

## PROPOSED BUDGET FISCAL YEAR 2015-16

Santa Barbara County Air Pollution Control District  
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Louis D. Van Mullem, Jr.  
Air Pollution Control Officer

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# SANTA BARBARA COUNTY AIR POLLUTION CONTROL DISTRICT BOARD OF DIRECTORS

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**Supervisor Salud Carbajal**

*First District*

*Santa Barbara County Board of Supervisors*

**Supervisor Janet Wolf, Chair**

*Second District*

*Santa Barbara County Board of Supervisors*

**Supervisor Doreen Farr**

*Third District*

*Santa Barbara County Board of Supervisors*

**Supervisor Peter Adam, Vice-Chair**

*Fourth District*

*Santa Barbara County Board of Supervisors*

**Supervisor Steve Lavagnino**

*Fifth District*

*Santa Barbara County Board of Supervisors*

**Mayor Holly Sierra**

Alternate – Vice Mayor Ed Andrisek

*City of Buellton*

**Councilmember Al Clark**

Alternate – Councilmember Wade Nomura

*City of Carpinteria*

**Councilmember Michael T. Bennett**

Alternate – Councilmember Roger Aceves

*City of Goleta*

**Mayor John Lizalde**

Alternate – Councilmember Jerry Beatty

*City of Guadalupe*

**Mayor Pro Tem DeWayne Holmdahl**

Alternate – Mayor Bob Lingl

*City of Lompoc*

**Mayor Helene Schneider**

Alternate – Councilmember Bendy White

*City of Santa Barbara*

**Mayor Alice Patino**

Alternate – Councilmember Etta Waterfield

*City of Santa Maria*

**Mayor Jim Richardson**

Alternate – Councilmember Ed Skytt

*City of Solvang*

# AIR POLLUTION CONTROL OFFICER'S BUDGET MEMORANDUM

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June 18, 2015

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

Dear Chair Wolf and Board Members:

The Fiscal Year (FY) 2015-16 Proposed Budget was prepared according to the policy framework and direction provided by the Board and the Air Pollution Control District Strategic Plan (1998).

## *Budget Overview*

This budget is planned for FY 2015-16, which runs from July 1, 2015 through June 30, 2016. The budget adoption process is specified in Health and Safety Code Section 40131 and includes requirements for two public hearings and notification to all fee payers. In addition, the APCD conforms to the provisions of the County Budget Act of 2010, Revision 1, effective January 1, 2013 and starting with Government Code Section 29000.

Every year our budget process begins with the programming of revenues. The District projects total revenue from the previous years' actual revenues after making any known or anticipated adjustments. After revenues are forecasted, expenses (including salaries and benefits) are programmed to equal revenues, thus making a balanced budget. Therefore, all operational expenses are covered by planned revenues. Periodic expenses (e.g., capital improvements and certain Board directed programs) are paid through fund balance accounts (i.e., savings) specifically designated for those items.

The majority of the FY 2015-16 revenues will be generated by two sources. The first is revenue earned by "operational" employees (predominately engineers, specialists, and technicians) who are paid by our regulated sources through fees for work products produced such as permits, inspections, evaluations, planning, and reviews. The second source of revenues comes from federal and state grants and their uses are prescribed by the agency providing these funds. The work products generated by grant funding are air quality monitoring, data acquisition, clean air plans, environmental planning documents, innovative technology grants, and public outreach. These revenue streams make the District somewhat unique as compared to tax based agencies,

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*The APCD's mission is to protect the people and environment of Santa Barbara County from the effects of air pollution.*

*The FY 2015-16 budget was built to ensure continued mission success and continued progress toward its vision, Clean Air.*

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as we do not receive tax dollars from county or city coffers. Expense line items are thoroughly reviewed each year in an effort to keep costs down. However, this year we have included one-time expenditures for special community outreach projects and have also increased grant dollar expenditures which will help to reduce emissions from sources that the District does not regulate.

