AVAQMD as an additional named insured on the  
18 MDAQMD policies for general liability insurance, worker's compensation insurance, and  
19 employment practices insurance; and the AVAQMD will include the MDAQMD as an additional  
20 named insured on such policies.

21 It is mutually understood that while the AVAQMD and the MDAQMD continue to  
22 purchase insurance protection from the same risk pool additional insurance is not required.

23 The AVAQMD shall obtain and maintain general liability insurance, property insurance,  
24 vehicle comprehensive and collision insurance, errors and omissions insurance, and other insurance as  
25 approved by the AVAQMD Governing Board at the expense of the AVAQMD.

26 In the event the AVAQMD directly obtains the services of officers and employees outside the  
27 scope of this agreement the AVAQMD shall obtain and maintain worker's compensation and

1 employment practices insurance at the expense of the AVAQMD. Such additional insurance shall be  
2 obtained within thirty (30) days from the employment of officers or employees outside the scope of  
3 this agreement The AVAQMD will, as necessary, include the MDAQMD as an additional named  
4 insured on such policies.

5 **8. CONFLICT RESOLUTION**

6 Conflicts regarding the terms, provisions, nature, scope, delivery, provision of specific services  
7 or materials, or arising as a result of the implementation of this agreement shall be resolved in the  
8 following manner:

- 9 A. The chair of the Governing Board of the AVAQMD or MDAQMD shall contact  
10 the other chair, inform him or her of the nature and scope of the conflict and  
11 attempt to resolve the conflict
- 12 B. If the chairs of the AVAQMD and MDAQMD cannot resolve the conflict by  
13 discussion, each chair shall place an item on the agendas of the next regularly  
14 scheduled meetings for their respective Governing Boards regarding the conflict and  
15 appointment of Governing Board members to a Conflict Resolution Committee.
- 16 C. The AVAQMD and MDAQMD board shall each appoint two (2) members to the  
17 Conflict Resolution Committee.
- 18 D. The Conflict Resolution committee shall schedule a meeting to occur within fifteen  
19 (15) days of the later of the AVAQMD or MDAQMD Governing Board meeting at  
20 which members were appointed to the Conflict Resolution Committee. The Conflict  
21 Resolution Committee shall have fifteen (15) days from the date of the first meeting of  
22 the committee to attempt to resolve the conflict
- 23 E. If the Conflict Resolution Committee fails to resolve the conflict within the time stated  
24 above, the matter shall be submitted to non-binding arbitration by either party. Each  
25 party agrees to bear one-half (1/2) the cost of obtaining such non-binding arbitration.  
26 An impartial arbitrator shall be selected by alternately striking from a list provided by  
27  
28

1 the California State Mediation and Conciliation Service who shall hear the matter and  
2 render a decision.

3 F. If either of the Governing Boards elects not to accept the decision of the arbitrator at  
4 its next regularly scheduled meeting or the arbitrator fails to resolve the matter, either  
5 the AVAQMD or the MDAQMD may terminate this agreement in accordance with the  
6 terms set forth herein.

7 G. Each party reserves its rights and remedies to enforce the terms of this agreement at  
8 law or equity.

9 **9. DUE DILIGENCE**

10 Upon commencement of the term of this agreement the MDAQMD agrees to perform with  
11 due diligence the services specified herein.

12 **10. EQUIPMENT**

13 Equipment owned by the AVAQMD at the expiration or termination of this agreement  
14 shall remain the property of the AVAQMD.

15 Equipment owned by the MDAQMD prior to the expiration or termination of this agreement  
16 but used in the performance of services under this agreement shall remain the property of the  
17 MDAQMD.

18 Equipment purchased and billed to the AVAQMD pursuant to the terms of this agreement shall  
19 be the property of the AVAQMD.

20 MDAQMD agrees that upon expiration or termination of this agreement, any property of  
21 the AVAQMD which is in the possession of the MDAQMD shall be returned to the AVAQMD at a  
22 location designated by the AVAQMD within fifteen (15) days of the expiration or termination of this  
23 agreement.

24 **11. PROGRAMSTAFF**

25 MDAQMD will provide professional officers and employees of the MDAQMD to perform  
26 the Services for AVAQMD pursuant to the terms of this agreement. It is intended that MDAQMD  
27 will use both (a) existing MDAQMD staff; and (b) staff which has been hired by MDAQMD solely to  
28

1 perform the Services (“Dedicated Staff”). All officers and employees of the MDAQMD, including the  
2 Dedicated Staff, shall remain the officers and employees of the MDAQMD. Notwithstanding the  
3 provisions of paragraph 4 above, the MDAQMD shall remain solely responsible for the payment  
4 of all salaries and benefits, including but not limited to salary, health and dental benefits, union  
5 benefits if any, employment related taxes and pension contributions (collectively, “Personnel  
6 Costs”), for its officers and employees when such officers and employees are performing the  
7 Services.

8 The duties which the officers and employees of the MDAQMD may be required to perform for the  
9 AVAQMD pursuant to this agreement shall conform to the job descriptions of such officers and  
10 employees in their duties with the MDAQMD. For the purposes of this agreement “job description”  
11 shall be the current and most recent job description or as subsequently amended by the MDAQMD  
12 for the MDAQMD’s officers and employees.

13 Upon expiration or termination of this agreement with the MDAQMD, it is intended that  
14 the Dedicated Staff and its office location will be transitioned to AVAQMD. In the event the  
15 AVAQMD offers employment to such Dedicated Staff in the same or a similar capacity and  
16 subject to the personnel policies and procedures of the AVAQMD and other requirements as  
17 determined by the AVAQMD Governing Board, if any, AVAQMD will assume all Personnel Costs of  
18 the Dedicated Staff transferred to the AVAQMD employment on the transition date. MDAQMD  
19 and AVAQMD will cooperate to transition any existing pension benefits to the extent permitted by  
20 applicable law. Following the expiration or termination, if services will be performed by a third  
21 party contractor, then AVAQMD may request 1) that the third party contractor offer position(s) to the  
22 Dedicated Employees; and 2) that the third party contractor give priority offers of employment of  
23 same or similar positions to the Dedicated Employees.. Notwithstanding the use of a third party  
24 contractor, AVAQMD will remain financially responsible for the assumption of all Personnel Costs  
25 for transferred staff as of the transition date.

26 In the event that AVAQMD or any third party contractor employed by AVAQMD fails to  
27 transition the Dedicated Staff, then MDAQMD will continue to treat the Dedicated Staff in  
28

1 accordance with MDAQMD's normal existing policies and procedures and Dedicated Staff will have  
2 the same rights and seniority in the same manner and to the same extent as MDAQMD staff who have  
3 not been dedicated to provide services to AVAQMD. Notwithstanding the foregoing, MDAQMD  
4 reserves the right to terminate Dedicated Staff if no position(s) are available and AVAQMD will  
5 be responsible for all reasonable costs and expenses incurred by MDAQMD in connection with such  
6 termination.

## 7 **12. LEGISLATED POSITIONS**

8 The Governing Board of the AVAQMD shall appoint an Air Pollution Control Officer  
9 (APCO) pursuant to H&S §41350(b); and legal counsel pursuant to H&S §41357.

## 10 **13. OPERATIONAL OVERSIGHT**

11 MDAQMD will provide the services of its Deputy Director to act in the capacity of the  
12 Executive Director of AVAQMD. It is acknowledged and understood that the position of  
13 Executive Director is unique and that the person serving in this position must have the full confidence  
14 of the Governing Board of the AVAQMD. Accordingly, the Governing Board of the AVAQMD  
15 with a 75% majority will have the right, at any time, to request the removal of the Deputy Director or  
16 any replacement thereof from the position of Executive Director. The replacement for the position of  
17 Executive Director will be subject to the review and approval of AVAQMD and AVAQMD will  
18 be responsible for all costs incurred by MDAQMD to locate and hire any replacement. The initial  
19 Executive Director of AVAQMD will be Bret Banks. Any removal of Bret Banks from this position  
20 will not alter the terms of his employment as a Deputy Director of MDAQMD.

21 The Governing Board of the AVAQMD reserves the right to contract separately for  
22 operational oversight of the AVAQMD office. The MDAQMD will provide reasonable access to  
23 its records and personnel for such oversight. Such third party hired for oversight may direct day to  
24 day operations under the contract as well as oversee actions of staff to provide services under the  
25 contract as well as oversee actions of staff to provide services under the contract, however they shall  
26 not have the right to change the scope or nature of Services under the agreement nor exercise any  
27 personnel related authority under the existing MDAQMD policies and procedures including but not  
28

1 limited to performance reviews and discipline, of MDAQMD personnel. Nothing in this provision  
2 shall prevent either the AVAQMD Governing Board or any person contracted to provide operational  
3 oversight from providing input, advice and consultation regarding such issues.

4 **14. FEES, FINES, SUBVENTIONS, GRANTS AND OTHER REVENUE**

5 All fees, fines, subventions, grants and other revenue owed to the AVAQMD pursuant to  
6 Federal, State or AVAQMD law, rule, regulation, permit or order of a State or Federal Court  
7 of competent jurisdiction shall be received by the AVAQMD. In the event that any such fee, fine,  
8 subventions, grants and other revenue owed to the AVAQMD is received by the MDAQMD shall  
9 be transferred to the AVAQMD immediately upon receipt and shall not affect payments made under  
10 this agreement

11 **15. CONTRACT PERFORMANCE**

12 An Annual report of contract performance will be delivered to the Governing Boards of the  
13 AVAQMD and MDAQMD in or about June of each year (or upon request of either of the  
14 respective Governing Boards) regarding the contracted services including, but not limited to, each of  
15 the activities and services performed as specified in Exhibit 1.

