



Our Vision  Clean Air

**Santa Barbara County
Air Pollution Control District**

Fiscal Year 2005-06 Comprehensive Program Summary and Proposed Budget



260 North San Antonio Road, Suite A
Santa Barbara, CA 93110
805-961-8800
www.sbcapcd.org

Terry Dressler
Air Pollution Control Officer

Front Cover:
Photo of Highway 101 and Calle Real
from roof of the Casa Nueva Building
(facing south bound)

Santa Barbara County Air Pollution Control District Board Members

Supervisor Salud Carbajal

First District

Santa Barbara County Board of Supervisors

Supervisor Susan Rose

Second District

Santa Barbara County Board of Supervisors

Supervisor Brooks Firestone

Third District

Santa Barbara County Board of Supervisors

Supervisor Joni Gray

Fourth District

Santa Barbara County Board of Supervisors

Supervisor Joe Centeno

Fifth District

Santa Barbara County Board of Supervisors

Mayor Russ Hicks, Chair

City of Buellton

Councilmember Donna Jordan

City of Carpinteria

Councilmember Margaret Connell, Vice Chair

City of Goleta

Councilmember Carlos Aguilera

City of Guadalupe

Councilmember Will Schuyler

City of Lompoc

Councilmember Dan Secord

City of Santa Barbara

Councilmember Marty Mariscal

City of Santa Maria

Mayor Pro Tem Brian Baca

City of Solvang

Table of Contents

Table of Contents.....	i
Air Pollution Control Officer’s Message.....	1
Fiscal Year 2005-06 Proposed Budget at a Glance	1
Major Factors Affecting the FY 2005-06 Proposed Budget.....	1
Fiscal Year 2005-06 Proposed Budget Highlights.....	3
About the APCD.....	6
What is the APCD?.....	6
APCD’s Mission.....	6
Organizational Chart.....	6
Strategic Plan	6
Fiscal Year 2005-06 Proposed District Budget	8
Fiscal Year 2005-06 Proposed Revenue Distribution by Program... ..	9
Projects Funded with Motor Vehicle Registration Fees	10
Projects Funded with Other Grant Funds.....	10
Fiscal Year 2005-06 Proposed Job Class Table.....	11
District Overview and Division Summaries	12
Impact Measures	14
Fiscal Year 2004-05 Significant Accomplishments	14

Fiscal Year 2005-06 Proposed Operating Budgets by Division	17
Administration Division.....	17
Fiscal and Executive Services.....	18
Human Resources	19
Information Technology Support.....	20
Engineering & Compliance Division.....	22
Permitting, Compliance, and Enforcement.....	23
Air Toxics	24
Technology & Environmental Assessment Division.....	26
Air Quality Planning.....	27
Rule Development	28
Community Programs	28
Land Use	30
Air Monitoring.....	31
Innovative Technologies Group.....	32

Air Pollution Control Officer's Message

June 16, 2005

The Governing Board of the
Santa Barbara County Air Pollution Control District

Dear Chair Hicks and Board Members:

The FY 2005-06 Comprehensive Program Summary and Proposed Budget is submitted for your review and consideration. It has been prepared according to the policy framework and direction provided by the Board and the Air Pollution Control District Strategic Plan.

This summary discussion includes (1) the proposed District budget at a glance, (2) major factors affecting the proposed budget, and (3) budget highlights.

This summary is followed by the District's proposed operating budgets by Division, which provide division overviews, significant financial changes, purpose statements, FY 2004-05 significant accomplishments, FY 2005-06 goals and objectives, and recurring performance measures.

Fiscal Year 2005-06 Proposed District Budget at a Glance

	Adopted FY 2004-05	Proposed FY 2005-06
Revenues	<u>\$ 7,999,698</u>	<u>\$ 8,474,122</u>
Expenditures	<u>\$ 7,999,698</u>	<u>\$ 8,474,122</u>
Staffing (positions)	<u>59.00</u>	<u>55.75</u>

(Please see page eight for complete APCD Budget detail.)

Major Factors Affecting the FY 2005-06 Proposed Budget

The proposed FY 2005-06 budget is characterized by our need to implement a long term plan to bring our expenditures in alignment with our revenues. For the last two fiscal years, the APCD's expenditures have been greater than our revenues and we have had to use previously accumulated savings in order to balance our budgets. Fortunately, over a 15 year period, the APCD earned significant interest on discretionary pollution mitigation funds, the balance of which is described in the designations summary that is included in this budget. However, it is prudent and necessary that we begin a process to stabilize our use of designations.

Fiscal Year 2005-06 is the first year of a proposed multi-year plan to stabilize our use of designations and align our expenditures with our revenues. In the proposed FY 2005-06 budget we have reduced our use of contractors by over \$100,000 and have unfunded a full-time Inspection Specialist, a three-quarter time Air Quality Specialist, a half-time Office Technician, and one-half of each of two full-time Air Quality Engineers for a total reduction of 3.25 full time equivalent positions from the Fiscal Year 2004-05 adopted budget. Most of these reductions in staff are being accomplished through attrition; however one position is subject to layoff. Depending on revenues realized in future years, subsequent budgets may require further reductions in staff.

Another part of the plan to align expenditures with revenues is to institute a differential between the Annual Consumer Price Index (CPI) increase in fees and annual Cost of Living Adjustments (COLA) to salaries. Currently, each one percent of COLA increase in salaries cost more than each one percent of CPI increase in fees produces in revenue. Consequently, it will be necessary to establish a differential between CPI increases in fees and COLA increases in salaries until the expenditures are fully aligned with the revenues.

Discussed below, in more detail, are the major factors that will affect the Fiscal Year 2005-06 budget specifically.

Revenue Changes

No fee increases are proposed for Fiscal Year 2005-06 other than the 3.9% CPI adjustment in fees that is authorized by APCD Rule 210. On the other hand, we expect to experience reductions in revenue from the loss of Tobacco Settlement funds and a reduction in reimbursable fee revenue due to a reduction in enforcement related effort. Fiscal Year 2005-06 is the peak year of the three-year reevaluation fee cycle, and a portion of the reevaluation fees collected in FY 2005-06 will be designated to cover future

years in the cycle when reevaluation fee revenue is lower. This forced savings is intended to even out the revenue fluctuations inherent in the reevaluation fee revenue three-year cycle. Assembly Bill 923 provided an increase in motor vehicle surcharge revenue and extended the Moyer Clean Air Grant Program. These funds can only be expended as pass-through grants. Finally we project a need to use \$534,540 of discretionary designated reserve to balance the FY 2005-06 budget.

Expenditure Changes

The proposed Fiscal Year 2005-06 budget includes a reduction of 3.25 full time equivalent (FTE) positions from the adopted Fiscal Year 2004-05 budget. While the total FY 2005-06 budget of about \$8.474 million represents, an increase of approximately \$474,000 over the FY 2004-05 budget, the increase can be attributed to an increase in budgeted clean air grants made possible by increases in the motor vehicle surcharge and the extension of the Moyer Program. Proposed reductions from the FY 2004-05 adopted budget to the FY 2005-06 proposed budget include:

- \$60,000 reduction in reimbursable effort which translates to a like reduction in revenue
- \$40,000 reduction in fixed fee supported permitting and enforcement activities
- \$50,000 reduction in rule development effort
- \$30,000 reduction in Community Programs effort
- \$100,000 reduction in contractor assistance

Clean Air Planning Requirements

After obtaining official recognition of our clean air attainment status from the U.S. EPA, our planning efforts continue to focus on the more health-protective state one-hour ozone standard as well as to maintain our federal clean air status. During FY 2005-06, staff effort will be focused on obtaining full approval of our 2004 Clean Air Plan and commencing work on our next federal plan to comply with the new federal 8-hour ozone standard that is generally more protective of public health than the existing 1-hour standard. Also, the California Air Resources Board (ARB) is in the process of revising the state ozone standard while EPA is revising their particulate matter standards. Staff will be working with closely EPA and ARB to determine the specific planning requirements for these new health-based standards.

Motor Vehicle Registration Surcharge Program

An existing annual surcharge of \$4 per registered vehicle is charged by the California Department of Motor Vehicles (DMV) to reduce air pollution from motor vehicles. Use of DMV funds for APCD programs related to transportation reduces the fee burden on local businesses. DMV funds are set aside to implement programs and projects to reduce pollution from motor vehicles. In the FY 2005-06 budget approximately 68% of the total DMV funding is to be used in-house, while 32% is to be used for outside programs, grants, and contracts. We use the Innovative Technologies Group project criteria to bring candidate programs to the Board and then work with the project proponents to issue individual grants. This year DMV funding is also subsidizing \$133,500 of the Clean Air Express Commuter Bus Program. In addition to the \$4 surcharge, AB923 has allowed us to collect an additional \$2 to fund four programs specified in the legislation. These programs include the Carl Moyer Program, the Lower Emission School Bus Program, the Agricultural Assistance Program, and an Old Car Buyback Program. The legislation mandates that only 5% of the revenues can be applied to the administration of the grant programs with 95% directly funding grants.

Innovative Technologies Group

The award-winning Innovative Technologies Group continues to fund numerous projects demonstrating the use of clean air technologies. These projects include the re-powering of fishing vessels, heavy-duty trucks and buses and replacing old agricultural booster pumps with newer, lower polluting engines. The primary funding source for these grants has shifted from mitigation funds established by major oil and gas projects in the late 1980s to new funding sources such as Carl Moyer Funds from the state and motor vehicle surcharge fees authorized by AB 923.

EPA Grant

The EPA Federal Fiscal Year 2005 (October 1, 2004 - September 30, 2005) EPA §105 Grant for the APCD will be \$482,884. Competition for these grant funds is stiff; there are always threats to reduce overall EPA grant funds. The amount of funding provided through the §105 Grant program is subject to any austerity measures or other funding reductions promulgated through the federal budget process.

Alternative Funding Sources

An important objective in the APCD Strategic Plan is to “Broaden the APCD funding base by actively pursuing additional sources of revenue.” To this end, we have been successful in obtaining an increase to our EPA grant, a temporary allocation of County tobacco settlement funds, and an increase of state subvention. While these revenues have helped, they were not permanent

increases. The authority of the APCD to generate its own revenue through fee increases makes it difficult to compete with other agencies for permanent funding sources. Other than CPI adjustments, the APCD has not increased its fixed fees, beyond CPI, in 14 years.

Streamlining and Efficiency Improvements

Continuous efficiency improvements are imperative for the APCD to maintain the same level of effectiveness and customer service with reduced resources. The FY 2005-06 budget relies on continued efficiency improvements and streamlining of operations including increased computer automation, reduced permit processing times, and streamlined rules. Performance measure tracking and customer feedback are essential to continued improvements.

Fiscal Year 2005-06 Proposed Budget Highlights

Overview

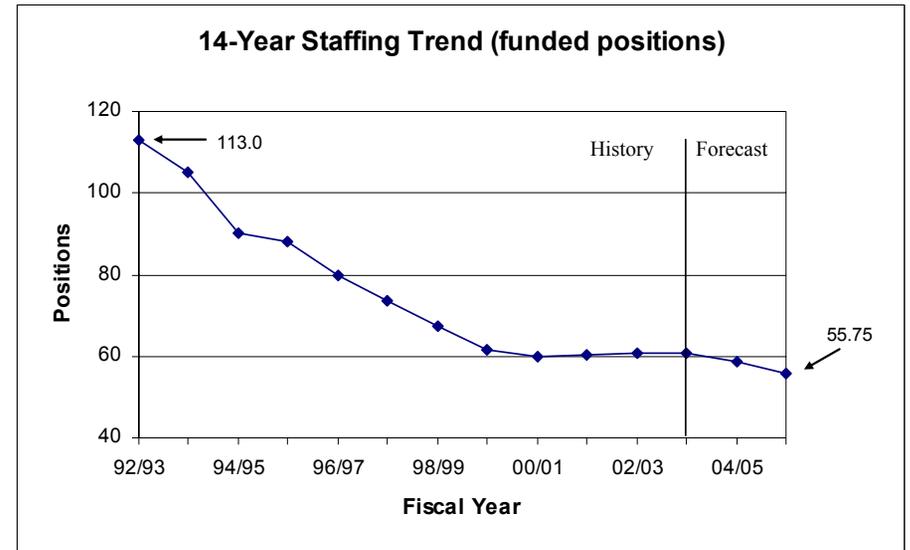
This budget is for APCD's fiscal year 2005-06, which runs from July 1, 2005 through June 30, 2006. The budget adoption process is specified in Health and Safety Code Section 40131 and includes requirements for two public hearings and notification of all fee payers.