### *FY 2015-16 Budget at a Glance*

The two figures below depict proposed District Revenues and Expenses; both totaling \$10,341,516, our balanced budget for FY 2015-16. As in previous years, our major two sources of revenue are generated from: 1) vehicle licenses and permits; and 2) federal, state, and other governments mostly in the form of grants. Expenditures continue to be dominated by salaries and benefits, which total \$6,085,158.

The District is well prepared for unforeseen expenses in that our fund balances provides an adequate reserve. Our fund balance total is forecasted to be \$5,304,706 and of that total \$1,500,000 (approximately 15% of total budget) has been set aside by our Board as strategic reserve to be used during a fiscal emergency.

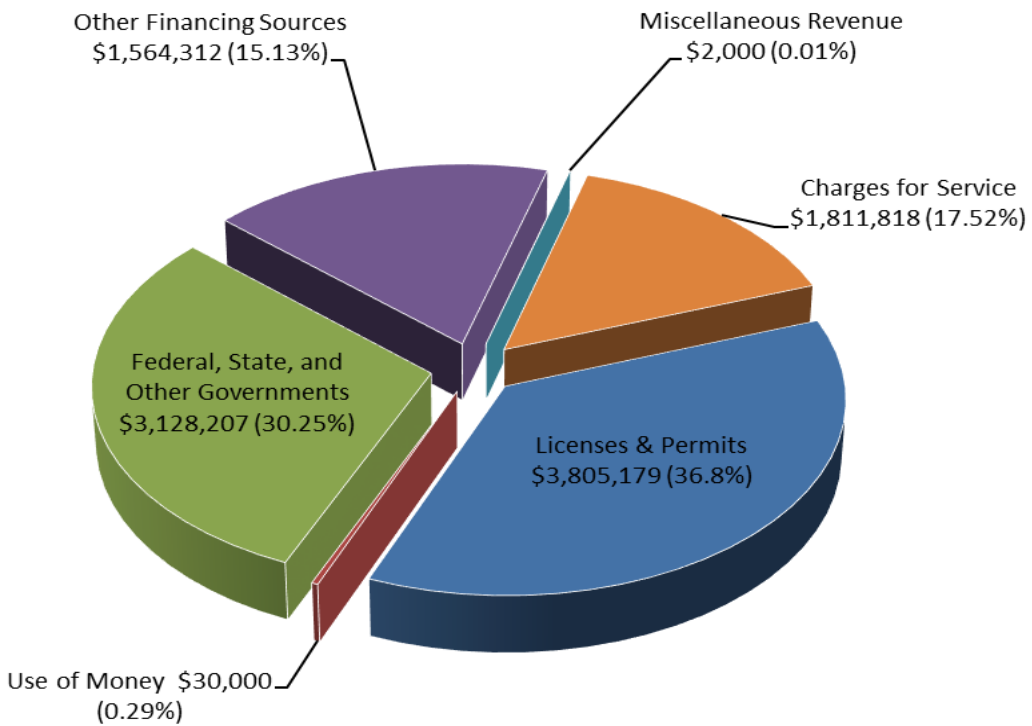


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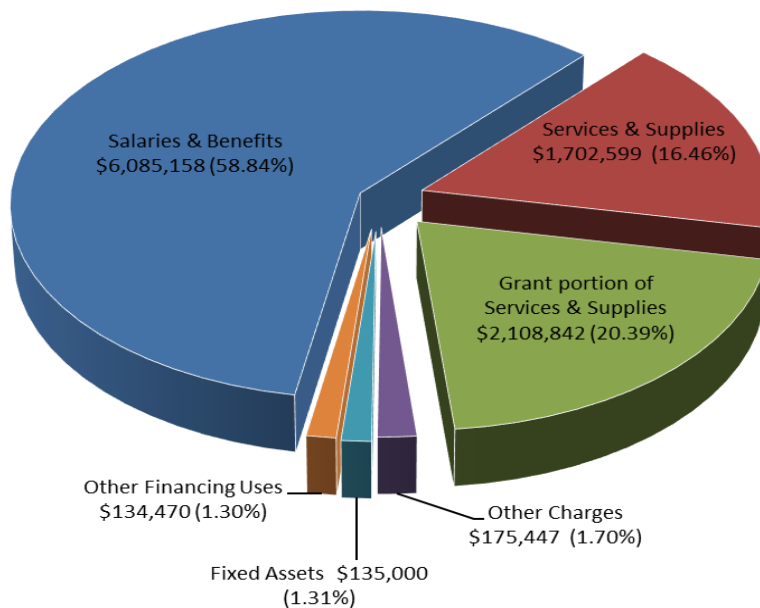
*A comparison of the adopted FY 2014-15 budget (\$9,710,695) with the proposed FY 2015-16 budget reveals a year-to-year incline of 6.5% equating to an overall budget increase of \$630,821 from last FY. This positive change is largely due to a few new pilot projects and one time grants.*

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### Total Revenue \$10,341,516



### Total Expenditures \$10,341,516





## Revenue Changes

Except for predictable fluctuations, our revenue streams have been fairly steady over the past two budget cycles. The two revenue streams that are most difficult to forecast are reevaluation fees and mutual settlement revenues. The following FY 2015-16 revenue line items are discussed for your consideration.

- **Interest Earnings:**

Prior to FY 2008-09 the District achieved good interest earnings on money in its savings accounts. Since then, we have seen a continued decline. It now appears that this trend has slowed, and the market is stable, and may even increase. For FY 2015-16 we are holding to last FY's interest earned amount of \$30,000.

- **State Grant Funding:**

Through the Carl Moyer grant program the District provides funding for cleaner-than-required engines and equipment. For FY 2015-16 the Moyer funding is expected to increase slightly at a value of \$519,225. Of this amount, ten percent is allowed for retention to administer the program. Moyer funds have a 2-year life cycle, so the older (2<sup>nd</sup> year) funds are spent first, if any are remaining. Through the California Energy Commission (CEC) grant award of \$242,872 the District plans to lead the development of a tri-county hydrogen readiness plan.