16 The MDAQMD agrees to make and maintain all records that are required by Federal or State  
17 law or AVAQMD rule, regulation, permit or order or by an order of a State or Federal Court of  
18 competent jurisdiction and to transfer such records to the AVAQMD upon expiration or termination  
19 of this agreement.

20 A Governing Board member of the respective Governing Boards of the AVAQMD and  
21 MDAQMD may attend any Governing Board meetings of the other agency and any public meetings of  
22 the other agency which directly relate to the materials and services provided pursuant to this agreement.

23 **16. COPYRIGHT MATERIALS**

24 The AVAQMD reserves the right to any copyrightable materials developed pursuant to  
25 this agreement. Upon acceptance of the copyrightable materials the AVAQMD shall have the right,  
26 title, and interest including trade secret and copyright interest in the copyrightable materials. During  
27  
28

1 the term of this Agreement, the MDAQMD shall have a non-exclusive right to use, copy and otherwise  
2 benefit from such materials.

3 **17. FISCAL AUDIT**

4 The AVAQMD shall designate an auditor and a fiscal audit shall be conducted annually  
5 by a qualified accountancy firm. The results of the audit shall be presented to the Governing  
6 Board on completion.

7 In the event the contract expires or terminates, an audit shall be provided to the Governing  
8 Board of the AVAQMD within ninety (90) days of the expiration or termination of the agreement.

9 The MDAQMD agrees that the AVAQMD or its duly authorized representative shall have  
10 access and the right to examine, audit, excerpt, transcribe and copy the MDAQMD's financial records,  
11 documents, papers, and records which are related or pertinent to this agreement. Such materials shall  
12 be retained for a period of at least two (2) years or such other longer period as required by State or  
13 Federal law, rule or regulation or by MDAQMD policy or procedure.

14 The AVAQMD agrees that the MDAQMD or its duly authorized representative shall have  
15 access and the right to examine, audit, excerpt, transcribe and copy the AVAQMD's financial records,  
16 documents, papers, and records which are related or pertinent to this agreement. Such materials shall  
17 be retained for a period of at least two (2) years or such other longer period as required by State or  
18 Federal law, rule or regulation or by AVAQMD policy or procedure.

19 **18. PRIVILEGES AND IMMUNITIES**

20 Pursuant to the provisions of Government Code 6513 and any other applicable law, all of  
21 the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension,  
22 relief, disability, workmen's compensation and other benefits which apply to the activity of officers,  
23 agents or employees of the MDAQMD shall apply to the same degree and extent while such  
24 officers, agents or employees of MDAQMD are engaged in the performance of any of their  
25 functions and duties within the jurisdiction of the AVAQMD or MDAQMD.

26 **19. SUCCESSORS**

1 Neither party will assign or transfer any rights or obligations under this agreement without  
2 the written consent of the other.

3 Each party and their successors, legal representatives, and to the extent permitted herein,  
4 their assigns, are hereby bound to the other party and to the successors, legal representatives, and the  
5 assigns of the other party in respect to all covenants, agreements and obligations of this agreement

6 **20. AMENDMENT**

7 This agreement and its Exhibits, as amended from time to time in accordance with the terms of  
8 this agreement, constitute the entire agreement between the parties and will supersede all prior written  
9 or oral understandings. This agreement and its Exhibits, as amended, may only be amended,  
10 supplemented, and modified by an executed written instrument as approved by the Governing Boards  
11 of the AVAQMD and MDAQMD. Notwithstanding the foregoing, the Governing Boards may  
12 specify a threshold for modifications to the Services and the Annual Budget which are within the  
13 discretion of the General Managers of each entity.

14 For purposes of this agreement, the annual adoption of the Annual Budget for each  
15 successive fiscal year until the expiration or termination of this agreement as provided for in  
16 Paragraph 3 shall be deemed an amendment to Exhibit B of this agreement upon mutual approval of  
17 the Annual Budget and its adoption by the Governing Board of the AVAQMD.

18 **21. TERMINATION**

19 The Governing Boards of the AVAQMD or MDAQMD may terminate this agreement at any  
20 time by giving written notice to the other party 180 days in advance of the proposed termination, but  
21 not less than ninety (90) days before the effective date of the proposed termination.

22 In the event this agreement is terminated, all finished and unfinished documents and other  
23 materials produced by the MDAQMD pursuant to the terms of this agreement shall be provided to  
24 the AVAQMD. If the agreement is terminated by either party, the MDAQMD shall be paid all  
25 amounts due and unpaid, whether or not such amounts had been billed to the AVAQMD, as of  
26 the date of the termination subject to the resolution of any disputed amounts pursuant to the conflict  
27 resolution procedure set forth in Section 8 above.

1 In the event this agreement is terminated, MDAQMD Dedicated Staff will be transitioned  
2 in accordance with the terms of Section 11.

3 **22. EFFECTIVE DATE**

4 This contract shall be effective January 1, 2016 for the term specified in Section 2 above 23.

5 **23. VENUE**

6 The venue for any claims or actions brought related to or regarding this agreement shall lie in  
7 the County of Riverside, California.

8 This agreement is executed in the city of Victorville, San Bernardino County, and in the city  
9 of Lancaster, Los Angeles County, California.

10 ANTELOPE VALLEY  
11 AIR QUALITY MANAGEMENT DISTRICT

MOJAVE DESERT  
AIR QUALITY MANAGEMENT DISTRICT

12 \_\_\_\_\_  
Marvin Crist, Chair

\_\_\_\_\_   
Robert Lovingood, Chair

13 Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

14  
15 Approved as to Legal Form

16 \_\_\_\_\_  
17 ALLISON BURNS, Special Counsel to  
the Governing Board

\_\_\_\_\_   
18 PIERO C. DALLARDA, Special Counsel to  
the Governing Board

19 Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

20  
21 END OF CONTRACT  
22  
23  
24  
25  
26  
27  
28

1 **EXHIBIT 1**

2 **SCOPE OF MATERIALS AND SERVICES**

3 The MDAQMD agrees to provide services to the AVAQMD as specified in the  
4 Agreement, namely: provide administration and operations, adequate to meet the regulatory and  
5 legislated responsibilities of an air quality management district within the AVAQMD jurisdiction  
6 specified in Division 26 of the California Health & Safety Code (commencing with §39000). The  
7 scope of services that the MDAQMD may provide as directed by the fiscal year budget are described  
8 below.

9 In the event the AVAQMD Governing Board redirects or appoints a third party to perform  
10 any of the services or functions listed herein to another party, contractor, consultant, or vendor, the  
11 MDAQMD will be relieved from any and all liabilities arising out of or connected with the  
12 performance of such services by any or all third parties from the effective date of such  
13 assignment. The AVAQMD shall indemnify and hold harmless the MDAQMD, its agents, and  
14 employees, against all liabilities arising out of or connected with the transfer of such assignment.

15 **Air Monitoring Program:** all activities including, but not limited to, (i) measuring and  
16 monitoring air quality, and (ii) maintaining equipment and providing technical maintenance;

17 **Compliance Program:** all activities including, but not limited to, inspection services,  
18 programs for variance support, asbestos, complaint response, emissions violations, source test, EPA  
19 Report preparation, and delinquent billing.

20 **Planning and Rule Development:** all activities including, but not limited to, development of  
21 new or amendment of existing rules to facilitate regulatory compliance.

22 **Grants Management:** all activities including, but not limited to, making application for  
23 available funds, soliciting projects that meet the objectives of each grant program, developing and  
24 administering contracts to ensure the grant program objectives are met; disbursing funds and  
25 performing reviews on contract performance.

26 **Community Relations and Education:** all activities including, but not limited to, public  
27 outreach and education.

1           **Administrative Services:** all activities including, but not limited to, operations for a staffed  
2 office located in the AVAQMD jurisdiction with regular business operating hours, revenue  
3 collection and expenditure tracking, budget preparation and administration, development,  
4 implementation and maintenance of an automated system for tracking permits and permit activities,  
5 procurement and maintenance of facilities, operations, and fixed assets as set forth in the annual  
6 budget, and miscellaneous expenses as identified in the annual budget. Financial and accounting  
7 services including, but not limited to, appropriate accounting procedures to maintain bank accounts,  
8 receive and expend funds and report accordingly, computer information systems.

9           **Executive Services:** all activities including, but not limited to services of the Air  
10 Pollution Control Officer, Legal Counsel (including, but not limited to, compliance with the Brown  
11 Act and Public Records Act), direction and oversight of all operations of the AVAQMD, support for  
12 boards, commissions, and committees, including the Governing Board and the Hearing Board.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 9*

**DATE:** April 25, 2016

**RECOMMENDATION:** 1. Amend the Mobile Source Emissions Reductions Program (MSERP) Work Plan to better reflect the current and future administration of the Program(s); and 2. Authorize the Executive Director to revise the Work Plan to reflect future administrative changes in the CARB guidelines.

**SUMMARY:** This item amends the Mobile Source Emissions Reductions Program Work Plan and will allow the APCO to update the work plan in the future to reflect administrative changes made to the CARB guidelines.

**CONFLICT OF INTEREST:** None

**BACKGROUND:** In 1995, the MDAQMD Governing Board (Board) approved the MDAQMD's Mobile Source Emissions Reductions Program (MSERP) Work Plan. Since the program's inception the MDAQMD has operated the Mobile Source Emissions Reductions Program according to the MSERP Work Plan. The MSERP Work Plan governs the administration of the Carl Moyer, as well as the AB 2766 grants programs.