The APCD budget is divided into three units to differentiate:

- the costs of controlling pollution from onshore sources typical of the responsibilities of any air district, and from offshore oil and gas development and associated onshore facilities essentially unique to Santa Barbara County, and
- the costs associated with the Innovative Technologies Program. The Innovative Technologies Program consists of voluntary public and private partnerships funded by offshore oil mitigation funds, and state and federal grants, and
- the district-wide costs associated with APCD administration.

The APCD budget is financed primarily through fees paid by regulated businesses, motor vehicle registration fees, and federal and state grants. The Strategic Plan adopted by the APCD Board in October 1997 forecast that overall fee revenue would continue to decrease substantially for several years. That reduction has indeed occurred. Fee revenue has dropped by over \$3 million since FY 1993-94. As a consequence, 57.25 staff positions have been cut.

The revenue picture has stabilized somewhat over the last several years; however, a detailed analysis of ongoing revenues and expenditures has revealed the need for staffing reductions over the next three to four years.



APCD is proposing 55.75 full time equivalent employees (funded positions). This is a 51% reduction from the FY 1992-93 staffing level of 113.0 positions. The remaining staff face the challenge of continuing to comply with existing and new state and federal mandates while maintaining a high level of service in major program areas such as rule development, planning, permitting, inspection, air monitoring, air toxics, and interagency review.

As noted above, the fee reductions over the last twelve years have been substantial. Some of these decreases are associated with workload reductions and some are not. As committed to in the Strategic Plan, we continue to pursue alternatives to traditional funding sources. The pursuit of alternatives has borne fruit over the last several years in the form of an increase in both state and federal grants and the short-term award of tobacco settlement funds.

We have not proposed an increase in the Rule 210 fee schedule for regulated sources since 1991 other than the annual adjustment for Consumer Price Index change allowed in our rules, which, for FY 2005-06 will be 3.9%.

Additional staffing reductions are necessary to close the gap between our ongoing expenditures and ongoing revenues. One-time and short-term revenue windfalls, in the form of Notices of Violation (NOV's) and tobacco settlement funds, as well as a healthy savings which accumulated from interest on District trust funds allowed us to proceed without addressing the eventual financial hardship that has finally surfaced. Adding to our challenge is the gradual decrease of Increment Fees and a gradual but steady reduction in Reimbursable Fee efforts.

The Use of Designations (Fund Balance/Savings)

The use of savings appears in the form of use of prior year fund balance. Just going back two years, the 2003-04 and 2004-05 budgets both budgeted a use of fund balance of \$940,737 and \$1,068,728 respectively. While the actual use of fund balance for 2003-04 totaled \$478,484, as presented in the 2003-04 Comprehensive Annual Financial Report (CAFR), and estimated use of fund balance for 2004-05 totals \$991,663 are both less than adopted, they are very large and unsustainable for ongoing expenditures in the long run.

The ongoing use of savings has three components. The first component is use of the Innovative Technologies Group (ITG) Designation of \$492,167, which was derived from a large emission settlement received over a decade ago. This settlement was established to fund ongoing grant programs that reduce emissions. This program is in its final two to four years of funding, and the recent increase in DMV funds from the new \$2 registration fee will help continue the program for a number of years. (Please see further discussion under the Technology & Environmental Assessment Division, starting on page 26.) The second component is use of the DMV Designation of \$299,214 that is withdrawn from, or deposited to, in any given fiscal year due to District awarding and payment cycles. The third is the use of Operational Activities Designation of \$509,540, which currently goes to support the revenue gap in stationary source regulatory operations, and is being met with the forecasted staffing reductions as part of management’s Designation Usage Stabilization Plan. The other uses of savings, Data Acquisition System and Promissory Note designations, are considered one-time uses this year.

Designation Usage Stabilization Plan

As outlined above, the APCD has had an ongoing revenue shortfall and has had to withdraw from fund balance to balance the budget. We have performed an extensive analysis and have formulated a plan to gradually close the gap in ongoing revenues and expenditures over the next three years.

We plan to close the gap by:

1. reducing our use of contractors and other services and supplies,
2. unfunding vacant positions,
3. seeking a differential in the salary COLAs in relation to our fee CPI,
4. reducing staffing through attrition,
5. reducing staff by one position through layoff in FY 2005-06, and
6. ad hoc reorganizations of staffing within divisions to focus staffing on key goals and objectives.

Designation Summary

Description	Actual	Est. Act.	Est. Act.	Proposed	Proposed
	7/1/2004	FY 2004-05	6/30/2005 & 7/1/2005	FY 2005-06	6/30/2006
	Amounts	Incr./(Decr.)	Amounts	Incr./(Decr.)	Amounts
Reserves:					
Imprest Cash	\$ 550	\$ -	\$ 550	\$ -	\$ 550
Reserved Receivables	12,722	-	12,722	-	12,722
Total Reserves	13,272		13,272		13,272
Designations:					
ITG Projects	1,565,597	(314,463)	1,251,134	(492,167)	758,967
Accumulated Capital Outlay	258,395	-	258,395	-	258,395
Strategic Reserve	450,000	-	450,000	-	450,000
Monitoring	188,613	(22,084)	166,529	18,429	184,958
Dry Period Reserve	652,929	-	652,929	120,000	772,929
Unrealized Gains (FMV Adj.)	945	-	945	-	945
Contingency	66,453	-	66,453	-	66,453
Data Acquisition System	462,850	(6,737)	456,113	(40,430)	415,683
Insurance Deductible	40,000	-	40,000	-	40,000
Special Investigations	20,000	-	20,000	-	20,000
Promissory Note	145,000	-	145,000	(145,000)	-
DMV 2\$	-	-	-	-	-
DMV 4\$	536,514	(115,823)	420,691	(299,214)	121,477
Operational Activities	1,189,283	(532,556)	656,727	(509,540)	147,187
Total Designations	5,576,579		4,584,916		\$ 3,236,994
Total Res. and Des.	\$ 5,589,851		\$ 4,598,188		\$ 3,250,266
Net Adjustments		\$ (991,663)		\$ (1,347,922)	

Proposed FY 2005-06 designation changes include an \$120,000 increase to Dry Period Reserve and an \$18,429 to Air Monitoring (\$138,429 total) offset by reductions of \$492,167 for the ITG programs, programs, \$40,430 for Data Acquisition System equipment purchases, \$145,000 for the payoff of the APCD’s promissory note (used to purchase furniture for the Casa Nueva building), \$299,214 for DMV supported programs, and \$509,540 for ongoing operational activities (\$1,486,351 total).

Total discretionary designations, not funded by categorical revenues, are outlined the following table under the discretionary designation detail

heading. The Government Finance Officers Association (GFOA) recommends a minimum of 15% of revenues, which would be \$1,038,259 for FY 2005-06. Based on the combined discretionary designations of \$1,496,569, the APCD has discretionary savings \$458,310 above the 15% recommended level.

Discretionary Designation Detail

	Est. Act. 6/30/2005 & 7/1/2005 Amounts	Proposed FY 2005-06 Incr./(Decr.)	Proposed 6/30/2006 Amounts
Discretionary Designations:			
Strategic Reserve	450,000	-	450,000
Dry Period Reserve	652,929	120,000	772,929
Contingency	66,453	-	66,453
Insurance Deductible	40,000	-	40,000
Special Investigations	20,000	-	20,000
Promissory Note	145,000	(145,000)	-
Operational Activities	656,727	(509,540)	147,187
Total	\$ 2,031,109	\$ (534,540)	\$ 1,496,569

The Reporting of Impact and Performance Measures

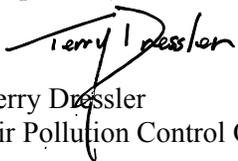
Impact Measures quantify the impact the APCD is having on air quality and help track organizational effectiveness. Impact measures may be affected by other factors as well, including meteorology, the efforts of other organizations, business cycles and others.

Recurring *Performance Measures* quantify the efficiency of divisions and programs in meeting specific quantifiable performance goals (e.g., number of permits processed within a certain timeframe), while other annual objectives (e.g., completion of a study or adoption of a specific rule) are listed in the FY 2005-06 goals section for each program. Recurring performance measures may also be affected by factors outside the agency’s control, but still serve an important accountability purpose.

The APCD utilizes both impact and recurring performance measures to enhance the budget review and adoption process.

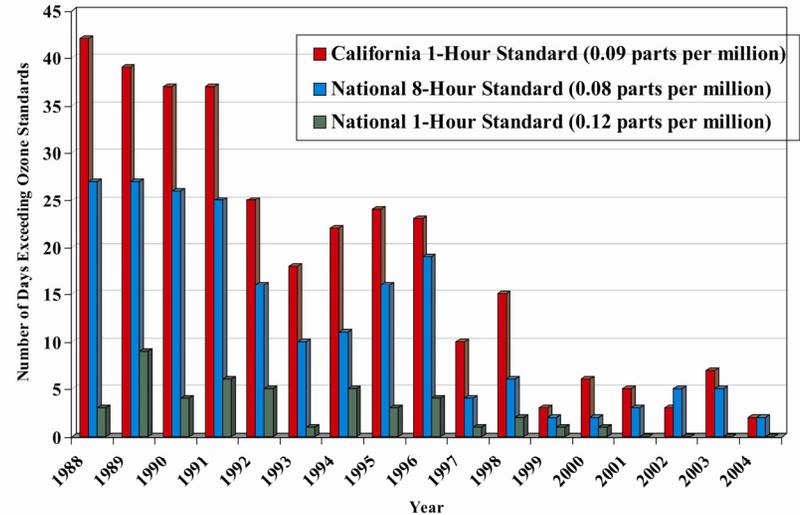
I look forward to working with your Board and our partners in the community during the coming year.

Respectfully,



Terry Dressler
Air Pollution Control Officer

**Our Air Quality
Bad Ozone Days 1988-2004**



About the APCD

What is the APCD?

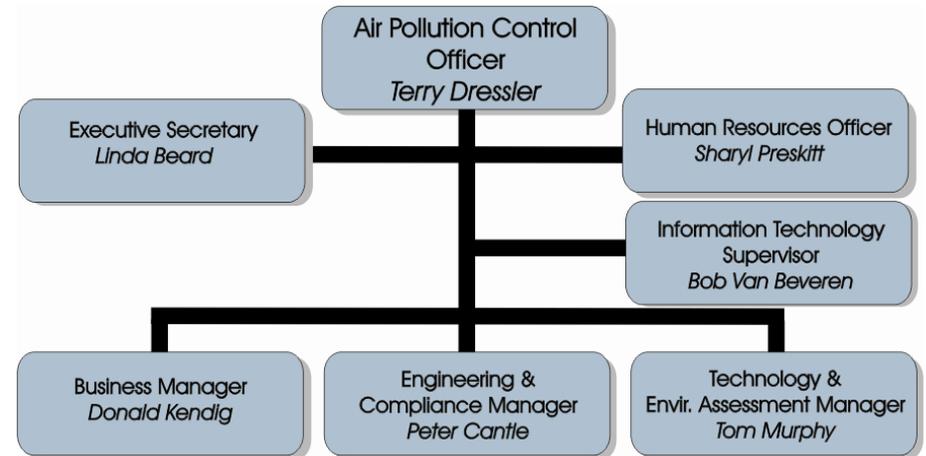
The Santa Barbara County Air Pollution Control District (APCD) is an independent special district charged with improving and protecting the quality of the air in Santa Barbara County. In 1970, the California Legislature gave local governments the primary responsibility for controlling air pollution from all sources except motor vehicles. In response, the APCD was established to adopt measures to control local sources of pollution, issue permits, monitor air quality, maintain an inventory of pollution sources, and other related activities. APCD staff members have expertise in meteorology, engineering, chemistry, planning, environmental sciences, field inspection, air monitoring, public outreach, data processing, accounting, human resources, and administration.