- **Federal Grant Funding:**

The APCD has enjoyed U.S. Environmental Protection Agency (EPA) 105 Grant allocations since 1975, and we are not predicting a change for the next federal FY (beginning October 1, 2015). For this reason, the District's FY 2015-16 USEPA 105 Grant budget remains at a conservative value of \$475,000.

- **Fee Revenues:**

No fee increases are proposed for FY 2015-16 other than a Consumer Price Index (CPI) adjustment. The CPI fee adjustment is authorized by APCD Rule 210, which provides for an annual adjustment based on the CPI for the preceding year (April-to-April). The CPI for the preceding year, ending in April 2014, is 1.9%. Fee adjustments are made to our permit application and evaluation fees, source testing fees, annual emission fees, as well as other fees prescribed in Rule 210. The 1.9% adjustment is expected to generate an additional \$140,000 in fee revenue.

- **Reevaluation Fees:**

The cyclical nature of reevaluation fees is making its predicted mid-year downturn this FY. Roughly, reevaluation fees have a 3-year cycle: a high, mid, and low budget year. Having entered the mid-year of the cycle, reevaluation fee generation will be slightly lower than last FY (the high-year). For FY 2015-16 (the mid-year), reevaluation fees will be approximately 6.6% lower than the previous FY (\$70,222 less). Within the three-year cycle, we deposit a portion of revenue into savings during the high-year and withdraw during the low-year. This FY we will deposit \$85,639 into our reevaluation cycle fund balance for future years.

- **Mutual Settlement Revenues:**

When a violation occurs, the District enters a mutual settlement process to arrive at a monetary penalty. A review over several years reveals that each year three to four substantial violations occur resulting in large settlements. These outliers are difficult to forecast; however, for FY 2015-16 we believe this trend will continue. Accordingly, mutual settlement revenue will remain at the budgeted amount of \$225,000.