The MSERP Work Plan is required to conform to guidelines as issued by the California Air Resources Board (CARB). From time to time CARB makes administrative changes to the guidelines for clarity and to ensure the proper administration of program elements. This item would enable APCO to adjust the MSERP Work Plan to reflect administrative changes to the current CARB guidelines. Should the MSERP Work Plan conflict with those guidelines at any time, the CARB guidelines will prevail. A complete revision and reissuance of the CARB guidelines will require Governing Board approval of amendments.

To continue the successful MSERP Program, expend Mobile Source Emissions Reductions funds and the required associated match funding, staff recommends that the Board revise the current MSERP Work Plan and allow the Executive Director to update the Plan in accordance with CARB guidelines.

---

CC: Holly Noel

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 9*

**Page 2**

**REASON FOR RECOMMENDATION:** The Mobile Source Emissions Reductions Program (MSERP) Work Plan requires that the Governing Board formally authorize revisions to the MSERP Plan.

**REVIEW BY OTHERS:** This item was reviewed as to legal form by Karen Nowak, District Counsel and by Alan J. De Salvio, Deputy Director, Mojave Desert Operations on or before April 11, 2016.

**FINANCIAL DATA:** Both the Carl Moyer Program and AB2766 funds and the administrative funds are supplementary to the MDAQMD budget. The distribution of these funds is included in the FY 15-16 budget.

**PRESENTER:** Alan De Salvio, Deputy Director, Mojave Desert Operations

# Mobile Source Emission Reductions Program Work Plan

As amended on  
October 27, 2008

14306 PARK AVE., VICTORVILLE, CALIFORNIA 92392  
PHONE (760) 245-1661  
FAX (760) 245-2699

WORK PLAN  
TABLE OF CONTENTS  
Mobile Source Emission Reductions Program

I.	PURPOSE OF WORK PLAN .....	1
II.	BACKGROUND .....	1
III.	PROGRAM TERM.....	2
IV.	ELIGIBLE PROJECTS.....	<del>3</del> 32
V.	PROPOSAL SUBMISSION .....	4
VI.	PROPOSAL EVALUATION PROCESS.....	4
VII.	CONTRACT PREPARATION AND FUNDS DISTRIBUTION .....	6
VIII.	AUDIT PROCEDURES .....	6

# Mobile Source Emission Reductions Program Work Plan

## I. PURPOSE OF WORK PLAN

This Work Plan sets forth the structure for the Mojave Desert Air Quality Management District (MDAQMD) Mobile Source Emission Reductions Program. The Mobile Source Emission Reductions Program will provide grants to projects that reduce emissions from mobile sources, and such other project categories for which the California Air Resources Board (CARB) establishes Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) Guidelines. The program may also provide grants to projects under any other program or funding source available to MDAQMD, as long as such projects are compatible with the mission of the Mobile Source Emission Reductions Program.

The Work Plan covers all major policy aspects of the [Mobile Source Emissions Reduction Program](#) with the exception of the Carl Moyer Program, which is defined in the Carl Moyer Program Policies and Procedures Manual. This Work Plan includes: the program term, the kinds of projects eligible for funding, the proposal submission process, the proposal evaluation process, evaluation criteria, funds distribution, and audits. The Work Plan is general in nature, in that it does not set forth all of the specific procedures which are needed in order to implement the Mobile Source Emission Reductions Program. The Mobile Source Emission Reductions Committee described herein will normally contribute to the development of Requests for Proposals (RFPs) and associated guidelines based upon the Governing Board's approved policy.

[This Work Plan is designed to comply with the Carl Moyer Program Guidelines as issued by CARB. If there is a conflict between the terms of this document and the CARB Carl Moyer Program Guidelines as most recently amended then the terms of the Guidelines shall control. From time to time adjustments are made, after public notice and hearing, to the Guidelines. Conforming adjustments may be made to this document by the Executive Director/Air Pollution Control Officer. Amendments due to a complete reissuance of the Guidelines by CARB shall be considered by the Governing Board and changes to this document will be made in compliance with Governing Board policy directives.](#)

## II. BACKGROUND

This section of the Work Plan provides background on the primary sources of funding for the program: the Carl Moyer Program and AB 2766 funds.

### A. The Carl Moyer Program

The purpose of the program is to reduce emissions by providing grants for the incremental cost of cleaner heavy-duty vehicles and equipment such as on-road, off-road, marine, locomotive, stationary agricultural pump, forklift, and airport ground support engines. The grants are administered locally by the District. CARB is responsible for developing program guidelines. The guidelines adopted by CARB establish the program requirements for the District, and they also describe the specific criteria for the eligible project categories. District policy regarding the Carl Moyer Program is outlined in the District's Carl Moyer Program Policies and Procedures Manual.

#### B. AB 2766 Funds

Assembly Bill 2766 (Sher) authorized air pollution control districts and air quality management districts to impose a \$1 to \$4 motor vehicle registration fee to provide funds for air districts to meet new responsibilities mandated under the California Clean Air Act (CCAA). As enacted in the California Health & Safety Code (H & S Code), AB 2766 states that the fees shall be used to support district operated planning, monitoring, enforcement and technical studies necessary to implement the CCAA. An additional allowable use is to support programs that reduce air pollution from motor vehicles. CARB guidelines suggest that at least 50 percent of the AB 2766 funds in a region should be used for projects that directly reduce mobile source emissions.

On July 31, 1995, the MDAQMD Governing Board approved the concept of setting aside 25% of available AB 2766 funds for the establishment of a competitive grant program and 25% for local government eligible mobile source programs. On October 27, 2008 the Board authorized that a portion of the funds allocated to the grant program be used to assist school districts meet the match requirement as required replace model year 1977-1986 school buses under the local Lower Emission School Bus Program. For model year 1986-1977 school buses replaced under the program, a \$25,000 match per bus replaced is required to be paid by participating school districts. Up to \$15,000 of the match may be waived for 20% of the buses funded per air district. The match waiver is provided to the funded buses with the greatest annual mileage. Maximum funding per school bus replaced would not exceed \$10,000 or \$25,000 minus any match waiver approved by CARB whichever is less.

The competitive grant program, the Mobile Source Emission Reductions Program, awards the remainder of the funds available after the school bus replacement match to local government entities and other organizations capable of effectively utilizing funds to reduce mobile emissions. The total amount of AB 2766 funding provided to grant programs is approximately \$350,000 annually.

### III. PROGRAM TERM

The MDAQMD Governing Board initially chose to establish a two-year program. Hence, the first RFP process covered FY 1995-1997, the next cycle covered FY 1997-1999, and so forth.

This type of structure provides a larger pool of funds than a one-year term. Having a larger pool of funds allows for larger projects (which may be more cost effective). Also, the two-year term entails lower administrative costs.

#### IV. ELIGIBLE PROJECTS

Current and potential sources of funding for the Mobile Source Reduction Program are subject to constraints. These constraints must be reflected in the Program's RFPs, and it may be necessary to issue separate RFPs for each funding type. Projects that receive Carl Moyer funding, and/or certain AB 2766 funds designated as match funding for the Carl Moyer Program, must meet the criteria set forth in the Carl Moyer Program Guidelines and the District's Carl Moyer Program Policies and Procedures Manual.

The following applies to AB 2766 revenues only. Except as specifically limited below, any project that would result in a reduction of emissions from motor vehicles, reductions in vehicle miles traveled, reductions in vehicle trips, or a public education program that supports any of the above ends would also be potentially eligible for funding. Thus the applicant does not need to be a public agency. Types of projects that may be funded include, but are not limited to:

- Alternative fuel/electric vehicle infrastructure development
- Purchase or lease of clean fuel/electric vehicles, or repowering existing vehicles to operate on alternative fuel. Program funding limited to incremental cost of the alternative fuel technology or an amount not to exceed 25% of the total project cost, whichever is greater.
- Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets"
- Implementation of rail-bus integration and regional transit information systems
- Transit projects such as free downtown shuttle service or subsidizing transit passes
- Parking management
- Park and Ride Lots
- Implementation of demonstration projects in telecommuting, video conferencing, and alternative fuel vehicles
- Implementation of a smoking vehicles program
- Vehicle buy back

- Public education programs

Applicants should observe the following guidelines in developing proposals: For alternative fuel vehicle purchases/leases, the funding request may not exceed 25% of total vehicle cost or the incremental cost of the alternative fuel vehicle over a conventionally fuelled vehicle, whichever is greater. When a conventionally fuelled vehicle is replaced under this program, that vehicle or a similar vehicle must be removed from service within MDAQMD boundaries. The MDAQMD supports infrastructure projects which make alternate fuels available to the consumer market. Finally, proposals for street or road paving or sidewalk construction will not be considered.

The following projects will **not** be eligible for Mobile Source Emission Reductions Program funding:

1. Projects required as mitigation by an environmental document under the California Environmental Quality Act or National Environmental Policy Act.
2. Projects to comply with or implement a mandatory requirement of an existing MDAQMD regulation.

**Special Note:** Projects funded with Mobile Source Emission Reductions Program funding cannot generate Emission Reduction Credits (ERCs) pursuant to MDAQMD Regulation XIV.

## V. PROPOSAL SUBMISSION

As mentioned earlier, the Mobile Source Emissions Reduction Committee will assist and advise MDAQMD staff as needed in the development and release of RFPs. RFPs will be based upon the Work Plan approved by the Governing Board. All proposals will be subject to the requirements set forth in the applicable RFP issued for projects.

## VI. PROPOSAL EVALUATION PROCESS

Projects funded with AB 2766, or other non-Carl Moyer funding, will be subject to competition and committee review. After proposals undergo preliminary review by MDAQMD staff, the Committee will review the proposals with regard to the evaluation criteria set forth in the RFP. The Committee will then make a comparative analysis of the merits of the proposals and ultimately recommend one or more projects for funding to the MDAQMD Governing Board. The Governing Board will then review the Committee's recommendations and approve or reject them as a whole. If the Governing Board rejects the recommendations, then the Governing Board refers the entire package back to the Committee for consideration of the Governing Board's concerns.