The governing board of the APCD consists of the five members of the County Board of Supervisors and one representative (a mayor or city councilperson) from each of the eight cities in the county.

APCD's Mission

The APCD's mission is to protect the people and the environment of Santa Barbara County from the effects of air pollution. We accomplish this mission by implementing state and federal air pollution control laws in order to attain all ambient air quality standards and to minimize public exposure to airborne toxins and nuisance odors. In carrying out this mission, we strive at all times to demonstrate excellence and leadership in the field of air pollution control. Our goal is to provide consistent, high-quality, cost effective professional services to the public and regulated community.

Organizational Chart



Strategic Plan

The Strategic Plan aligns APCD actions with our mission and organizational values. It was developed with community input via workshops and public hearings and adopted by the Board in September of 1997.

Priority 1: Protection of Public Health Through Air Quality Improvement

Goal: Continue to implement programs which directly reduce emissions.

Objectives:

- Adopt new rules and regulations which cost-effectively reduce emissions.
- Emphasize alternatives to “command-and-control” regulations such as pollution prevention and incentives.
- Develop partnership initiatives to introduce innovative or other low polluting technology in areas not currently regulated or where technology recipients agree to go beyond regulatory requirements.

- Involve the community in pollution reduction efforts through grant programs, public education, and recognition of outstanding pollution reduction efforts.
- Maintain a fair and rigorous enforcement program.
- Ensure that all emission sources contribute to reducing emissions.
- Ensure that penalties act as a deterrent.

Goal: Maintain a strong, science-based program.

Objectives:

- Place a high priority on staff training.
- Base decisions on data that has been documented and subjected to critical and open review.
- Maintain a sound emission inventory and air quality monitoring system.
- Maintain and update the Clean Air Plan using the latest data and control techniques.
- Use the best available data in developing programs, rules and permit analyses.
- Recognize differences between North and South County air quality.

Goal: Ensure that the APCD's mission and actions are aligned and routinely reviewed.

Objectives:

- Maintain and periodically update a strategic plan.
- Develop and adopt annual goals and track progress.

Goal: Ensure adequacy of resources.

Objectives:

- Continue to streamline and improve efficiency by taking advantage of technological advances and continuously reviewing systems and tasks.
- Broaden the APCD funding base by actively pursuing additional sources of revenue.

**Priority 2:
Community Involvement**

Goal: Involve the community in air quality protection.

Objectives:

- Support a broad-based Community Advisory Council to provide input on rules and clean air plans and to foster open communication and a collaborative approach to air pollution control planning.
- Conduct workshops on new rules, plans, and the budget to obtain community input.
- Inform the public on air quality issues through a periodic newsletter, a Web Site, explanatory pamphlets and other educational matter.
- Keep the media informed.
- Participate in community events.

**Priority 3:
Continuously Improve Service**

Goal: Maintain and improve relationships with all constituents.

Objectives:

- Keep the Board well informed.
- Provide opportunities for public input to decisions which affect them.
- Train staff in customer service and reward good service.
- Survey constituents regarding the quality of service received.
- Tap employee expertise, reward high performance, and push decisions down to the lowest level at which they can be competently made.

Fiscal Year 2005-06 Proposed District Budget

REVENUE PLAN

	Actual FY 2003-04	Adopted FY 2004-05	Est. Act. FY 2004-05	Proposed FY 2005-06
<i>Licenses & Permits</i>				
Evaluation Fees	\$ 111,570	\$ 110,853	\$ 125,139	\$ 114,290
Asbestos Notification Fees	67,673	58,986	58,986	62,512
Reevaluation Fees	689,303	364,595	360,000	650,414
Air Toxics (AB 2588)	10,652	7,005	3,514	6,649
Application Fees	79,205	79,835	100,795	83,120
Annual Fees	892,979	810,549	903,000	883,150
Notice of Violation	413,008	150,000	150,000	150,000
MVFF Fee	27,384	32,544	30,580	32,407
Source Test Fee	67,174	40,680	30,000	51,950
DAS		305,376	309,820	309,622
Monitoring	354,127	504,107	454,368	481,531
<i>Use of Money</i>				
Interest	117,386	250,000	100,000	140,000
<i>Federal, State, and Other Governments</i>				
Federal-EPA	727,014	494,000	494,000	481,650
Motor Vehicle \$4	1,327,591	1,250,000	1,250,000	1,300,000
Motor Vehicle \$2	-	-	-	628,301
State-ARB	105,407	108,000	108,000	100,000
Other Governments	160,318	60,000	49,848	115,000
<i>Charges for Services</i>				
Environmental Review	12,942	12,335	6,000	7,105
AQAP Fees	285,577	282,726	268,075	259,750
Reimbursement Charges- Air Pollution	1,541,104	2,004,379	1,154,477	1,128,820
<i>Miscellaneous Revenue</i>				
	3,777	5,000	1,318	1,500
Revenue Total	6,994,193	6,930,970	5,957,920	6,987,771
<i>Other Financing Sources</i>				
Release of Designations	540,397	1,068,728	991,663	1,486,351
Revenue Plan Total	<u>\$ 7,534,590</u>	<u>\$ 7,999,698</u>	<u>\$ 6,949,583</u>	<u>\$ 8,474,122</u>

EXPENDITURE PLAN

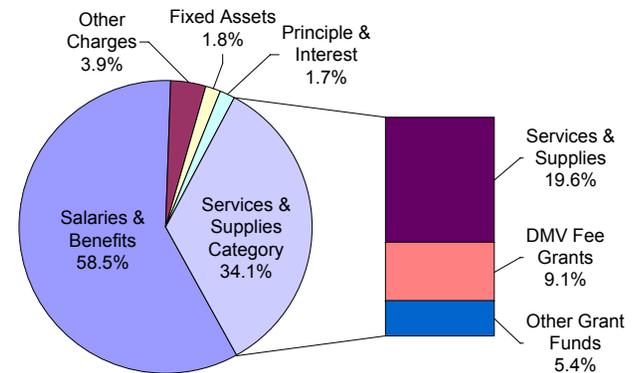
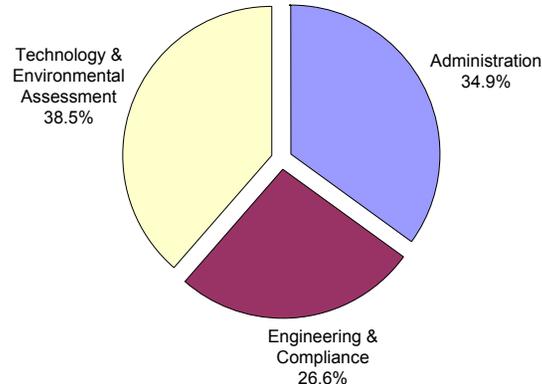
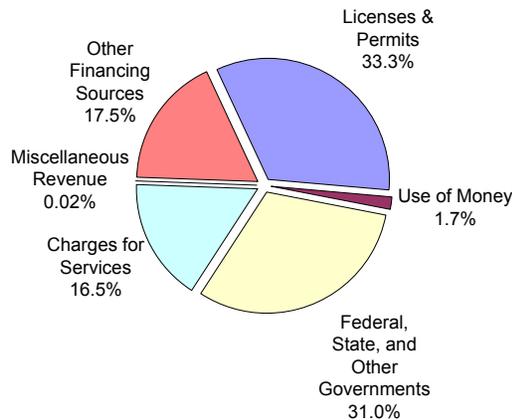
	Actual FY 2003-04	Adopted FY 2004-05	Est. Act. FY 2004-05	Proposed FY 2005-06
<i>Operating Expenditures</i>				
Administration	\$ 2,700,665	\$ 2,725,261	\$ 2,517,082	\$ 2,909,485
Engineering & Compliance Technology & Environmental Assessment	2,390,089	2,319,392	2,250,395	2,217,002
Operating Total	<u>2,443,836</u>	<u>2,955,045</u>	<u>2,182,106</u>	<u>3,209,206</u>
Operating Total	<u>7,534,590</u>	<u>7,999,698</u>	<u>6,949,583</u>	<u>8,335,693</u>
<i>Other Financing Uses</i>				
Designated for Future Uses	-	-	-	138,429
Expenditure Plan Total	<u>\$ 7,534,590</u>	<u>\$ 7,999,698</u>	<u>\$ 6,949,583</u>	<u>\$ 8,474,122</u>

CHARACTER OF EXPENDITURES

	Actual FY 2003-04	Adopted FY 2004-05	Est. Act. FY 2004-05	Proposed FY 2005-06
<i>Operating Expenditures</i>				
Regular Salaries	\$ 3,949,241	\$ 4,055,835	\$ 3,976,537	\$ 4,024,191
Benefits	781,202	904,932	855,944	851,410
Salaries & Benefits Total	<u>4,730,443</u>	<u>4,960,766</u>	<u>4,832,481</u>	<u>4,875,601</u>
Services & Supplies	2,329,006	2,596,681	1,739,930	2,839,072
Other Charges	241,323	264,379	234,300	326,520
Fixed Assets	222,384	155,000	120,000	149,500
Principle	8,117	16,789	16,789	124,090
Interest	3,317	6,083	6,083	20,910
Operating Total	<u>\$ 7,534,590</u>	<u>\$ 7,999,698</u>	<u>\$ 6,949,583</u>	<u>\$ 8,335,693</u>

Fiscal Year 2005-06 Proposed Revenue Distribution by Program

Source of Funds Summary	Air Quality Planning	Community Assistance	Land Use	Air Monitoring	Innovative Technologies	Permitting	Compliance & Enforcement	Air Toxics	Special Studies & Source Testing	Rule Development	Data Acquisition/Processing	Admin	Totals By Account
Permit Evaluation Fee - NSR						59,202	55,088						\$ 114,290
Asbestos Inspection Fee							62,512						\$ 62,512
Permit Reevaluation Fee						325,207	325,207						\$ 650,414
Air Toxics (AB 2588)								6,649					\$ 6,649
Permit Application Filing Fee						51,950	31,170						\$ 83,120
Emission Fee		2,313	975	6,840		231,028	280,753	61,903		299,338			\$ 883,150
Notice of Violation Settlement Fee		2,448		7,170		38,764	101,618						\$ 150,000
Gas Station Fee							32,407						\$ 32,407
Source Test Fee						51,950							\$ 51,950
Interest Earned		17,960	1,779		1,779	45,551	72,931						\$ 140,000
Motor Vehicle Reg. Surcharge Fee \$4	255,045	396,153	225,606	235,403	187,794								\$ 1,300,000
Motor Vehicle Reg. Surcharge Fee \$2					628,301								\$ 628,301
ARB Grant						34,906	53,785			11,309			\$ 100,000
EPA Grant		31,293		17,342		165,860	186,760	39,462		40,932			\$ 481,650
Land Use Review Fee			7,105										\$ 7,105
AQAP Fee	259,750												\$ 259,750
Subscriptions/Miscellaneous										1,500			\$ 1,500
Increment Emission Fee						22,282	29,837						\$ 52,120
Reimbursable Permit Fee			22,548	12,740		207,289	465,766		68,357				\$ 776,700
Carl Moyer Reimbursable Grant					300,000								\$ 300,000
Monitoring Fee				481,531									\$ 481,531
DAS Fee											309,622		\$ 309,622
Contributions Other Agencies												115,000	\$ 115,000
Reserves & Designations		82,212	34,148	143,018	532,003	251,079	115,849	142,612			40,430	145,000	\$ 1,486,351
Total Funding by Program	\$ 514,795	\$ 532,379	\$ 292,161	\$ 904,044	\$ 1,649,877	\$ 1,485,068	\$ 1,813,683	\$ 250,626	\$ 68,357	\$ 353,079	\$ 350,052	\$ 260,000	\$ 8,474,122