## *Expenditures*

Over the last three years, the APCD focused on streamlining many of its operations while still meeting its program commitments. The efforts include reducing expenditures while maximizing the efficient use of staff and resources. The following expenditure changes warrant review.

- **Staffing Levels:**

Staffing levels have stabilized at the current 47.0 FTE. With an increase in productivity, we do not see a need to increase staff levels even though mandated requirements have risen.

- **Retirement Costs:**

Over the last five years the District's contribution to retirement planning has increased by more than 32%. For FY 2015-16 the District is finally seeing some relief, with contribution rates decreasing 1.15% overall. Although slowing down, retirement costs are up slightly from last FY due to a fully staffed work force. Furthermore, the District implemented PEPRRA, which impacts new employees who were hired beginning January 1, 2013. Currently we have 8 employees enrolled in the new PEPRRA retirement tier which is 17% of our work force. Savings will increase incrementally with each new employee until all employees are eventually enrolled.

- **Services and Supplies Costs:**

Each year the District diligently conducts a line item review of S&S expenditures; this effort has kept costs low. However, this FY included in the budget are one-time expenditures paid for with fund balance monies for a new lawnmower scrap incentive program, a new exhibit at the Santa Maria Valley Children's museum and a portable air sensor project with local schools. Additionally, S&S grant program expenditures increased due to the following: 1) the potential for additional state Moyer allocations applied for by APCD; 2) to support a unique partnership pursuing a vessel speed reduction pilot project and to provide matching funds; 3) to bolster \$2 DMV funding for our highly successful Old Car Buy Back program; and 4) CEC grant for tri-county hydrogen readiness plan. The changes listed above resulted in an overall increase in S&S by \$503,725.



## *Fund Balances*

The APCD designates two categories of fund balances. Each category has “savings” accounts with monies set aside for specific purposes.

- **Restricted Funds:**

Restricted fund balances are those where use is prescribed by law. These savings accounts are generated through grant allocations received from federal and state agencies. Monies in these accounts are managed by our Innovative Technologies Group (ITG) and pass through the APCD to qualified projects benefitting clean air. An example of a restricted fund balance is the State’s Carl Moyer grant program. For FY 2015-16 restricted fund balances total \$0.

- **Committed Funds:**

Committed fund balances are monies set aside for specific categorized expenditures, such as capital replacement, retiree health subsidy, and the data acquisition system (DAS). It should be noted that the District has put together a plan and is actively reducing the fund balance (\$240,705 in FY 2015-16) for the DAS, by offering a discount on the system fees. This will bring the balance down to a more representative amount for system replacement. Also, within committed fund balances there are discretionary dollars available for spending at planned intervals or when unforeseen circumstances arise requiring a withdrawal. Discretionary fund balances consist of our strategic reserve, reevaluation cycle, and an account for unforeseen operational requirements. For FY 2015-16 committed fund balances total \$5,290,220 with \$3,252,860 designated as discretionary.

## *Conclusion*

The FY 2015-16 proposed budget represents thoughtful consideration of impacts, consequences, alternatives, and workforce levels. I was optimistically cautious in generating a revenue forecast and balanced total expenses by carefully deliberating the need for each outlay. It is my belief that the District can execute this proposed budget with the confidence that our mission requirements will continue to be met throughout the year.