If additional Mobile Source Emission Reductions Program funding becomes available due to the cancellation or withdrawal of a project previously approved by the Governing Board, the Mobile

Source Emission Reductions Committee shall be reconvened. The Committee shall determine whether to recommend any previously submitted projects for funding, issue a supplemental RFP or roll the funds over to the next regular RFP cycle.

A. Mobile Source Emission Reductions Committee

The Mobile Source Emission Reductions Committee will be composed of nine members. This membership will include representatives from the organizations/sectors described below.

Number of Members	Agency/Sector Represented	How Member is Selected
1	MDAQMD	Staff designation by APCO
1	MDAQMD Technical Advisory Committee	Nomination by Committee
1	San Bernardino Associated Governments	Nomination by agency
1	Higher learning institution	Nomination based on mutual agreement between colleges
3	City/Town Governments	MDAQMD Governing Board to determine which local governments represented, then those governments nominate their representatives
2	County Government (one from each county in MDAQMD)	Nomination by counties

In the event that a proposal is received where a Committee member is an officer, an employee or otherwise represents the proposal applicant, that member’s participation in the decision to recommend or reject the proposal shall be subject to Committee discretion on a case-by-case basis.

B. Evaluation Criteria

There are numerous evaluation criteria that may be applied to proposals for AB 2766 funding. Of these, certain criteria may only be applicable to specific kinds of proposals. The Committee will develop more specific criteria in each RFP. The standards which the Committee will consider in developing these criteria include, but are not limited to:

Emission reductions (quantifiable)	Multi-agency cooperation
Quantifiable VMT or SOV reductions	Broad based support
Experience of applicant	No administrative costs
Project cost comparison (total project costs)	Average age of fleet
Broad based application	Proposal format/organization/content (proposal quality)
Dedicated co-funding	Cost effectiveness
Creativity	

Additional, more definitive or specific guidelines may be established based upon Governing Board direction (e.g. limitation of project types) and will be included in the issued Request for Proposal.

## VII. CONTRACT PREPARATION AND FUNDS DISTRIBUTION

Those projects that are chosen for funding will be required to complete a contract with the MDAQMD. All contracts must be executed and projects implemented within the time frames specified in the RFP. Contract preparation for projects will commence following project approval by the Governing Board. Projects must be completed as expeditiously as possible, but no later than three years from the execution of the contract.

Generally, funds will be released on a reimbursement basis, in segments associated with various deliverables. The particular deliverables, as well as the relative proportion of project funding released with each deliverable, will vary from project to project. No funds will be disbursed except when such disbursement is in compliance with the provisions of the most recently adopted CARB Carl Moyer Project Guidelines. ~~until formal verification is provided that any and all matching funds necessary have been secured. Also, some portion of the funding may be held back pending submission of a final report. Funds will not be awarded in advance of the project deliverable or completion of the project.~~

## VIII. AUDIT PROCEDURES

Any entity that receives funds from the Mobile Source Emission Reductions Program *may* be subject to an audit of each project funded. The audit may be conducted by MDAQMD staff or by an independent auditor selected by MDAQMD. MDAQMD will review the audit to determine if the funds were used for the reduction of air pollution from motor vehicles.

If MDAQMD determines that the funds were expended in a manner contrary to law or not in accordance with contract provisions, MDAQMD will notify the contractor of the determination, and the MDAQMD Governing Board will hold a public hearing at which the contractor may present information related to the expenditure of funds. After the hearing, if the Governing Board determines that the contractor has expended the funds in a manner that is contrary to law or not in accordance with contract provisions, MDAQMD shall withhold monies from the contractor in an amount equal to the amount that was inappropriately expended. MDAQMD may instead choose to seek repayment of funds inappropriately expended.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 10*

**DATE:** April 25, 2016

**RECOMMENDATION:** Receive and file.

**SUMMARY:** This item reports the June 30, 2015 actuarial valuation of the District's retiree health insurance program, also known as Other Post-Employment Benefits (OPEB).

**CONFLICT OF INTEREST:** None.

**BACKGROUND:** The Governmental Accounting Standards Board Statement No. 45 (commonly referred to as GASB 45) establishes accrual accounting standards for retiree healthcare benefits. The Standard also requires the District to perform periodic actuarial valuations to measure and disclose the liabilities and set aside resources to pre-fund those liabilities. The actuarial study considers the present value of the funds required to meet the projected needs of the District's working population for health care subsidies for 30 years.

An actuarial study was completed and recommendations are based on the conditions in place on June 30, 2015. The next report will be conducted on conditions in place on June 30, 2017.

The actuarial report indicates: 1) the earnings on the contributions are sufficient at this time to meet the pay-as-you-go needs of the District's retiree health program; 2) the recent interpretation of the "implicit subsidy" (described on page 8 of the report) requires additional funding of \$255,000 and the actuary does not recommend making that contribution at this time; 3) the present value of the deposits, with the earnings, is sufficient until further review or alterations in the District's program changes the parameters being used to make the funding determination.

The actuary offered comment regarding the recommendation to not increase the funds on deposit. Funds deposited in the irrevocable trust are the most restricted of the District's funding resources. Actuarial reviews are now required to be performed bi-annually. If, or when, the District's program changes sufficiently to impact the present value of the future requirements, the District will be well positioned at any time to adjust the funding levels. There is no urgent or immediate need to increase the value of the irrevocable trust.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 10*

**PAGE 2**

On November 23, 2009, the Governing Board adopted Resolution No. 09-10 which established an irrevocable trust account to address the District's liability for Other Post-Employment Benefits (OPEB) for retired employees. Contributions to date total \$500,000.

The purpose of the Trust is to offset the District's future liability for contributions required for promised retiree health care benefits. The District's retiree health care benefits have two parts:

1. As a member of CalPERS for health benefits, the District is subject to the Public Employees Medical and Hospital Care Act (PEMHCA). This statute requires the member employer to contribute toward employee health care benefits which are currently \$122 per employee per month. This amount is included in the Flexible Benefit dollars provided to each employee to offset their selection of health care benefits. The unique feature of participating in CalPERS health plan is that employees have the right under the statute to continue medical coverage with CalPERS into retirement and the District is obligated to continue the "PEMHCA Contribution" for as long as the retiree remains enrolled.
2. Effective July 1, 2004, the District negotiated the "Retiree Medical Benefit." Employees are eligible with 20 years of public service including employment with a member agency and at least 10 years of service with the District. The District will contribute 2% per service year toward the retiree's (and spouse) medical premium under a CalPERS plan. The contribution is payable for 60 months from retirement or until the retiree reaches the age of 65, whichever event occurs first.

The District selected the Public Agency Retirement Services (PARS) as the administrator of the Trust Account. The primary reason for selecting PARS was the endorsement offered by the California Special Districts Association, their experience as a trust administrator, and their asset allocation strategies that allowed tailoring of the investment.

**REASON FOR RECOMMENDATION:** No action is required, this item is to be received and filed.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about April 4, 2016.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Jean Bracy, Deputy Director - Administration



March 24, 2016

Ms. Laquita Cole  
Fiscal Manager  
Mojave Desert Air Quality Management District  
14306 Park Avenue  
Victorville, CA 92392

Re: Mojave Desert Air Quality Management District ("District")  
GASB 45 Valuation as of July 1, 2015

Dear Ms. Cole:

This report sets forth the results of our GASB 45 actuarial valuation of the District's retiree health insurance program as of July 1, 2015.

In June, 2004 the Governmental Accounting Standards Board (GASB) issued accrual accounting standards for retiree healthcare benefits, GASB 43 and GASB 45. GASB 43/45 require public employers such as the District to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of both the employer and the trust, if any, set aside to pre-fund these liabilities. The District must obtain actuarial valuations of its retiree health insurance program under GASB 43/45 not less frequently than once every three years.

To accomplish these objectives the District selected Demsey, Filliger and Associates (DF&A) to perform an actuarial valuation of the retiree health insurance program as of July 1, 2015. This report may be compared with the valuation performed by DF&A as of July 1, 2012, to see how the liabilities have changed since the last valuation. We are available to answer any questions the District may have concerning the report.

### **Financial Results**

We have determined that the amount of actuarial liability for District-paid retiree benefits is \$1,155,068 as of July 1, 2015. This represents the present value of all benefits expected to be paid by the District for its current and future retirees. If the District were to place this amount in a fund earning interest at the rate of 7.0% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits.

This includes benefits for 11 retirees as well as 25 active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the valuation date.

When we apportion the \$1,155,068 into past service and future service components under the Projected Unit Credit Cost Method, the past service liability (or "Accrued Liability") component is \$841,255 as of July 1, 2015. This represents the present value of all benefits earned to date assuming that an employee earns retiree healthcare benefits ratably over his or her career. The \$841,255 is comprised of liabilities of \$528,023 for active employees and \$313,232 for retirees. The District has established a trust account with the Public Agency Retirement Services (PARS) GASB 45 Program for the pre-funding of retiree healthcare benefits. Trust assets have an actuarial value of \$588,142 as of July 1, 2015, so the Unfunded Accrued Liability (called the UAL, equal to the AL less assets) is \$253,113.

We have determined that Mojave Desert Air Quality Management District's "Annual Required Contributions", or "ARC", for the fiscal year 2015-16, is \$57,656. The \$57,656 is comprised of the present value of benefits accruing in the current year, called the "Service Cost", and a 30-year amortization of the UAL. We estimate that the District will pay approximately \$22,517 for the 2015-16 fiscal year in healthcare costs for its retirees, so the difference between the accrual accounting expense (ARC) and pay-as-you-go is an increase of \$35,139.