Projects Funded with Motor Vehicle Registration Fees

Fiscal Year 2005-06 Programs Funded with \$4 DMV	Funding
School Bus Replacement Program	\$50,000
SBCAG Planning Work	\$15,000
Clean Air Express Operation -- SBCAG	\$133,500
Total \$4 DMV FY 2005-06 Program Funds	\$198,500

Fiscal Year 2005-06 Programs Funded with \$2 DMV	Funding
Heavy Duty Diesel Programs	\$200,000
Agricultural Assistance Program	\$100,000
School Bus Replacement Program	\$200,000
Old Car Buy Back Program	\$100,000
Total \$2 DMV FY 2005-06 Program Funds	\$600,000

Total DMV FY 2005-06 Program Funds	\$798,500
-------------------------------------------	------------------

Projects Funded with Other Grant Funds

Fiscal Year 2005-06 Innovative Technologies Program Expenditures	Funding
Marine Trawler Repowers	\$50,000
Marine Shipping Retrofit Program	\$100,000
School Bus Retrofit Program	\$50,000
Heavy Duty Diesel Programs	\$150,000
Agricultural Programs	\$100,000
ITG Programs Funded in FY 2005-06	\$450,000

Fiscal Year 2005-06 Proposed Job Class Table (effective July 4, 2005)

Position Number	Classification Title	Adopted FY 2004-05	Additions / Deletions	Proposed FY 2005-06	Range Number	Monthly Equivalent Salary Range (A-E)	Representation Unit
Funded Positions							
62	ACCOUNTS SPECIALIST	2.00		2.00	4770	2619-3197	23
157	ACCOUNTS TECHNICIAN	1.00		1.00	5050	3011-3676	24
390	AIR POLLUTION CONTROL OFFICER	1.00		1.00	7296	9231-11269	41
420	AIR POLLUTION INSPECTOR SUPV.	1.00		1.00	6126	5150-6287	29
435/436	AIR QUALITY ENGINEER I/II	8.00	-0.50	7.50	5726/5926	4219-5690	28
437	AIR QUALITY ENGINEER III	4.00	-0.50	3.50	6126	5150-6287	28
438	AIR QUALITY ENGINEERING SUPV.	3.00		3.00	6426	5981-7302	29
444	AIR QUALITY INFORMATION SPECIALIST	1.00		1.00	5746	4261-5202	28
441	AIR QUALITY SPECIALIST I/II	0.75	-0.75	0.00	5726	4219-5150	28
442	AIR QUALITY SPECIALIST III	2.00		2.00	5976	4779-5834	28
1362	BUSINESS MANAGER	1.00		1.00	6566	6414-7830	43
2149	DATA PROCESS SUPERVISOR	1.00		1.00	6466	6102-7449	32
2174	DEPT. DP SPECIALIST SR.	1.75		1.75	5970	4765-5816	24
490	DIVISION MANAGER	2.00		2.00	6716	6912-8438	43
2553	EDP SYS. & PROG. ANALYST I/II	1.00		1.00	6040/6190	4934-6491	24
2555	EDP SYS. & PROG. ANALYST III	1.00		1.00	6340	5730-6995	24
442	EMISSIONS INVENTORY/PLANNING SPECIALIST III	2.00		2.00	5976	4779-5834	28
3421	EXECUTIVE SECRETARY/BOARD CLERK	1.00		1.00	5686	4135-5048	32
5740	HUMAN RESOURCES OFFICER	1.00		1.00	6106	5099-6225	43
417/418	INSPECTION SPECIALIST I/II	4.00	-1.00	3.00	5416/5616	3614-4875	28
419	INSPECTION SPECIALIST III	6.00		6.00	5816	4412-5387	28
440/441	MONITORING SPECIALIST I/II	1.00		1.00	5546/5726	3856-5150	28
442	MONITORING SPECIALIST III	2.00		2.00	5976	4779-5834	28
1701	OFFICE SPECIALIST	0.50	-0.50	0.00	4680	2504-3057	23
1702	OFFICE TECHNICIAN	3.00		3.00	4860	2739-3344	23
1706	OFFICE TECHNICIAN - CONFIDENTIAL	1.00		1.00	4896	2789-3404	32
439	PERMIT TECHNICIAN I/II	1.00		1.00	5130/5330	3134-4227	23
431	PLANNING & TECHNOLOGY SUPERVISOR	1.00		1.00	6436	6011-7338	29
445	PRINCIPAL MONITORING SPECIALIST	1.00		1.00	6076	5023-6132	28
443	PUBLIC INFORMATION AND COMMUNITY PROGRAMS SUPV.	1.00		1.00	6266	5523-6742	29
159	SENIOR ACCOUNTS TECHNICIAN	1.00		1.00	5330	3463-4227	24
16	SR. ACCOUNTANT	1.00		1.00	5856	4501-5495	32
TOTAL NUMBER OF FUNDED POSITIONS		59.00	-3.25	55.75			
Unfunded Positions							
157	ACCOUNTS TECHNICIAN	0.00	2.00	2.00	5050	3011-3676	24
436	AIR QUALITY ENGINEER I/II	0.00	0.50	0.50	5926	4661-5690	28
437	AIR QUALITY ENGINEER III	0.00	0.50	0.50	6126	5150-6287	28
441	AIR QUALITY SPECIALIST I/II	0.00	0.75	0.75	5726	4219-5150	28
417/418	INSPECTION SPECIALIST I/II	0.00	1.00	1.00	5416/5616	3614-4875	28
TOTAL NUMBER OF UNFUNDED POSITIONS		0.00	4.75	4.75			
TOTAL NUMBER OF POSITIONS		59.00	1.50	60.50			

District Overview and Division Summaries

The Air Pollution Control District operates with 55.75 positions, from two locations, one in the South County and one in the North County, and is organized into three divisions, the Administration Division (ADM), the Engineering & Compliance Division (ECD), and the Technology & Environmental Assessment Division (TEA).

Administration

Administration includes the fiscal and executive services, human resources, and information technology support.

Fiscal and Executive Services

Fiscal and Executive Services is responsible for the proper accounting and reporting of resources, and the administration of APCD operations. In addition to payroll, payables and receivables, fiscal and executive services manages electronic time card submittals and provides fiscal reports by cost center, project activity, and permit number. Also under this section are the Air Pollution Control Officer and Clerk of the Board.

Human Resources

Human Resources is responsible for recruitment, employee and labor relations, benefits administration, classification and compensation, collaborative bargaining, Workers' Compensation, training, and compliance oversight for state and federal employment law requirements.

Information Technology Support

Information Technology Support is responsible for managing development, operation, training, and maintenance of information systems at APCD. The system includes a PC network providing engineering and office automation, an integrated database system, and a data acquisition system to manage real-time air monitoring data from monitoring stations operated by the APCD and industry-run monitoring stations, as well as emission data from large facilities.

Engineering & Compliance

The Engineering and Compliance Division provides initial and ongoing permitting, compliance, and enforcement services to applicants and operators of stationary sources of air pollution. Permits are required for a broad range of activities, from small businesses such as dry cleaners to large petroleum production and mining operations. The division manages permits and inspections for approximately 550 stationary sources of small, medium, and large size, with a broad range of air pollution emitting activities, as well as

20 of the county's largest oil production and mining operations. The APCD ensures that operators of such activities abide by federal, state, and local air pollution laws and regulations. Larger facilities also require federal (Title V) operating permits in accordance with the federal Clean Air Act. In addition to permitting, compliance, and enforcement, the division also handles the air toxics program and source testing.

Permitting, Compliance, and Enforcement

The review of new sources of pollution entails detailed engineering analyses of APCD permit applications, evaluating applications for compliance with our rules and regulations, issuing the mandated authority to construct permits and, if compliance with applicable air regulations and permit conditions is met, issuing the permits to operate. Reevaluations of existing permits, as required by law, are performed every three years to review the project descriptions, equipment lists, and conditions and to bring the permits current with any new or revised rules and regulations. Larger sources require federal operating permits in addition to the APCD's permitting requirements. The permit compliance function provides project management for major energy (and a few non-energy) projects from the pre-application stage through the issuance of a permit to operate. Staff coordinates with other agencies to ensure that the permit holder complies with all of their APCD permit conditions, APCD rules and regulations, performance standards, and the California Health & Safety Code.

Once the permit to operate is issued, on-going tracking is provided of data submittals, source test and continuous emissions monitoring reports, and emissions offsets. The source testing and emissions modeling functions are associated with compliance and permitting. Source testing is the physical measurement of pollutants from emission points; it is used to determine compliance with APCD rules and permit conditions. Modeling analyzes potential air quality impacts of proposed projects using computer programs, which simulate the movement and dispersion of air pollutants, including the preparation of health risk analyses in certain cases. The enforcement function verifies compliance by conducting and documenting site inspections, reviewing records, accessing on-site monitoring data, and monitoring pollution levels. Consistent with state and federal guidance, our goal is to inspect all sources at least once per year, larger sources more often. Enforcement staff also respond to citizen complaints, prepare reports for variances and abatement orders heard before the APCD Hearing Board, manage the APCD's mutual settlement program, and manage the asbestos demolition and renovation compliance program.

Air Toxics

The air toxics function includes the Air Toxics “Hot Spots” (AB 2588) Program, the review of applications to ensure no sources of significant toxic risk are permitted, and tracking and implementing requirements of state and federal air toxic control measures. The “Hot Spots” Program requires businesses to develop and update an emission inventory of toxic air pollutants and some businesses are required to perform a health risk assessment. The Air Toxics staff reviews the submittals, prepares industry-wide inventories for certain small businesses, and, unlike other air districts, provides the service of preparing the required risk assessment, resulting in considerable cost savings to businesses. The state of California develops Air Toxic Control Measures for categories of sources that emit toxic air contaminants, and these measures are implemented locally by the APCD. Title III of the Clean Air Act requires certain sources to install control strategies and equipment pursuant to published Maximum Achievable Control Technology standards.

Technology & Environmental Assessment

The Technology & Environmental Assessment (TEA) Division includes Planning, Rule Development, Community Programs, and the Innovative Technology Group.

Planning

The Planning Section prepares clean air plans that map the path to improved air quality and form the basis for future rule development and permitting work. Clean air plans, required by state and federal laws, generally include an inventory of the county’s pollution sources, the status of the county’s air quality, detailed evaluation of proposed air pollution control measures, and forecasts of future air quality, including economic growth projections and complex computer modeling. The Planning Section is also responsible for establishing and maintaining detailed emission inventories for clean air planning and the invoicing of emission based fees to support APCD programs.

Rule Development

The rule development section implements air pollution control measures identified in the Clean Air Plan or applicable regulations adopted by the California Air Resources Board (CARB) to protect human health and the environment of Santa Barbara County. Opportunities for public participation in the rule development process are extensive.

Community Programs

The Community Programs Section has several major functions.

Public Outreach and Business Assistance:

The APCD’s public outreach program includes production of newsletters, brochures, and other educational materials; presentations at business, education, and other community events, and development and maintenance of the APCD Web site. Staff manages the Santa Barbara Car Free Program, Coordinate and/or contribute to partnership projects (e.g. Green Award, Clean Cities, P2 Week, Bike Week), maintain media relations and serve as the APCD Public Information Officer. Staff also coordinates the APCD Business Assistance Program and Information Line, Pollution Prevention Program, and assists businesses and the public. Business Assistance staff provides Education Site Visits to permitted sources, conduct customer service surveys, monitor and evaluate proposed legislation and support implementation of new legislative mandates.