There are two adjustments to the ARC that are required in order to determine the District's Annual OPEB Cost (AOC) for the 2015-16 fiscal year. We have calculated these adjustments based on a Net OPEB Obligation of \$694 as of June 30, 2015, resulting in an AOC for 2015-16 of \$57,649.

We show these numbers in the table on the next page. All amounts are net of expected future retiree contributions, if any.

**Mojave Desert Air Quality Management District**  
**Annual Liabilities and Expense under**  
**GASB 45 Accrual Accounting Standard**  
**Projected Unit Credit Cost Method**

Item	Amounts for Fiscal 2015-16
Present Value of Future Benefits (PVFB)	
Active	\$841,836
Retired	<u>313,232</u>
<b>Total: PVFB</b>	<b>\$1,155,068</b>
Accrued Liability (AL)	
Actives	\$528,023
Retired	<u>313,232</u>
<b>Total: AL</b>	<b>\$841,255</b>
Assets	<u>(588,142)</u>
<b>Total: Unfunded AL</b>	<b>\$253,113</b>
Annual Required Contributions (ARC)	
Service Cost At Year-End	\$37,259
30-year Amortization of Unfunded AL	<u>20,397</u>
<b>Total: ARC</b>	<b>\$57,656</b>
Adjustments to ARC	
Interest on Net OPEB Obligation*	49
Adjustment to ARC*	<u>(56)</u>
<b>Total: Annual OPEB Cost (AOC) for 2015-16</b>	<b>\$57,649</b>

\*Amounts based on June 30, 2015 Net OPEB Obligation of \$694.

The ARC of \$57,656, shown above, should be used for the 2015-16 and 2016-17 fiscal years, but the Annual OPEB Cost for 2016-17 must include an adjustment based on the Net OPEB Obligation as reported in the preceding year's financial statement, which is not known precisely in advance.

When the District begins preparation of the June 30, 2016 government-wide financial statements, DF&A will provide the District and its auditors with complimentary assistance in preparation of footnotes and required supplemental information for compliance with GASB 45 (and GASB 43, if applicable).

The actuarial asset value of \$588,142 was taken as the reported market value of the PARS GASB 45 trust account as of June 30, 2015, without adjustment.

## Differences from Prior Valuation

The most recent prior valuation was completed as of July 1, 2012 by DF&A. The AL (Accrued Liability) as of that date was \$520,328 (see page 3 of the prior report), compared to \$841,255 as of July 1, 2015. In this section, we provide a reconciliation between the two numbers so that it is possible to trace the AL from one actuarial report to the next.

Several factors have caused the AL to change since 2012. The AL increases as employees accrue more service and get closer to receiving benefits. There are actuarial gains/losses from one valuation to the next, and changes in actuarial assumptions and methodology for the current valuation. To summarize, the most important changes were as follows:

1. There was a loss (an increase in the AL) of \$14,141 due to increases in healthcare premiums greater than expected.
2. There was a gain (a decrease in the AL) of \$797 due to a reduction in the PERS Health administrative fee from 0.36% of premium to 0.32% of premium.
3. We changed to more up-to-date mortality tables. This change increased the AL by \$22,817.
4. We changed the initial healthcare trend rate from 5.0% to 8.0% to better reflect our expectation of premium increases over the next several years. This change increased the AL by \$6,626.
5. We included the "implicit subsidy" as required by Actuarial Standard of Practice Number 6 (ASOP 6). Please see page 8 for further details. This change increased the AL by \$255,581.
6. There was a net census gain (a decrease in the AL) of \$64,500.

The estimated changes to the AL from July 1, 2012 to July 1, 2015 may be summarized as follows:

<b>Changes to AL</b>	<b>AL</b>
AL as of 7/1/12	<b>\$520,328</b>
Passage of time	87,059
Increases in premiums > expected	14,141
Change in PERS Health admin fee	(797)
Change in mortality tables	22,817
Change in healthcare trend rate	6,626
Valuation of implicit subsidy	255,581
Census (gain)	(64,500)
AL as of 7/1/15	<b>\$841,255</b>

## Funding Schedules

There are many ways to approach the pre-funding of retiree healthcare benefits. In the *Financial Results* section, we determined the annual expense for all District-paid benefits. The expense is an orderly methodology, developed by the GASB, to account for retiree healthcare benefits. However, the GASB 45 expense has no direct relation to amounts the District may set aside to pre-fund healthcare benefits.

The table on the next page provides the District with three alternative schedules for funding (as contrasted with expensing) retiree healthcare benefits. The schedules all assume that the retiree fund earns, or is otherwise credited with, 7.0% per annum on its investments, a starting PARS GASB 45 trust value of \$588,142 as of July 1, 2015, and that contributions and benefits are paid mid-year.

The schedules are:

1. A level contribution amount for the next 20 years.
2. A level contribution amount for the next 15 years.
3. A level contribution amount for the next 10 years.

We provide these funding schedules to give the District a sense of the various alternatives available to it to pre-fund its retiree healthcare obligation. The three funding schedules are simply three different examples of how the District may choose to spread its costs.

By comparing the schedules, you can see the effect that early pre-funding has on the total amount the District will eventually have to pay. Because of investment earnings on fund assets, the earlier contributions are made, the less the District will have to pay in the long run. Of course, the advantages of pre-funding will have to be weighed against other uses of the money.

The table on the following page shows the required annual outlay under the pay-as-you-go method and each of the above schedules. **The three funding schedules include the "pay-as-you-go" costs; therefore, the amount of pre-funding is the excess over the "pay-as-you-go" amount.**

## Treatment of Implicit Subsidy

We exclude the implicit subsidy from these funding schedules because we do not recommend that the District pre-fund for the full age-adjusted costs reflected in the GASB 45 liabilities shown in the first section of this report. If the District's premium structure changes in the future to explicitly charge under-age 65 retirees for the full actuarial cost of their benefits, this change will be offset by a lowering of the active employee rates (all else remaining equal), resulting in a direct reduction in District operating expenses on behalf of active employees from that point forward. For this reason among others, we believe that pre-funding of the full GASB liability would be redundant.

**Mojave Desert Air Quality Management District**

**Sample Funding Schedules (Closed Group)**

**Starting trust value of \$588,142 as of July 1, 2015**

<b>Fiscal Year</b>	<b>Pay-as-you-go</b>	<b>Level Contribution for 20 years</b>	<b>Level Contribution for 15 years</b>	<b>Level Contribution for 10 years</b>
2015	\$22,517	\$18,130	\$21,090	\$27,350
2016	29,298	18,130	21,090	27,350
2017	34,090	18,130	21,090	27,350
2018	39,686	18,130	21,090	27,350
2019	45,129	18,130	21,090	27,350
2020	52,451	18,130	21,090	27,350
2021	53,637	18,130	21,090	27,350
2022	50,934	18,130	21,090	27,350
2023	52,139	18,130	21,090	27,350
2024	57,168	18,130	21,090	27,350
2025	61,370	18,130	21,090	0
2026	62,453	18,130	21,090	0
2027	66,010	18,130	21,090	0
2028	58,671	18,130	21,090	0
2029	62,075	18,130	21,090	0
2030	65,228	18,130	0	0
2031	63,688	18,130	0	0
2032	67,884	18,130	0	0
2033	72,252	18,130	0	0
2034	76,157	18,130	0	0
2035	71,753	0	0	0
2036	74,515	0	0	0
2037	77,251	0	0	0
2038	79,916	0	0	0
2039	72,781	0	0	0
2040	76,478	0	0	0
2041	79,874	0	0	0
2042	83,442	0	0	0
2043	86,862	0	0	0
2044	89,904	0	0	0
2045	87,391	0	0	0
2046	84,917	0	0	0
2047	81,501	0	0	0
2048	77,143	0	0	0
2049	76,891	0	0	0
2050	75,694	0	0	0
2055	51,725	0	0	0
2060	39,568	0	0	0
2065	29,049	0	0	0
2070	20,380	0	0	0

Note to auditor: when calculating the employer OPEB contribution for the year ending on the statement date, we recommend multiplying the actual District-paid premiums on behalf of retirees by a factor of 2.0489 to adjust for the implicit subsidy.

**Actuarial Assumptions**

In order to perform the valuation, the actuary must make certain assumptions regarding such items as rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates. Our assumptions are based on a standard set of assumptions we have used for similar valuations, modified as appropriate for the District. For example, turnover rates are taken from a standard actuarial table, T-5, without adjustment. This matches the District's historic turnover patterns. Retirement rates were also based on recent District retirement patterns. Both assumptions should be reviewed in the next valuation to see if they are tracking well with experience.

The discount rate of 7.0% is based on our best estimate of expected long-term plan experience. It is in accordance with our understanding of the guidelines for selection of this rate under GASB 45 for funded plans such as the District's. The healthcare trend rates are based on our analysis of recent District experience and our knowledge of the general healthcare environment.

A complete description of the actuarial assumptions used in the valuation is set forth in the "Actuarial Assumptions" section.