Land Use:

Staff ensures that all permits, plans, rules, and programs of the APCD are in compliance with the California Environmental Quality Act. Staff reviews the larger land development and planning policy documents and provides comments and suggested mitigation measures on the air quality analyses in other agencies’ environmental documents and participates in statewide efforts to develop refinements to tools for calculating project impacts and mitigation measure benefits. In addition, staff coordinates with the Santa Barbara County Association of Governments on the development and implementation of transportation control measures and conformity determinations and actively participates with SBCAG in regional transportation planning efforts such as *101 in Motion* and numerous committees to evaluate transportation plans, projects, and funding proposals.

Air Monitoring:

Staff in this group are responsible for measuring and reporting air pollution levels throughout the county. This is done through two networks of air quality monitoring stations. The urban network is funded and operated by the APCD and the California Air Resources Board to monitor air quality in urban or populated areas throughout the county. The regional and facility-specific network is funded or operated by certain large sources to monitor background and regional pollutant levels and the air quality in the vicinity of those major facilities. The monitoring staff maintains the air monitoring network, performs quality assurance reviews on data, analyzes air quality levels, and submits required reports to the California Air Resources Board and the federal EPA. If any monitoring station shows pollution levels above a

certain threshold, the Monitoring staff will notify schools, hospitals, convalescent homes, radio and TV stations, and alert people to curb their outdoor activities.

Innovative Technologies Group

The Innovative Technologies Group promotes the development, demonstration, and implementation of clean fuels and clean energy technologies to reduce air pollution through incentives to local businesses and industry. The group initiates projects through government-industry partnerships and through leveraged funding. APCD's portion of the funding comes primarily from Exxon and Chevron, through agreements reached during the permitting of their major oil and gas facilities. The program also receives grants from other government agencies (such as the state Carl Moyer Program) and funds from the clean air surcharge on motor vehicle registration fees. Permit fees are not used to fund these programs.

Impact Measures

Measure	Actual FY 2003-04	Goal FY 2004-05	Est. Act. FY 2004-05	Goal FY 2005-06
Number of days on which the one-hour state ozone standard is not met somewhere in Santa Barbara County.	7	2	2	3
Number of days on which the one-hour federal ozone standard is not met somewhere in Santa Barbara County.	0	0	0	0
Number of days on which the eight-hour federal ozone standard is not met somewhere in Santa Barbara County.	5	2	2	3
Ozone forming emissions from industrial sources emitting more than 10 tons per year.	2352 tons	2350 tons	2350 tons	2300 tons

Impact Measures (cont'd)

Measure	Actual FY 2003-04	Goal FY 2004-05	Est. Act. FY 2004-05	Goal FY 2005-06
Number of industrial sources posing a significant air toxic risk.	5	2	4	2
Percent of permits issued in which permit holders and applicants are required to meet applicable regulations.	100% of 163 applications	100% of 150 applications	100% of 175 applications	100% of 175 applications

Fiscal Year 2004-05 Significant Accomplishments

Events and Highlights

- No exceedances of one-hour federal ozone standard for the fourth year in a row.
- Sixth year in a row for attainment of one-hour federal ozone standard.
- Santa Barbara County designated as an attainment area for the federal eight-hour ozone standard.
- Made progress with EPA, the California Air Resources Board, and other partners to fund the first marine shipping retrofit program.
- Issued grants to reduce 50 tons of air pollution.
- Established cooperative working relationship with agricultural community to implement state-mandated permitting of large agricultural sources.
- 1,343 inspections and 549 permitting actions in calendar year 2004.
- Response to 256 air pollution complaints in calendar year 2004.

Air Quality

In 2004, for the fourth straight year, there was not a single day when the air quality anywhere in our county failed to comply with the federal one-hour ozone standard. Additionally, US EPA has designated our county as an attainment area for the new eight-hour ozone standard as well. Our county is still out of attainment for the state one-hour ozone standard, and the state particulate matter standards. In December the Board adopted our 2004 Clean Air Plan to continue our progress toward attaining the state one-hour ozone standard and we are working on control measures for SB 656 to make progress towards meeting the standard. In 2004, we experienced air quality concentrations in excess of the state one-hour ozone standard and federal eight-hour standard on only two days.

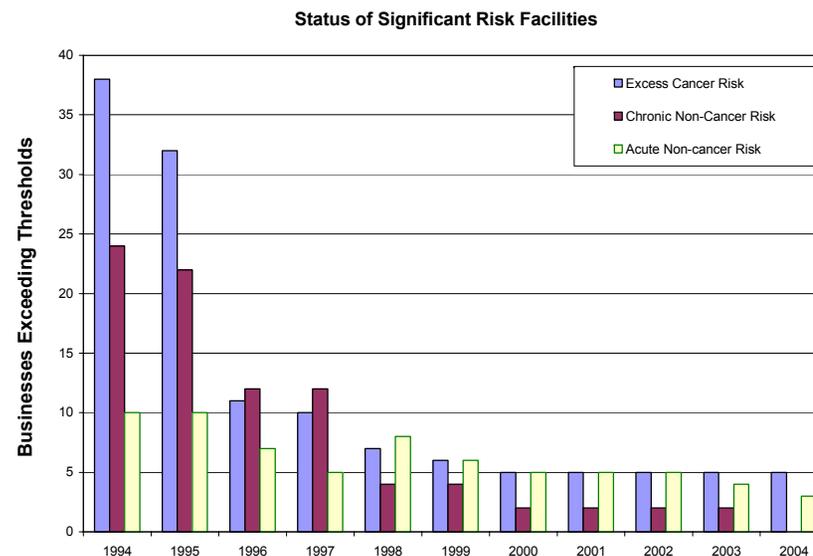
Marine Shipping

In order to maintain our hard-won accomplishment of attaining the federal ozone standard and to continue making progress toward the state standard, we have taken the initiative to work toward reduction in emissions from what is now the number one source of ozone-forming pollution in our region: marine shipping. Ocean-going vessels passing along our coastline emit more oxides of nitrogen than all of the vehicles on our roadways combined. And, this unregulated source of pollution is growing rapidly. Although Santa Barbara County is a minor player in the world of global shipping, we have made a difference in the following ways. We have alerted many air districts, ports, and other governmental agencies to the significance of this problem. Our inventory of marine shipping emissions has stood up to skeptical questioning and has become a model for others who are beginning to realize the extent of the problem. Our efforts have resulted in articles in the Santa Barbara News Press, USA Today, and the Seattle Times. In February, 2005, staff developed a poster presentation at the Town Meeting on Health and Community Impacts of Goods Movements and the Ports co-sponsored by the University of Southern California and the University of California Los Angeles.

We continue to make progress working with the CARB Maritime Working Group on the retrofit of an existing container ship with several partners including the U.S. EPA, CARB, Port of Los Angeles, Port of Long Beach, the Maritime Administration and several coastal Districts in California.

Reduction of Toxic Risk

Since 1991, just five of the original 51 businesses presenting significant risk to the public continue to be considered significant risk facilities, a 90% reduction. As shown in the following graph progress was made in calendar year 2004 in reducing risk to the public from these sources.



Innovative Emission Reductions

The Innovative Technologies Group (ITG), through its efforts to establish cooperative government–industry partnerships, has continued promoting the application of clean air technologies. During FY 2004-05, ITG activities have resulted in reducing 50 tons of smog forming and particulate pollutants. Projects included:

- continuing the Agricultural Water Pump and Boiler re-power programs,
- installing diesel particulate filters on twelve school buses,
- replacing two outboard engines,
- obtaining additional funding for Clean Air Projects under the Carl Moyer Program and through additional motor vehicle surcharge fees (AB 923),
- funding the Clean Air Express,
- funding the re-power of a D-10 dozer at Celite,
- replacing three solvent-based automotive parts cleaners with water-based systems, and
- tracking the implementation of emission reduction projects funded through Carl Moyer and DMV grants.

Regulation of Agriculture

The passage of Senate Bill 700 by the California Legislature requires certain large agricultural sources of air pollution to obtain permits to operate from local air districts. This requirement stems from Federal Clean Air Act provisions. While the major impact of this bill is felt primarily by air districts with poor air quality, two large farms in Santa Barbara County have been affected thus far. The bill also provides the option for local districts to require permits for smaller farms. We are actively engaged with the Agricultural Air Quality Coalition to involve stakeholders in helping us implement this law and how to better determine the magnitude of emissions from agricultural sources in Santa Barbara County.

Stationary Diesel Engine Air Toxic Control Measure

In 2004, the state of California approved an Air Toxic Control Measure to reduce particle pollution from stationary diesel engines of greater than 50 horsepower. By law, the requirements of this ATCM are to be implemented by local air districts. The ATCM applies to engines that provide prime power and to those that are used for emergency backup power. In FY 2004-2005, APCD staff spent considerable time laying the groundwork for the ATCM's implementation, including developing informational documents, presenting several workshops for affected sources, developing and updating a Frequently Asked Questions (FAQ) document, supporting rule development for previously unpermitted engines, and developing and implementing a streamlined permit system to allow expedited, low-cost permitting.

Permits and Inspections

	<i>Calendar Year</i> 2004
Authority to Construct permits issued	144
Permits to Operate issued	143
Permit reevaluations	145
Exemption Request approvals	36
Inspections conducted	1343
Public complaints responded to	256
New Federal "Title V" permit for a major source (following extensive public review)	1*
Title V permit renewals issued (following extensive public review)	32*

* Fiscal Year 2004-05

Fiscal Year 2005-06 Proposed Operating Budgets by Division

Administration Division

EXPENDITURE PLAN

	Actual FY 2003-04	Adopted FY 2004-05	Est. Act. FY 2004-05	Proposed FY 2005-06
<i>Operating Expenditures</i>				
Administrative Overhead	\$ 1,330,845	\$ 1,145,550	\$ 1,058,331	\$ 1,324,322
Fiscal and Executive	743,638	777,809	750,897	742,802
Human Resources	81,030	92,350	89,159	100,283
Information Technology	545,152	709,552	618,695	742,078
Operating Total	<u>2,700,665</u>	<u>2,725,261</u>	<u>2,517,082</u>	<u>2,909,485</u>
Expenditure Plan Total	<u>\$ 2,700,665</u>	<u>\$ 2,725,261</u>	<u>\$ 2,517,082</u>	<u>\$ 2,909,485</u>

CHARACTER OF EXPENDITURES

	Actual FY 2003-04	Adopted FY 2004-05	Est. Act. FY 2004-05	Proposed FY 2005-06
<i>Operating Expenditures</i>				
Regular Salaries	\$ 916,573	\$ 1,032,001	\$ 1,001,671	\$ 1,049,041
Benefits	210,386	250,948	233,654	238,472
Salaries & Benefits Total	<u>1,126,959</u>	<u>1,282,948</u>	<u>1,235,325</u>	<u>1,287,513</u>
Services & Supplies	1,432,744	1,204,312	1,113,985	1,249,332
Other Charges	30,949	142,129	106,900	152,640
Fixed Assets	98,579	73,000	38,000	75,000
Principle	8,117	16,789	16,789	124,090
Interest	3,317	6,083	6,083	20,910
Operating Total	<u>\$ 2,700,665</u>	<u>\$ 2,725,261</u>	<u>\$ 2,517,082</u>	<u>\$ 2,909,485</u>

Division Overview

The Administrative Division expenses are allocated to the District's direct operating activities as an overhead allocation based upon direct billable salaries. The Administration Division includes an Administrative Overhead section, which accumulates expenses that are not attributable to any specific district activity, such as insurance and utilities; and, a Fiscal and Executive section, Human Resources, and an Information Technology section, which have costs associated with specific goals and objectives.

Significant Changes (FY 2004-05 Adopted to FY 2005-06 Proposed)

The Proposed FY 2005-06 operating total for the Administration Division will increase by \$184,224 from the Adopted 2004-05 amount of \$2,725,261 to \$2,909,485. The largest portion of this approximately 7% increase is \$145,000 and is allocated to pay off the County of Santa Barbara for a loan on our new building. This is a one-time increase in FY 2005-06 only.

The modest salary and benefits increase of \$4,565 is due to a 4% COLA in for representation units 23 & 24 and scheduled step increases, offset by the unfunding of a half-time Office Technician. The proposed additional cost of \$45,020 in services and supplies covers increases in legal fees and notices, utilities, building landscaping, janitorial and maintenance, as well as fuel costs for vehicles.

Fiscal and Executive Services

Purpose Statement

Fiscal and Executive Services provide executive, clerical, fiscal, and facilities support to all APCD staff and fulfill the financial reporting needs of the public and the regulated community.

Fiscal Year 2004-05 Significant Accomplishments

- Reorganized the District's trust funds to properly account for reserves and designations.
- Prepared the District's first Comprehensive Annual Financial Report, enhancing the level of financial reporting to the public.
- Revised the District Cell Phone Policy for enhanced accuracy and tax compliance, as well as cost stability.
- Retrofitted and replaced file cabinets that posed a safety hazard to District employees.
- Reorganized the District's Management Structure.

Fiscal Year 2005-06 Goals and Objectives

1. Review Workers' Compensation Insurance plan and premiums for possible savings.
2. Update the District's internal budget software by implementing more user friendly options.
3. Continue to improve and update the Fiscal intranet web pages.
4. Submit and track State and Federal Grants. Ensure the District meets Federal MOE requirements for expenditures.
5. Continue improvement of accounting staff knowledge of quality control for reports and software.
6. Improve the Timecard and Payroll programs to meet District, State, and Federal requirements, including adding electronic signatures, vehicle trip tracking, and other enhancements.
7. Coordinate south county building maintenance requests with co-tenants and resolve ongoing construction defects.

Recurring Performance Measures

Measure	Actual FY 2003-04	Goal FY 2004-05	Est. Act. FY 2004-05	Goal FY 2005-06
Billing & Collections				
Invoices billed	2,221	n/a	2,250	2,250
Collection follow up:				
30 Days	279	n/a	362	350
60 Days	134	n/a	92	75
90 Days	30	n/a	4	2
Revenue/Purchasing/Travel				
Checks received and deposited	1,682	n/a	1,700	1,700
Purchase Requisitions	392	n/a	394	390
Training & Travel Requests	152	n/a	130	110
Accounts Payable				
Accounts Payable Invoices received and paid	1,609	n/a	1,816	1,800
Number of discounts taken	14	n/a	28	30
Amount of discounts taken	n/a	n/a	\$982	\$1,000
Petty Cash Requests	162	n/a	84	100
Payroll				
Payroll changes, in addition to normal payroll processing	n/a	n/a	184	100
Billing/Collections/Small Claims				
Invoices billed and processed	2,221	n/a	1,596	1,675
Collection follow up:				
30 Days	279	n/a	362	250
60 Days	134	n/a	92	125
90 Days	30	n/a	5	10

Human Resources

Purpose Statement

Human Resources is responsible for recruitment and selection of employees, labor relations, benefits administration, classification and compensation, collaborative bargaining, workers' compensation, training, and compliance oversight for state and federal employment law requirements. These human resource, benefit and labor relations services ensure organizational equity to meet the changing needs of the District and its staff.

Fiscal Year 2004-05 Significant Accomplishments

- Development and modification to human resource related policies and procedures were completed to ensure compliance with both State and Federal requirements.
- Provided four different training opportunities to APCD employees.
- Established equitable Human Resources services to employees assigned to North County office.
- Reviewed and updated 5 class specifications to allow more flexibility in the assignment of staff.
- Planned and conducted 5 recruitments.
- Negotiated multi-year contracts with two employee groups.

Fiscal Year 2005-06 Goals and Objectives

1. Organize, direct, control, and review the day-to-day operations of the APCD's personnel program.
2. Analyze and make recommendations to APCD management regarding personnel policies and practices.
3. Participate in collaborative discussions with employee organizations.
4. Meet with employees and employee organizations to discuss and resolve grievances and problems.

5. Review management and employee requests for classification and pay changes, initiate studies, and make recommendations.
6. Plan and conduct recruitments and develop job related examinations.
7. Coordinate training and development programs for staff.
8. Administer employee benefit plans.
9. Review proposed legislation and new regulations and make appropriate recommendations for compliance.
10. Continue to provide a presence and services to employees permanently assigned to the North County office.

Recurring Performance Measures

<u>Measure</u>	<u>Actual FY 2003-04</u>	<u>Goal FY 2004-05</u>	<u>Est. Actual FY 2004-05</u>	<u>Goal FY 2005-06</u>
Performance Evaluations Completed on Time	81%	80%	79%	90%

Information Technology Support

Purpose Statement

The Information Technology Support Section is responsible for the management, development, operation, training, and maintenance of information systems at the APCD. These systems include a network of computers providing engineering and office automation, an integrated database system, and a data acquisition system to manage real-time air monitoring data from monitoring stations operated by the APCD and industry-run monitoring stations, as well as emission data from large facilities.

Two programs make up Information Systems: the Data Acquisition System (DAS) and the Local Area Network (LAN.)

Fiscal Year 2004-05 Significant Accomplishments

Automated Data Acquisition (DAS) Program

- The Information Systems staff provided reliable operation of the Data Acquisition System in support of program goals.
- The DAS system uptime exceeded 97%, Backups 100%, Data Acquisition 80+%.
- Two more air monitoring sites have been converted to Internet based data polling to facilitate greater remote management capabilities helping to reduce travel to those sites.
- .NET application development evaluation began with prototype applications being tested.
- Oracle 10g test database implemented.
- Held maintenance costs stable.

Local Area Network (LAN)

- The Information Systems section provided a highly reliable computing system for the APCD in support of the District's business.
- Hardware and software systems were upgraded or replaced as necessary.
- Web sites were supported as the APCD's World Wide Web sites were maintained and enhanced.
- Oracle 10g migration.
- Primary servers upgraded to Windows 2003.
- Email server was upgraded to Windows and Exchange 2003.
- Web servers replaced.
- OpenWorx server replaced (for phone system).
- Secure telecommuting functionality enhanced.
- Workstation security enhanced with WXP sp2 install.
- Ongoing support and enhancements for the payroll, human resources software, accounting, Integrated Database System, and the telecommuting program were provided.
- Implemented new applications in .NET for application needs.
- IDS application migration to PowerBuilder 10 completed.
- Online MS Office interactive training implemented.
- Continued to provide the IT needs of Santa Barbara County Association of Governments staff.
- New web applications written for SBCAG.

Fiscal Year 2005-06 Goals and Objectives

Automated Data Acquisition (DAS) Program

1. UP Time 97% / Data Acquisition 80+%.
2. Backups 100% reliable.
3. Hold the line on maintenance costs on the DAS.
4. .NET development advanced training.
5. .NET prototype applications developed for automation.
6. Continue to enhance remote diagnostics and reduce telecommunication and travel costs.
7. Migrate to Oracle 10g or MS SQL Server.
8. Replace aging hardware as needed.
9. Update the backup and disk storage sub-systems.
10. Provide more flexible software reporting tools.
11. Facilitate greater ease of use via web technology.
12. Select, procure and implement replacement DAS system.

Local Area Network (LAN)

1. Backups. (Goal = 100% reliable.)
2. Reliably operate the LAN/WAN with minimal down time including hardware and software maintenance, backups and telecommunications. (Goal = 97% uptime.)
3. Install file server in Santa Maria office.
4. Continue Public Web site maintenance.
5. Oracle 10g migration completed.

6. Complete the upgrade of the APCD's Intranet Servers.
7. Conduct Windows and Office 2003 classes on an as needed basis and time provides.
8. Continue to enhance network security.
9. Enhanced LAN Documentation.
10. Telephone system maintenance.
11. Administer, Document and Maintain existing databases.
12. Developer staff trained in Microsoft .NET Developer tools.
13. IDS/PSA modules and reports updates.
14. PSA database (SQL Server) and application development.
15. Fiscal UA Accounting package upgrade and TimeCard application enhancements.
16. Permit Data Entry module – corrections and enhancements.
17. Telecommuting Program – enhance / upgrade.
18. Complete Windows Server 2003 upgrades.

Recurring Performance Measures

<u>Measure</u>	<u>Actual FY 2003-04</u>	<u>Goal FY 2004-05</u>	<u>Est. Actual FY 2004-05</u>	<u>Goal FY 2005-06</u>
LAN uptime	99%	99%	99%	99%
DAS uptime	99%	97%	99%	99%
Employees attending computer training	100%	75%	75%	100%

Engineering & Compliance Division

EXPENDITURE PLAN

	Actual FY 2003-04	Adopted FY 2004-05	Est. Act. FY 2004-05	Proposed FY 2005-06
<i>Operating Expenditures</i>				
Administrative Overhead	\$ 344,411	\$ 338,664	\$ 318,957	\$ 371,190
Permitting, Compliance, and Enforcement	1,962,507	1,889,635	1,869,347	1,713,690
Air Toxics	83,171	91,093	62,091	132,122
Operating Total	<u>2,390,089</u>	<u>2,319,392</u>	<u>2,250,395</u>	<u>2,217,002</u>
<i>Other Financing Uses</i>				
Designated Future Uses	-	-	-	120,000
Expenditure Plan Total	<u>\$ 2,390,089</u>	<u>\$ 2,319,392</u>	<u>\$ 2,250,395</u>	<u>\$ 2,337,002</u>
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>
<i>Operating Expenditures</i>				
Regular Salaries	\$ 1,778,331	\$ 1,779,216	\$ 1,750,280	\$ 1,748,565
Benefits	337,638	389,882	367,456	354,297
Salaries & Benefits Total	<u>2,115,969</u>	<u>2,169,098</u>	<u>2,117,736</u>	<u>2,102,862</u>
Services & Supplies	255,157	137,044	115,659	85,060
Other Charges	18,963	13,250	17,000	14,580
Fixed Assets	-	-	-	14,500
Operating Total	<u>\$ 2,390,089</u>	<u>\$ 2,319,392</u>	<u>\$ 2,250,395</u>	<u>\$ 2,217,002</u>

Division Overview

The Engineering & Compliance Division includes an Administrative Overhead function that accumulates expenses not attributable to any specific division activity, such as management and supervision of staff, facilitating staff development and training opportunities, budget management and tracking, goal and policy implementation. The Division also includes a Permitting section and a Compliance & Enforcement section. In addition, the Source Testing section and Air Toxics programs (which are handled primarily in the Permitting section) have costs associated with specific goals and objectives.

Significant Changes (FY 2004-05 Adopted to FY 2005-06 Proposed)

The Proposed FY 2005-06 operating total for the Engineering & Compliance Division will decrease by \$102,390 from the Adopted 2004-05 Plan of \$2,319,392 to \$2,217,002. The largest portion of this approximately 4% decrease is attributed to the layoff of one Inspection Specialist II, due to the loss of tobacco settlement revenue and reduced cost reimbursable inspection workload, and the projected mid-year retirement, and unfunding (0.5 FTE), of an Air Quality Engineer III. In addition contractor services have been reduced under services and supplies.

In FY 2005-06, the Engineering and Compliance Division will rely more on the Permitting Technician position that was introduced in FY 2004-05. This position will be allocated to the division at .75 of an FTE in the proposed budget (an increase of .25 FTE).

With the State's passage of the diesel engine air toxic control measure, and implementation beginning in 2005, we will necessarily focus more effort in the Air Toxics function, drawing some engineering staff hours from the Permitting function.

Permitting, Compliance, and Enforcement

Purpose Statement

We issue technically rigorous and cost-effective permits to new and existing stationary sources to regulate the amount of air pollution they emit in Santa Barbara County. We strive to build into our analyses the ideals of pollution prevention and reduction. We equitably enforce all rules and regulations to ensure air pollution control requirements are being met, to motivate those we regulate to comply with air pollution laws, to protect human health and the environment, and to promote regulatory equity in the marketplace.