**Projected Annual Pay-as-you go Costs**

As part of the valuation, we prepared a projection of the expected annual cost to the District to pay benefits on behalf of its retirees on a pay-as-you-go basis. These numbers are computed on a closed group basis, assuming no new entrants, and are net of retiree contributions. Projected pay-as-you-go costs for selected years are as follows:

<b>FYB</b>	<b>Pay-as-you-go</b>
2015	\$22,517
2016	29,298
2017	34,090
2018	39,686
2019	45,129
2020	52,451
2025	61,370
2030	65,228
2035	71,753
2040	76,478
2045	87,391
2050	75,694
2055	51,725
2060	39,568
2065	29,049
2070	20,380
2075	12,451
2080	5,723

### **Valuation of Implicit Subsidy**

In past GASB 45 valuations for the District, we have availed ourselves of the "community rating" exception to PERS Health (PEMHCA). This exception has permitted an actuary to ignore the effects of the use of a blended premium for active employees and early retirees (those under age 65) as is the case for PEMHCA. This unique treatment of PEMHCA resulted in actuarial estimates for PEMHCA agencies that were significantly lower than for most other insurance providers, and has been prevailing practice among California-based actuarial firms. The Actuarial Standards Board has amended Actuarial Standard of Practice Number 6 (ASOP 6) to virtually eliminate this practice for valuations beginning with the July 1, 2015 fiscal year. As shown on page 4 of this report, the Accrued Liability for the District's implicit subsidy is approximately \$255 thousand. The new GASB OPEB standards, expected to take effect in 2017, contain guidance that will require actuaries to continue to include this subsidy, where applicable, for all future OPEB valuations. Please feel free to call us at (818) 718-1266 if you would like further explanation of this change.

### **Breakdown by Employee/Retiree Group**

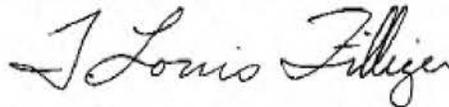
Exhibit I, attached at the end of the report, shows a breakdown of the GASB 45 components (ARC, AL, Service Cost, and PVFB) by bargaining unit (or non-represented group) and separately by active employees (future retirees) and current retirees.

### **Certification**

The actuarial certification, including a caveat regarding limitations of scope, if any, is contained in the "Actuarial Certification" section at the end of the report.

We have enjoyed working with the District on this report, and are available to answer any questions you may have concerning any information contained herein.

Sincerely,  
DEMSEY, FILLIGER AND ASSOCIATES



T. Louis Filliger, FSA, EA, MAAA  
Partner & Actuary

## Benefit Plan Provisions

This report analyzes the actuarially projected costs of the Mojave Desert Air Quality Management District's retiree health insurance program.

### **Active Employee Coverage**

Medical coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA), also referred to as PERS Health. For each employee group, a negotiated monthly dollar amount is contributed to a Flexible Benefits plan, a portion of which the District designates as its contribution rate for health insurance. The designated contribution for healthcare is set equal to the PEMHCA statutory minimum (\$122.00/month for calendar 2015 and \$125.00/month for calendar 2016.) The statutory minimum is indexed (increased) in all future years according to the rate of medical inflation.

### **Post-Retirement Coverage**

Employees become eligible to retire under PEMHCA and receive District-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by attaining qualifying disability retirement status. The District contributes the statutory minimum on behalf of all retirees in PEMHCA (\$122/month for 2015 and \$125/month for 2016), as well as a 0.32% of premium administrative fee. In addition, retirees who meet the following provisions will be entitled to a supplemental District contribution, as follows:

Retirees who are in the District's PEMHCA plan at the time of retirement, and who have a minimum of 20 years of public service with any of the member agencies of the District or any air district in California, and who have 10 years of service with the District or its predecessor agency, shall be paid a percentage of the premium calculated as 2% per year of service from date of hire with the District. For eligible employees hired between July 1, 1993 and July 1, 2009, years of service with a member agency or any air district in California shall be added to District years of service for purposes of the premium percentage calculation. The resulting amount is added to the PEMHCA statutory minimum described above, with the total District contribution limited to the Flexible Benefit amount for a full-time employee (\$973.51/month for 2015).

Benefits are payable for the earlier of 5 years or until the retiree becomes eligible for Medicare (age 65). Once the supplemental District contribution ends, the retiree may continue to receive the statutory minimum contribution from the District for his or her remaining lifetime by continuing coverage in PEMHCA.

**Benefit Plan Provisions  
(Continued)**

**2015 Medical Premiums under PEMHCA**

The following table shows 2015 monthly premiums for retirees in the "Los Angeles Area" CalPERS region:

	Blue Shield HMO	Kaiser HMO	PERS Care PPO	PERS Choice PPO	Blue Shield Net Value
<b><u>Basic Plan</u></b>					
Retiree	\$517.87	\$521.18	\$647.11	\$585.18	\$485.41
Retiree + 1	1,035.74	1,042.36	1,294.22	1,170.36	970.82
Family	1,346.46	1,355.07	1,682.49	1,521.47	1,262.07
<b><u>Medicare Supplement</u></b>					
Retiree	\$352.63	\$295.51	\$368.76	\$339.47	\$352.63
Retiree + 1	705.26	591.02	737.52	678.94	705.26
Family	1,057.89	886.53	1,106.28	1,018.41	1,057.89

**Valuation Data**

**Active and Retiree Census**

Age distribution of retirees included in the valuation

Age	District Supplement	Statutory Minimum Only	Total
Under 55	0	0	0
55-59	1	0	1
60-64	0	1	1
65-69	0	5	5
70-74	0	3	3
75+	<u>0</u>	<u>1</u>	<u>1</u>
All Ages	1	10	11
Average Age	56.00	68.80	67.64

Age/Years of service distribution of active employees included in the valuation\*

Years→	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total
Age								
20-24	0							0
25-29	3							3
30-34	1	2						3
35-39	0	1	0					1
40-44	0	0	1	1				2
45-49	1	1	0	0	1			3
50-54	1	3	0	1	0	0		5
55-59	0	0	0	2	1	1	0	4
60-64	1	0	1	0	1	0	0	3
65+	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
All Ages	7	7	2	5	3	1	0	25

Average Age: 47.44  
 Average Service: 11.24

\*The data we were provided excluded active employees currently waiving PEMHCA coverage. We adjusted for this by using a 0% waiving assumption for future retirees. The client has informed us that it is not common practice for active District employees who have waived PEMHCA coverage throughout their careers to join PEMHCA immediately prior to retirement.

**Actuarial Assumptions**

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Valuation Date: July 1, 2015  
 Actuarial Cost Method: Projected Unit Credit  
 Amortization Method: 30-year level dollar, open period  
 Discount Rate: 7.0% per annum  
 Return on Assets: 7.0% per annum  
 Pre-retirement Turnover: According to Crocker-Sarason Table T-5 less mortality, without adjustment. Sample rates are as follows:

Age	Turnover (%)
25	7.7%
30	7.2
35	6.3
40	5.2
45	4.0
50	2.6
55	0.9

Pre-retirement Mortality: RP-2014 Employee Mortality, without projection. Sample deaths per 1,000 employees are as follows:

Age	Males	Females
25	0.48	0.17
30	0.45	0.22
35	0.52	0.29
40	0.63	0.40
45	0.97	0.66
50	1.69	1.10
55	2.79	1.67
60	4.69	2.44

Post-retirement Mortality: RP-2014 Healthy Annuitant Mortality, without projection. Sample deaths per 1,000 retirees are as follows:

Age	Males	Females
55	5.74	3.62
60	7.78	5.91
65	11.01	8.05
70	16.77	12.87
75	26.83	20.94
80	44.72	34.84
85	77.50	60.50

## Actuarial Assumptions (Continued)

Claim Cost per Retiree or Spouse:

Age	Medical/Rx
50	\$6,647
55	7,706
60	8,933
64	10,055
65+	3,726

Retirement Rates:

Age	Percent Retiring*
50-54	2.0%
55	5.0
56	8.0
57	10.0
58	12.0
59	15.0
60	18.0
61	20.0
62	25.0
63	30.0
64	35.0
65	100.0

\* Of those having met eligibility to receive PEMHCA statutory minimum retirement benefits. The percentage refers to the probability that an active employee who has reached the stated age will retire within the following year.

Trend Rates:

Healthcare costs were assumed to increase according to the following schedule:

FYB	Medical/Rx	Medical CPI
2015	8.0%	4.0%
2016	7.0	4.0
2017	6.0	4.0
2018+	5.0	4.0

Percent Waiving Coverage:

0% (employees waiving benefits excluded from database).

Prior Public Service:

Employees hired after age 40 and before July 1, 2009 assumed to have 10 years prior public service for all purposes.

Pct. of Retirees with Spouses:

Future Retirees: 50% of future retirees were assumed to have spouses at the time of retirement. Female spouses assumed three years younger than male spouses. Current Retirees: Based on actual spousal data.

Pct. Electing Survivor Annuity:

50% of future retirees with spouses were assumed eligible for statutory minimum survivor benefits.

## Actuarial Certification

The results set forth in this report are based on our actuarial valuation of the health and welfare benefit plans of the Mojave Desert Air Quality Management District ("District") as of July 1, 2015.

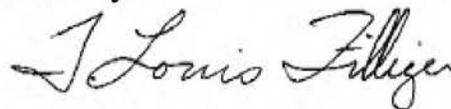
The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the District in February, 2016. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the District, as well as trust statements prepared by Public Agency Retirement Services (PARS).

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 43 and GASB 45, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits. We have assumed no post-valuation mortality improvements, consistent with our belief that there will be no further significant, sustained increases in life expectancy in the United States over the projection period covered by the valuation.

Throughout the report, we have used unrounded numbers, because rounding and the reconciliation of the rounded results would add an additional, and in our opinion unnecessary, layer of complexity to the valuation process. By our publishing of unrounded results, no implication is made as to the degree of precision inherent in those results. Clients and their auditors should use their own judgment as to the desirability of rounding when transferring the results of this valuation report to the clients' financial statements.