Fiscal Year 2004-05 Significant Accomplishments

- The APCD conducted 549 permitting actions during calendar year 2004 and improved its permit processing times.
- APCD staff worked with Air Resources Board staff and other stakeholders in the development of toxic control measure for new and existing diesel engines, which was approved in 2004 and implemented in 2005.
- Issued 32 Part 70 federal operating permit renewals.
- Numerous application forms and processing guidance documents were improved for clarity and/or efficiency, and made available through the APCD website.
- During calendar year 2004, inspectors performed 1,343 inspections and responded to and documented 256 complaints about air pollution.
- Enforcement staff worked with the District Attorney's Office in support of a lawsuit filed against an oil and gas producer for numerous violations of APCD rules and the Health and Safety Code.
- APCD staff worked with the agricultural community and other air districts to implement the new regulatory requirements for agricultural sources; a single large agricultural operation submitted a Title V permit application by the December 31, 2004 deadline.
- APCD and the District Attorney's Office favorably settled the long-standing legal action against a major gasoline retailer that had failed to maintain properly its stations' vapor recovery systems.
- APCD staff continued to work with US Forest Service and County Fire representatives to minimize the air quality impacts of large prescribed burns.

Fiscal Year 2005-06 Goals and Objectives

1. Process and issue permits meeting all applicable timelines. Permit processing includes: application completeness review, meeting with applicants, written correspondence, permit drafting, engineering evaluation, site visits, public review (when applicable) and issuance. Implement a permitting process for stationary diesel engines that were previously exempt from permit.
2. Provide engineering oversight and ensure ongoing compliance with APCD permits and rules. Track and review compliance data and reports.
3. Provide project management for permits and projects, and engineering support to other APCD programs.
4. Oversee administrative tracking of permits. Report all Best Available Control Technologies (BACT) and offsets actions to ARB, as required by state law.
5. Process applications of emission reduction certificates and maintain the source register database; track countywide net emission increases and periodically report the results to the California Air Resources Board.
6. Administer the agency's source-testing program; review source test plans and reports, and schedule and observe source tests.
7. Screen permit applications to ensure that permits are not issued for projects which may present unacceptable toxic health risks to the community. Design and implement a toxics new source review process.
8. Maintain a rigorous inspection and enforcement program, including mutual settlement of violations and assessment of economic benefits of non-compliance, when warranted. Collect and report inspection statistics to ARB and EPA.
9. Represent the agency in actions before the Hearing Board, and assist regulated facilities with the Hearing Board process.
10. Update and improve permit application forms, permit guidance documents and permitting and enforcement policies, and make available on the APCD's Web page.

Fiscal Year 2005-06 Goals and Objectives (Cont'd)

11. Continue the automation of small-source permits, and incorporation of all devices into IDS.
12. Continue outreach on SB700 requirements with the agricultural community.

Recurring Performance Measures

<u>Measure</u>	<u>Actual FY 2003-04</u>	<u>Goal FY 2004-05</u>	<u>Est. Actual FY 2004-05</u>	<u>Goal FY 2005-06</u>
Permits processed				
- within 15 days after complete application (gas stations and other selected sources)	100%	100%	100%	100%
- within 30 days for other small sources	71%	100%	71%	100%
- within 90 days for medium sized sources	93%	100%	93%	100%
Scheduled inspections actually conducted	93% 698/753	80% 511/639	80% 623/779	80% 863/1079
High priority inspections conducted	97% 520/537	100% 408/408	100% 650/650	100% 650/650
Citizen Complaints about air pollution responded to	207	300	250	250
- within 3 hours	91%	90%	90%	90%
- within 24 hours	95%	95%	95%	95%

Air Toxics

Purpose Statement

We strive to protect the public from exposure to toxic air contaminants and inform and educate the public about emissions to which they may be exposed.

Fiscal Year 2004-05 Significant Accomplishments

- In calendar year 2004, progress was made with five Significant Risk Sources, with one source reducing its Acute Non-cancer risk to less than significant in Goleta, and another reducing its Chronic Non-cancer risk in Carpinteria. These reductions are reflected in the graph shown on page 16. APCD staff continued to work with the five sources to revise risk information and update emissions inventories to accurately reflect the emissions from the facilities and ensure risk reduction plans are enacted timely.
- APCD staff took a leadership role in the use of the recently-released Hot Spots Analysis and Reporting Program (HARP), a risk modeling tool, and gained hands-on experience in applying the model to risk-producing sources in the county.
- A statewide Airborne Toxic Control Measure to reduce particulate emissions from stationary diesel engines was approved in 2004 and APCD staff actively worked to ensure smooth implementation of the ATCM's requirements, which applies to numerous operators within the county.
- To improve dissemination of information about the Significant Risk facilities in the County, the staff continued to maintain and update its toxics information on the APCD website, which includes facility information, risk isopleths and links to information sources on the pollutants that drive each facility's risk.

Fiscal Year 2005-06 Goals and Objectives

1. Screen applications to ensure that permits are not issued for projects which may present unacceptable toxic health risks to the community.
2. Oversee implementation of risk reduction plans for significant risk facilities and confirm that necessary reductions have occurred.
3. Continue to address emerging health risk and permitting issues associated with diesel particulate exhaust, including implementation of new Airborne Toxic Control Measure requirements for stationary diesel engines.

4. Improve the APCD's ability to perform health risk assessments of toxics sources, including use of new and improved modeling software for toxics analysis.
5. Integrate air toxics data in Integrated Data System to interact with permitting (toxics NSR) and health risk assessment programs.
6. Implement and administer the Air Toxic Hot Spots program, including risk notification and risk reduction requirements of significant risk sources, website maintenance, public meetings, and preparation of updated risk assessments. Address inclusion of stationary diesel engines into the program, including any necessary risk modeling, notification and risk reduction.
7. Continue to monitor Title III program developments to address requirements of federal law and applicable control requirements and standards.

Recurring Performance Measures

<u>Measure</u>	<u>Actual FY 2003-04</u>	<u>Goal FY 2004-05</u>	<u>Est. Actual FY 2004-05</u>	<u>Goal FY 2005-06</u>
Number of required public notifications of air toxic "hot spots"	0	5	0	5

Technology & Environmental Assessment Division

EXPENDITURE PLAN

	Actual FY 2003-04	Adopted FY 2004-05	Est. Act. FY 2004-05	Proposed FY 2005-06
<i>Operating Expenditures</i>				
Administrative Overhead	\$ 147,738	\$ 189,603	\$ 180,557	\$ 185,594
Air Quality Planning	306,563	289,764	307,013	297,699
Rule Development	215,876	199,559	249,762	193,937
Community Programs	334,221	433,673	352,819	371,377
Land Use	146,251	144,114	109,291	154,059
Air Monitoring	587,192	593,857	551,491	550,974
Innovative Technologies	705,995	1,104,475	431,173	1,455,566
Operating Total	<u>2,443,836</u>	<u>2,955,045</u>	<u>2,182,106</u>	<u>3,209,206</u>
<i>Other Financing Uses</i>				
Designated Future Uses	-	-	-	18,429
Expenditure Plan Total	<u>\$ 2,443,836</u>	<u>\$ 2,955,045</u>	<u>\$ 2,182,106</u>	<u>\$ 3,227,635</u>

CHARACTER OF EXPENDITURES

	Actual FY 2003-04	Adopted FY 2004-05	Est. Act. FY 2004-05	Proposed FY 2005-06
<i>Operating Expenditures</i>				
Regular Salaries	\$ 1,254,337	\$ 1,244,618	\$ 1,224,586	\$ 1,226,585
Benefits	233,178	264,102	254,834	258,641
Salaries & Benefits Total	<u>1,487,515</u>	<u>1,508,720</u>	<u>1,479,420</u>	<u>1,485,226</u>
Services & Supplies	641,105	1,255,325	510,286	1,504,680
Other Charges	191,411	109,000	110,400	159,300
Fixed Assets	123,805	82,000	82,000	60,000
Operating Total	<u>\$ 2,443,836</u>	<u>\$ 2,955,045</u>	<u>\$ 2,182,106</u>	<u>\$ 3,209,206</u>

Division Overview

The Technology and Environmental Assessment Division includes an Administrative Overhead function that accumulates expenses not attributable to any specific division activity, such as management and supervision of staff, facilitating staff development and training opportunities, budget management and tracking, goal and policy implementation. The Division also includes the following program groups which have costs associated with specific goals and objectives: Air Quality Planning, Community Programs, Land Use, Air Monitoring, Innovative Technologies Group, and Rule Development.

Significant Changes (FY 2004-05 Adopted to FY 2005-06 Proposed)

The Proposed FY 2005-06 operating total for the Technology & Environmental Assessment Division will increase by \$254,161 from the Adopted 2004-05 Plan of \$2,955,045 to \$3,209,206. The largest portion of this approximately 9% increase is for programs supported by revenue generated with the additional \$2 in DMV motor vehicle surcharge fees. The increase is offset by reducing contractor services, under services and supplies, and by deleting a 0.75 FTE Air Quality Specialist position in our Community Programs Section, and a 0.5 FTE Air Quality Engineer in our Rule Development Section. Both the contractor and staffing reductions will result in a decrease in the amount of work that can be accomplished, but we will focus our efforts in those areas of highest priority.

As already mentioned, an additional \$2, per registered vehicle, in DMV motor vehicle surcharge fees will be realized by our Innovative Technologies Group. This additional funding is critical to our continued grant efforts as the original mitigation funding obtained in the late 1980s has almost been expended.

Air Quality Planning

Purpose Statement

We develop, implement, and track Clean Air Plans that comply with state and federal air quality planning mandates in order to protect the environment of Santa Barbara County and public health. We integrate the actions of the U.S. Environmental Protection Agency, the California Air Resources Board, and the Santa Barbara County Association of Governments with those of the APCD to facilitate a coordinated and efficient effort to clean the air. We promote local dialogue and consensus by meeting with our Community Advisory Council during the development of clean air plans in order to address local concerns of business, industry, environmental groups, and the public. We prepare emission inventory data that are required for air quality attainment planning and for the invoicing of emission-based fees that allow the APCD to continue programs that achieve clean air goals.

Fiscal Year 2004-05 Significant Accomplishments

- Developed and obtained Board of Directors approval of the 2004 Clean Air Plan to comply with the state one-hour ozone standard.
- Updated Point and Area source emissions for 2004 and submitted to the Air Resources Board.
- Issued all applicable emission-based fees for FY 2004/2005 including OCS sources.
- Provided revenue projections for FY 2005/2006 and FY 2006/2007.
- Developed 2003 marine shipping emission inventory.
- Assisted in the implementation of SB 700.
- Continued development and maintenance of the air toxics data base.
- Fulfilled all public data requests for planning or emission inventory information.

Fiscal Year 2005-06 Goals and Objectives

1. Obtain approval of the 2004 Clean Air Plan per state planning requirements.
2. Work with ARB to comply with the particulate matter control requirements contained in Senate Bill 656.
3. Submit information to EPA as required by EPA Section 105 Grant.

4. Prepare, distribute, collect, and analyze emission questionnaires and statements and continue to implement web-based applications.
5. Compile, mail out, and respond to inquiries on annual emission, AQAP, and air toxic program fee invoices.
6. Continue efforts to integrate toxic pollutants into the emissions inventory.
7. Provide emissions inventory support for potential conformity determinations.
8. Monitor EPA guidance on new standards and determine appropriate actions to comply with all planning requirements.
9. Monitor ARB guidance on the state ozone standard and determine appropriate actions to comply with all planning requirements.
10. Continue efforts to quantify the emissions from Marine Shipping.
11. Fulfill all public data requests for planning or emission inventory information
12. Commence development of 2007 Clean Air Plan.

Recurring Performance Measures

<u>Measure</u>	<u>Actual FY 2003-04</u>	<u>Goal FY 2004-05</u>	<u>Est. Act. FY 2004-05</u>	<u>Goal FY 2005-06</u>
Update major industrial Facility process rates and submit to ARB.	100%	100%	100%	100%

Rule Development

Purpose Statement

In order to implement air pollution control measures identified in the Clean Air Plan and to protect human health and the environment of Santa Barbara County, we develop new and modified rules and regulations and prepare them for adoption by the APCD Board.

Fiscal Year 2004-05 Significant Accomplishments

- Worked on revisions to Rule 333 (Internal Combustion Engines) to address EPA identified deficiencies and make the rule consistent with statewide RACT/BARCT guidance from ARB.
- Began work on Rule 362 (Solvent Cleaning Operations) and revisions to Rule 321.
- Amended four rules: Rule 102 (Definitions), 202 (Exemptions to Rule 201), 210 (Fees), and 331 (Fugitive Emissions).
- Commenced work on complying with SB 656 mandates.

Fiscal Year 2005-06 Goals and Objectives

1. Develop and maintain a rule development schedule. Modify priorities as necessary to comply with federal and state requirements, public input, and to implement improvements in technical rigor.
2. Develop and adopt new and revised rules as required by the Clean Air Plan and SB 656. These rules include, but are not limited to, Rule 333 (Internal Combustion Engines), Rule 321 (Solvent Degreasers), and Rule 362 (Solvent Clean Operations).
3. Develop and adopt rules as required by new state and federal mandates.
4. Develop and adopt rules to implement state air toxic control measures, federal New Source Performance Standards, National Emission Standards for Hazardous Air Pollutants, and federal Maximum Achievable Control Technology standards.
5. Present all rules to the APCD Community Advisory Council for their recommendation to the Board.
6. In order to promote statewide consistency in rule development, participate on the CAPCOA Rule Development subcommittee
7. Submit rule development information for access on the APCD home page on the World Wide Web.

Community Programs

Purpose Statement

We provide the community and permitted businesses with assistance and information about air pollution and the APCD's programs, rules, and services through our community outreach and business assistance programs. We encourage ways for the entire community to work together for clean air in Santa Barbara County.

Fiscal Year 2004-05 Significant Accomplishments

- Published four issues of newsletters, *On The Air* and *Business Focus*; and published *2005 Kids Care for Clean Air* calendar.
- Participated in 2004 "Green Award" program and 2005 Earth Day and Clean Air Month events and initiatives.
- Developed 2005 promotional campaigns for the Santa Barbara Car Free project with Amtrak and the Santa Barbara Conference and Visitors Bureau and Film Commission.
- Operated Business Assistance Program and Business Assistance Line to help businesses comply with APCD requirements, including assisting sources in annual report record keeping requirements and facilitating pollution prevention opportunities for businesses.
- Reviewed public notices, continued to enhance the APCD website, and provided webmaster support to all staff.
- Finished implementation of the *Don't Top Off* campaign.
- Chaired the CAPCOA Public Outreach committee, participated in Tri-County Pollution Prevention committee, the Safe Routes to School project, and the Million Solar Roofs Initiative.
- Provided outreach support and developed written materials, website, and workshop presentations for the SB 700 coordination effort with the agricultural community.

Fiscal Year 2005-06 Goals and Objectives

1. Publish four issues of *On The Air* and *Business Focus* newsletters.
2. Participate on multi-agency, local and national, pollution prevention committees to implement pollution prevention activities. In conjunction with Pollution Prevention Week, participate in the 2005 Green Awards Program, recognizing environmental efforts in the private sector.

3. Administer the Business Assistance Program including managing the Business Assistance Line, providing information and direction to businesses, compliance and permit assistance, customer service feedback questionnaires, educational site visits, and pollution prevention and incentive information.
4. Continue research and implementation of pollution prevention and energy conservation measures.
5. Research, develop, and implement new education and outreach projects to increase the public's participation in pollution reducing activities.
6. Coordinate media outreach efforts for all APCD programs.
7. Schedule and provide speakers at schools and other events and in response to community requests.
8. Maintain and improve APCD's Internet World Wide Web site.
9. Promote clean air goals through participation in events and initiatives around Earth Day, Clean Air Month, and Pollution Prevention Week.
10. Participate in CAPCOA Public Outreach Committee to promote statewide consistency in communicating air quality information, to share communication products, and to develop and implement joint outreach initiatives.
11. Participate in STAPPA/ALAPCO Public Outreach committee to maximize input on federal air quality communication programs, and to benefit from national communication initiatives.
12. Promote clean-air transportation choices, through implementation of the Santa Barbara Car Free project and joint initiatives with Traffic Solutions and others, and participation in community events and projects (e.g., Earth Day, Clean Air Month, Safe Routes to Schools).
13. Develop and implement education programs for students, both via classroom visits and development of expanded student pages on our website.
14. Continue participation in the Agriculture Coalition to support APCD implementation of SB700.

Recurring Performance Measures

<u>Measure</u>	<u>Actual FY 2003-04</u>	<u>Goal FY 2004-05</u>	<u>Est. Act. FY 2004-05</u>	<u>Goal FY 2005-06</u>
Send customer surveys to businesses permitted - Goal is 100%.	100%	100%	100%	100%
Send customer surveys to businesses inspected - Goal is 25%.	19%	25%	25%	25%
Respond to business assistance inquiries within one day - Goal is 100%.	100% of 55 inquiries	100% of 40 inquiries	100% of 40 inquiries	99% of 100 inquiries

Land Use

Purpose Statement

We review major environmental and planning documents to ensure that air quality impacts of land development projects are correctly assessed and all feasible measures to reduce air pollution from these projects are considered.

We review all APCD activities such as Clean Air Plans, rules and regulations, and permits to ensure that our activities do not result in adverse impacts to the environment. We participate in the federal, state, and local transportation planning process and review transportation projects to ensure that transportation policies and projects do not weaken air quality improvements.

Fiscal Year 2004-05 Significant Accomplishments

- Prepared CEQA documentation for the 2004 Clean Air Plan and all rules and permits where the APCD was the lead agency and assisted other agencies in the preparation of air quality analyses for CEQA documents for oil and gas related projects.
- As a responsible agency, reviewed environmental documentation for major projects, and as a concerned agency, reviewed documents from agencies such as Caltrans and cities.
- Participated with other air districts to revise and improve the Urban Emission Model (URBEMIS) to enhance analysis capabilities for mitigation measures.
- Participated in the Subdivision/Development Review Committees of the County and Goleta, and SBCAG's *101 in Motion* Committees, Technical Transportation Advisory Committee, Technical Planning Advisory Committee, and the South Coast Sub-regional Planning Committee. Participated in monthly coordination meetings with SBCAG and Caltrans.

Fiscal Year 2005-06 Goals and Objectives

1. Implement CEQA on APCD rules, APCD permits, and plans.
2. Carry out responsible agency review requirements for major development projects in the county.
3. Engage in a process with local planning agencies to best address land use, transportation, air quality issues in the Clean Air Plan.

4. Work with other districts to improve the tools to assess Indirect Source emissions and mitigation measures.
5. Evaluate state and local environmental justice guiding principles.
6. Coordinate transportation and air quality issues with the Santa Barbara County Association of Governments and other agencies as required by APCD Rules 701 and 702, Transportation and General Conformity Rules.
7. Continue to provide training to planners and consultants on methodology and resources available for evaluating air quality impacts from development projects.
8. Track and evaluate motor vehicle Inspection and Maintenance programs and reports.

Recurring Performance Measures

Measure	Actual FY 2003-04	Goal FY 2004-05	Est. Act. FY 2004-05	Goal FY 2005-06
Complete CEQA review within 30 days for all initial studies and minor projects.	98%	100%	98%	100%

Air Monitoring

Purpose Statement

We operate an ambient air monitoring network throughout Santa Barbara County to determine the relationship between our air quality and the Federal and California air quality standards by comprehensively and accurately documenting the urban, regional, and source specific air quality impacts. We gather information to allow for sound decision making by policy-makers, the general public, and the APCD in our combined efforts to protect public health.

Fiscal Year 2004-05 Significant Accomplishments

- Operated or provided oversight for the collection of high quality ambient air monitoring data from 17 stations throughout the county.
- Published the Annual Air Quality Report on the APCD's web page.
- Continued implementing the equipment and parts replacement schedule.
- Provided technical support to the National Park Service, EPA, California Air Resources Board, and APCD project managers.

Fiscal Year 2005-06 Goals and Objectives

1. On-going operation of the APCD's SLAMS network and selected PSD monitoring stations, and oversight of the remaining PSD monitoring network in accordance with federal and state requirements. Continue to review cost-effective advances in monitoring technology and daily monitoring procedures for incorporation into the monitoring program to increase program efficiencies.
2. Provide technical support to the California Air Resources Board in their operation of ambient air quality monitoring stations.
3. Publish the Annual Air Quality Report on the APCD's web page. Continue to update and produce new charts and graphs to provide new and historical air quality data on the internet.
4. Respond to ambient air quality data requests from the general public, outside agencies, and APCD staff. Continue daily Air Quality Index reporting to area media agencies and the APCD website.
5. Provide technical support to APCD project managers for major source continuous emissions monitoring programs.

6. Provide data to EPA's AirNow program to provide real-time ozone mapping on the internet.

Recurring Performance Measures

Measure	Actual FY 2003-04	Goal FY 2004-05	Est. Act. FY 2004-05	Goal FY 2005-06
Pass State performance audits.	95%	100%	100%	98%
Obtain valid data for air quality/meteorological measurements.	98%/98%	98%/100%	98%/100%	98%/99%

Innovative Technologies Group

Purpose Statement

We demonstrate innovative, voluntary ways of reducing air pollution in Santa Barbara County in order to further the APCD's mission to protect the local environment and public health. We foster government and industry cooperation and create local business opportunities in clean air technologies by providing incentives to aid in the implementation of low-emissions technologies. We identify alternatives to the traditional regulatory approach that provide increased flexibility to local businesses in reducing pollution.

Fiscal Year 2004-05 Significant Accomplishments

- Made significant progress in our attempt to develop a multi-jurisdictional grant agreement to fund the retrofit of a large container ship that transits offshore Santa Barbara County.
- Funded the retrofit of school buses with diesel particulate traps.
- Continued implementation of the Carl Moyer Program, the agricultural boiler and water pump program, the marine re-power and outboard program, the water-based cleaner program, and the on-road heavy-duty diesel re-power program.
- Obtained additional funding for emission reduction programs under the Carl Moyer Program and under the DMV motor vehicle surcharge fee provided for by AB 923.
- Evaluated and provided grant funding for the Clean Air Express bus project.
- Developed a comprehensive grant funding document.

Fiscal Year 2005-06 Goals and Objectives

1. Evaluate grant applications submitted in response to APCD's "Call for Projects" and issue grant funding according to APCD Board and AB923 criteria.
2. Continue management of existing programs, e.g., the marine repower program, agricultural boiler program, clean campus, state Carl Moyer Program, on-road heavy duty diesel re-power program, marine outboard program, and the Lower Emissions School Bus Program.

3. Administer and implement projects funded by AB 923 funds, Carl Moyer Program funds, and motor vehicle registration fees to reduce emissions from diesel engines (e.g., Agriculture Assistance Program, School Bus Replacement and Retrofit programs, etc.) and from an accelerated vehicle retirement program.
4. Assist SBCAG with Clean Air Express evaluations as needed.
5. Continue efforts to build partnerships to reduce marine shipping emissions.
6. Continue efforts to "clean the fleet" by working with local transit and school districts to re-power, retrofit or replace diesel engines.
7. Continue to work toward a resolution of the "hot gas" issue.
8. Identify and pursue partnerships to provide economic benefits to local industries through the demonstration of innovative technologies to reduce air pollution.

Recurring Performance Measures

<u>Measure</u>	<u>Actual FY 2003-04</u>	<u>Goal FY 2004-05</u>	<u>Est. Act. FY 2004-05</u>	<u>Goal FY 2005-06</u>
NOx and ROC reductions from grant funded ITG projects.	98 tons	150 tons	75 tons	100 tons