The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:



T. Louis Filliger, FSA, EA, MAAA Date: 3/24/16  
Partner & Actuary

**Mojave Desert Air Quality Management District**  
**GASB 45 Valuation Split by Bargaining Unit and Exempt**

**Exhibit I**

	<b>7/1/2015</b> <b>Valuation Results</b> <b><u>Bargaining Unit</u></b>	<b>7/1/2015</b> <b>Valuation Results</b> <b><u>Exempt</u></b>	<b>7/1/2015</b> <b>Valuation Results</b> <b><u>Total</u></b>
Present Value of Benefits			
Actives	\$ 511,406	\$ 330,430	\$ 841,836
Retirees	196,858	116,374	313,232
Total Present Value of Benefits (PVB):	<u>\$ 708,264</u>	<u>\$ 446,804</u>	<u>\$ 1,155,068</u>
Accrued Liability:			
Actives	\$ 254,832	\$ 273,191	\$ 528,023
Retirees	196,858	116,374	313,232
Total Accrued Liability (AL):	<u>\$ 451,690</u>	<u>\$ 389,565</u>	<u>\$ 841,255</u>
Assets	<u>(315,788)</u>	<u>(272,354)</u>	<u>(588,142)</u>
Unfunded Accrued Liability ("UAL")	<b>\$ 135,902</b>	<b>\$ 117,211</b>	<b>\$ 253,113</b>
<u>GASB 45 ARC ("Annual Required Contributions")</u>			
Service Cost at Year-end	\$ 24,822	\$ 12,437	\$ 37,259
30-year amortization of UAL	10,952	9,446	20,397
Total ARC for 2012-13	<u>\$ 35,774</u>	<u>\$ 21,883</u>	<u>\$ 57,656</u>

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 11*

**DATE:** April 25, 2016

**RECOMMENDATION:** Set date of May 23, 2016 to conduct a public hearing to consider the amendment of Rule 219 – *Equipment Not Requiring a Permit* and approval of California Environmental Quality Act (CEQA) documentation.

**SUMMARY:** This item officially sets the date for the mandatory public hearing to be held on the amendment of Rule 219. Rule 219 is proposed for amendment to address a more detailed interpretation by the California Air Resources Board (CARB) of Senate Bill (SB) 700 provisions. The amendment will also update Rule 219 provisions applying to steam cleaning, welding, abrasive blasting, and coating or adhesive application or laminating equipment.

**CONFLICT OF INTEREST:** None.

**BACKGROUND:** The Mojave Desert Air Quality Management District (MDAQMD or District) has the authority pursuant to California Health & Safety (H&S) Code §40702 to adopt, amend or repeal rules and regulations. The MDAQMD is proposing to amend Rule 219 – *Equipment Not Requiring a Permit* for inclusion in the current rulebook. This rule sets forth which equipment is too small to need a permit. Proposed amendments will clarify existing policies and may potentially require several permits at a minority of facilities.

The MDAQMD amended Rule 219 on August 23, 2010 to implement portions of the provisions of Senate Bill (SB) 700 by requiring all agricultural sources that meet certain thresholds of animals or regulated pollutants to obtain permits like other regulated sources. Subsequent to this amendment, the California Air Resources Board (CARB) provided a more detailed interpretation on the provisions in SB 700 relating to the permitting thresholds for minor agricultural sources. SB 700 requires districts in California to permit agricultural sources with actual emissions at or above one half the major source threshold and prohibits districts from permitting agricultural sources with actual emissions less than one half the major source threshold. CARB had never defined which major source threshold should be referred to for permitting agricultural sources ((1) the State implementation Plan (SIP) -approved threshold, (2) the most recent locally

---

Cc: Tracy Walters

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 11*

**PAGE 2**

adopted threshold, or (3) the threshold corresponding with the current federal attainment status in 40 CFR 81.305). CARB has clarified that the permitting threshold for minor agricultural sources should be the most stringent of any major source threshold. The MDAQMD must now amend Rule 219 in accordance with the CARB interpretation so that the agricultural source exemption threshold corresponds to a SIP or Federal major source threshold.

This amendment also sets forth clarification and MDAQMD policy regarding the exemption of combustion sources used in steam cleaning operations. Combustion sources associated with steam cleaning are exempt from permit requirements provided they are also exempt pursuant to the general combustion source in subsection (E)(2)(b) of the rule. The combustion unit exemption provided for under subsection (E)(2)(b) only applies if the aggregate of all combustion sources associated with the same process is less than 2,000,000 Btu/hr and if the unit(s) are fired exclusively with natural gas or liquefied petroleum gas. The equipment which applies steam to substrates for the sole purpose of removing grease, dirt and other residues is exempt from permit requirements but the exclusion does not apply to associated combustion units unless they are below the permitting threshold under (E)(2)(b).

The exemption for welding is also proposed for modification to reflect requirements in the *Rule and Implementation Information for Nine Metal Fabrication and Finishing Area Source Categories* (40 CFR 63 Subpart XXXXXX) which regulates nine (9) industrial processes, including welding. Proposed rule language has been derived from South Coast Air Quality Management District (SCAQMD) Rule 219.

Abrasive blasting requirements have been proposed for amendment to include portable sand/water blaster equipment and associated internal combustion engine provided the water in the mixture is 66 percent or more by volume is maintained during operation of such equipment. Internal combustion engines must be exempt pursuant to (E)(2)(a). Proposed rule language has been derived from SCAQMD Rule 219.

At the request of industry, permitting requirements for spray coating equipment is being modified to recognize the properties of high viscosity coatings. Specifically, VOC emissions from application equipment (including clean-up) are exempted to three (3) pounds per day or less or 66 pounds per calendar month or less. Proposed rule language has been derived from SCAQMD Rule 219.

A Notice of Exemption, Categorical Exemption (Class 8; 14 Cal. Code Reg. §15308) will be prepared by the MDAQMD for the amendment of Rule 219 pursuant to the requirements of CEQA.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 11*

**PAGE 3**

**REASON FOR RECOMMENDATION:** Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulation. Also, 42 U.S.C. §7410(l) (FCAA §110(l)) requires that all SIP revisions be adopted after public notice and hearing.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about April 11, 2016.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Alan De Salvio, Deputy Director – Mojave Desert Operations

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 12*

**DATE:** April 25, 2016

**RECOMMENDATION:** 1. Ratify the “FY 15-16 Application for Carl Moyer Program Funds” and its submission to CARB, 2. Approve the required match funding for the Carl Moyer Memorial Air Quality Standards Attainment Program (the Carl Moyer Program), and 3. Authorize the Executive Director to execute the agreement, approved as to legal form, with CARB which binds the parties to the terms and conditions set forth in the application and the 2011 Carl Moyer Program Guidelines.

**SUMMARY:** This item authorizes the application for and implementation of the Carl Moyer Program for Year 18, through FY 15-16.

**CONFLICT OF INTEREST:** None

**BACKGROUND:** The purpose of the Carl Moyer Program is to reduce emissions by providing grants for the incremental cost of cleaner heavy-duty vehicles and equipment such as on-road, off-road, marine, locomotive, stationary agricultural pump, forklift, and airport ground support engines. The state legislature has authorized continuing funding for statewide implementation of the Carl Moyer Program (Year 18 funding).

**1. Approve the “Fiscal Year 15-16 Application for Carl Moyer Program Funds” and authorize its submission to CARB.** CARB has indicated that an estimated \$752,959 of the available funding has been tentatively allocated for the MDAQMD portion of the Carl Moyer Program. The amount of funding will be finalized during the agreement development process authorized under Section 3 below. By submitting an application to CARB, MDAQMD will be able to claim those funds and demonstrate its willingness to administer the program in accordance with the stated objectives.

---

CC: Holly Noel

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 12*

**Page 2**

2. **Match requirement.** The MDAQMD needs to provide one dollar in match funding for every two dollars of State Carl Moyer funding. This match amount may be modified if the overall Carl Moyer Program funding allocation is greater than a statewide \$12 million cap. Present Carl Moyer Program Funding is over \$65 million statewide so CARB has completed a recalculation of participating districts required match and the MDAQMD has an estimated \$112,944 match requirement. The amount of match required will be finalized during the agreement development process authorized under section 3 below. Previously awarded AB 2766 eligible projects in 2011, 2013 and 2015 will satisfy the tentative allocation requirement and the District estimates sufficient funds have already been expended to account for potential adjustments to the required match amount. No additional expenditures will be required to meet the match requirements.

3. **Authorize the Executive Director to execute the agreement with CARB which binds the parties to the terms and conditions set forth in the application and the 2011 Carl Moyer Program Guidelines.** Once CARB approves MDAQMD's application, CARB and MDAQMD will execute an agreement which binds the parties to the terms and conditions set forth in the application and the 2011 Carl Moyer Program Guidelines. This agreement will finalize the award amount and match requirement if such amounts are adjusted during the grant process.

**REASON FOR RECOMMENDATION:** The Carl Moyer Program guidelines require that the Governing Board formally authorize MDAQMD's application. Additionally, Governing Board authorization is needed for the Executive Director to execute the agreement with CARB.

**REVIEW BY OTHERS:** This item was reviewed as to legal form by Karen Nowak, District Counsel and by Eldon Heaston, Executive Director on or before February 16, 2016.

**FINANCIAL DATA:** Carl Moyer Program funds are supplementary to the MDAQMD budget. The required match funding commitment will be met by AB2766 Funds. The distribution of these funds is included in the FY 15-16 budget.

**PRESENTER:** Alan J. De Salvio, Deputy Director, Mojave Desert Operations.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 15*

**DATE:** April 25, 2016

**RECOMMENDATION:** Appoint the Executive Director/APCO as the Chief Negotiator for the purpose of conducting labor negotiations for a successor agreement with the employees' organization, SBPEA, Teamsters Local 1932.

**SUMMARY:** The five year Memorandum of Understanding with the employee's organization expires on June 30, 2016. Negotiations are due to commence for a successor agreement and a management team designated by the Governing Board will conduct labor negotiations with the SBPEA, Teamsters Local 1932.

**CONFLICT OF INTEREST:** The parties to agreement will be SBPEA, Teamsters Local 1932. Potential conflict: District Board members and officers, SBPEA, Teamsters Local 1932, its principals and agents.

**BACKGROUND:** The existing agreement between the District and the represented employees of the District will soon expire and labor negotiations for a successor agreement will be conducted in the coming weeks. The recognized employees' organization is the SBPEA, Teamsters 1932, formerly known as the San Bernardino Public Employees Association. Management will negotiate with the Association in compliance with the Meyers-Milias-Brown Act (Government Code Section 3500 et. seq.).

Counsel from Best Best & Krieger and District Counsel will provide legal services as needed. The Labor Relations Committee, an *ad hoc* committee appointed by the Governing Board Chair has reviewed recommendations proposed by management.

**REASON FOR RECOMMENDATION:** Governing Board action is required for labor negotiations. Designation of the negotiator provides organizational control and permits procedural discretion to management during the labor negotiation process.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 15*

**PAGE 2**

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about April 4, 2016.

**FINANCIAL DATA:** There is no anticipated financial impact resulting from this action.

**PRESENTER:** Eldon Heaston, Executive Director, on behalf of the Labor Relations *ad hoc* Committee

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 17*

**DATE:** April 25, 2016

**RECOMMENDATION:** Discuss and Direct staff regarding existence and composition of the Technical Advisory Committee.

**SUMMARY:** This item requests Governing Board direction regarding the Technical Advisory Committee.

**CONFLICT OF INTEREST:** None.

**BACKGROUND:** The MDAQMD Technical Advisory Committee (TAC) is in many ways the successor to an advisory committee authorized by District Rule 712. Originally this “Advisory Council” was an optional body with 11 members appointed by the APCO. After the formation of the MDAQMD in 1993 the Governing Board felt the need to create a committee tasked with providing advice to the Governing Board regarding air quality matters, specifically to provide technical recommendations on rules and other matters directly regulating air quality which would be addressed by the Governing Board. The TAC was specifically intended to replace the “Advisory Council” body authorized by District Rule 712.

As directed by the Governing Board the TAC included the following positions: 1 member representing Military facilities, 1 Public member, 1 General Business member, 1 member representing the Cement industry, 2 members from MDMAC, 2 members representing the utility sector, 1 member from the building industry and 1 member representing San Bernardino County environmental health. An agricultural member was added in 1996. All members are appointed by the Governing Board and serve at its pleasure until they resign or are dismissed.

Over the years the TAC has reviewed substantive rule changes proposed by staff as well as mandated planning documents and provided recommendations to the Governing Board regarding same. Occasionally the TAC has identified issues which need further study, discovered inconsistencies and detected inadvertent impacts of a proposed regulation on non-directly affected industry. Active participation on the TAC has generally come from the military, general business, the cement industry and utilities members.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 17*

**PAGE 2**

Over the same period of time the MDAQMD's rule and plan making protocol has also matured and become more inclusive. It has always been the policy of the Governing Board, implemented by staff, to consult extensively with affected industry regarding any new or revised regulation proposed for Governing Board action. This has expanded to include certain members of the regulated community and the public who, while often not directly affected, receive notice and copies of all proposed actions. This list of people consulted on every action is mostly synonymous with the members of the TAC and specifically includes the most active TAC participants. While the TAC originally provided a useful technical second look at proposed rules and regulations this function now appears to be somewhat duplicatory of the existing rule development process.

Staff is requesting that the Governing Board discuss and direct staff action on the following:

- Whether the TAC is a useful and advisable body to continue in its current form given the current rule development practices?
- If the Board wishes to continue the TAC, should it be set forth in an official District Rule or would a Governing Board Policy or a simple Standard Practice provide more flexibility and ease of use?
- How much control would the Governing Board like over membership of the TAC? Would the Board prefer to designate the types and number of member with the APCO appointing members or retain direct appointment power at the Governing Board level?

**REASON FOR RECOMMENDATION:** The TAC was created by the Governing Board therefore Governing Board action is needed to modify or rescind it.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about April 11, 2016.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Eldon Heaston, Executive Director/APCO

**MOJAVE DESERT AQMD  
TECHNICAL ADVISORY COMMITTEE (TAC)  
ROSTER / PHONE DIRECTORY**

<u>NAME/AFFILIATION/ADDRESS</u>	<u>PHONE</u>	<u>FAX</u>
<b>Nancy Martin Jackson</b> Southern Calif. Edison Co. Planning Department 12353 Hesperia Road Victorville, CA 92392	760-951-3219	760.951.3159 <a href="mailto:nancy.jackson@sce.com">nancy.jackson@sce.com</a>
<b>Kristine Scott</b> San Bernardino District 624 W. 4 <sup>th</sup> Street, Suite #F San Bernardino, CA 92410	909-335-7941	909-381-2635 <a href="mailto:KScott@semprautilities.com">KScott@semprautilities.com</a>
<b>Ross May</b> Searles Valley Minerals P.O. Box 367 Trona, CA 93592-0367	760-372-2197	<a href="mailto:May@svminerals.com">May@svminerals.com</a>
<b>F. T. Sheets III (CIEC)</b> TXI Riverside Cement Co. P.O. Box 51479 Ontario, CA 91761	909-635-1826	909-860-5816 <a href="mailto:fsheets@strategicpartnersgroup.org">fsheets@strategicpartnersgroup.org</a>
<b>Brenda Abernathy</b> Naval Air Weapons Station 421 Bowen Road, Stop4014 China Lake, CA 93555	760-939-3230	760-939-2980 <a href="mailto:Brenda.abernathy@navy.mil">Brenda.abernathy@navy.mil</a>
<b>Mark Burns</b> P.O. Box 105097 U.S. Dept of the Army Fort Irwin, CA 92310-5097	760-380-3737	<a href="mailto:mark.burns2@irwin.army.mil">mark.burns2@irwin.army.mil</a>
<b>Jerry Kinkade, AFG</b> 16270 Nasoni Court Apple Valley, CA 92307	760-694-2820 cell 760-242-2395 home	<a href="mailto:jerryk7@gmail.com">jerryk7@gmail.com</a>
<b>Dave Rib</b> Mitsubishi Cement Lucerne Valley, CA	760-248-5184	<a href="mailto:drib@mitsubishicement.com">drib@mitsubishicement.com</a>

**MDAQMD Personnel:**

Eldon Heaston, APCO

Karen Nowak, District Counsel

Violette Roberts, Community Relations Manager

Alan DeSalvio, Supervising AQ Engineer

Michele Baird, Clerk of the Board



**Mojave Desert Air Quality Management District  
Community Relations & Education Office  
14306 Park Avenue, Victorville, CA 92392**

\*\*\*\*\*

## **REPORT OF MDAQMD ACTIVITIES FOR APRIL 2016**

### **MDAQMD Customer Service Survey Results Are In!**

The results of the MDAQMD's 2016 Customer Service Satisfaction Survey are in and set to be presented to the District's Governing Board during April's regular Board meeting. A total of 60 responses were received to the survey, which was conducted at the Governing Board's request to evaluate how well staff is meeting the needs of regulated businesses. More than 650 postcards announcing the survey were distributed to permittees and other interested parties between January 11 and March 1, 2016. The survey gauged respondents' opinions on various topics, ranging from the ease of contacting District staff to permitting/compliance staff timeliness in conducting facility inspections. The survey also elicited general comments on the MDAQMD's services and suggestions for improvement. Results of the survey will be used to help the District construct a road map for implementing improvements and enhancing services to the regulated community in the near future.

### **2016 Poster Contest Encourages Local Youngsters to "Care for the Air"**

"Care for the Air We Share" is the theme of the MDAQMD's 2016 Clean Air Month Poster Contest, which invites High Desert kids to compete for gift cards in denominations between \$25 and \$100 by illustrating their ideas for preventing air pollution. Twelve winners from grades Kindergarten through 12 will have their posters featured in the MDAQMD's 2017 calendar. Additionally, two entries will be randomly selected to win bikes, courtesy of contest co-sponsor VVTA. Additional co-sponsors include the Daily Press, MEEC and AWMA's Mojave Desert Chapter. The contest entry deadline is May 9, 2016.

### **April 16 Exchange Event Features Electric Mowers and Lawn Equipment**

Emission-free electric lawnmowers, along with cordless electric blowers and trimmers, will be available starting at just \$50 to local residents who pre-register online or by phone. This is the first year that residents will also be able to trade in gas-powered blowers and trimmers for zero-emission electric models. Only pre-registered residents may bring their operable gas-powered lawn equipment to the Victorville Fairgrounds on April 16 between 8:00AM and 12:00 noon and exchange them for one of two electric lawnmower models ranging in price from \$50 to \$100, an 80-volt electric string trimmer for \$115, or an 80-volt electric blower for \$85. Transactions will be conducted on a first-come, first served-basis.

### **Moyer Funds Now Available to Reduce Heavy-Duty Diesel Emissions**

Thanks to funding distributed to air districts by the California Air Resources Board, the MDAQMD has grants available to assist public and private entities with the cost of cleaner-than-required engines and/or equipment. The MDAQMD's Carl Moyer Program provides funding towards replacing older, heavy-duty diesels with electric, alternative fuel or cleaner diesel technologies for projects which operate within the District's boundaries at least 75% of the time. The program pays up to 85% of the cost to repower engines and up to 100% to purchase a CARB-verified retrofit device. For more information, visit:

<http://www.mdaqmd.ca.gov/index.aspx?page=206>

*For more information on activities/projects listed above, contact the MDAQMD's Community Relations & Education Office at (760) 245-1661, ext. 6104.*