Very Respectfully,



Louis D. Van Mullem, Jr.  
Air Pollution Control Officer

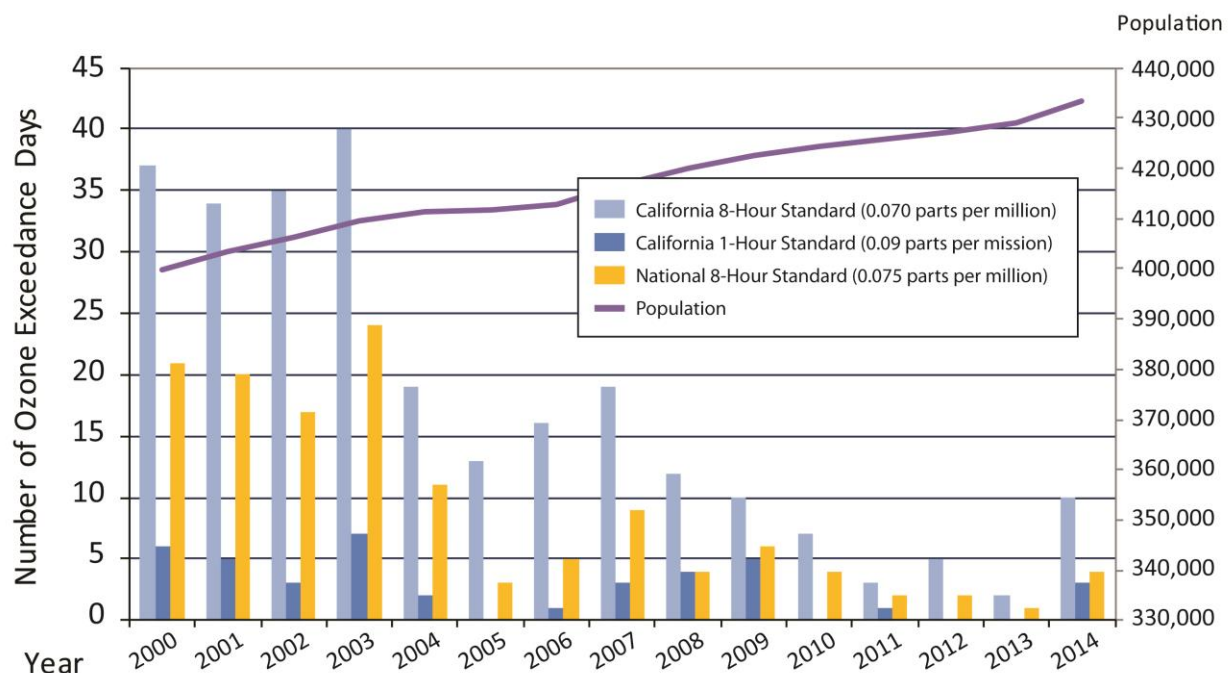
## SANTA BARBARA COUNTY HISTORICAL AIR QUALITY

Santa Barbara County's air quality has historically violated both the state and federal ozone standards. Ozone concentrations above these standards adversely affect public health, diminish the production and quality of many agricultural crops, reduce visibility, and damage native and ornamental vegetation.

In 1970, when the APCD was formed, the air in Santa Barbara did not meet the federal one-hour ozone standard. For 40 years our efforts focused on attaining that standard. On August 8, 2003, Santa Barbara County was officially designated an attainment area for the federal one-hour ozone standard. Furthermore, USEPA has designated Santa Barbara County as "attainment" for the federal eight-hour ozone standard (0.075 parts per million). The eight hour standard replaced the previous federal one-hour standard. In addition, we attained the state one-hour ozone standard for the first time during 2004-2006.

The California eight-hour ozone standard was implemented in June, 2006. The County violates the state eight-hour ozone standard and the state standards for PM<sub>10</sub>. As shown in the chart, the number of ozone exceedance days has gone down while population has increased.

*Santa Barbara County Ozone Exceedance Days  
2000-2014*



## ABOUT THE APCD

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### *What is the APCD?*

The Santa Barbara County Air Pollution Control District (APCD) is an independent special district charged with protecting human health by improving and protecting Santa Barbara County's air quality. 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 pertinent activities. APCD staff members have expertise in meteorology, engineering, chemistry, planning, environmental sciences, field inspection, air monitoring, public outreach, data processing, accounting, information technology, human resources, and administration.

The 13 member governing board of the APCD consists of the five County Board of Supervisors and one elected representative (a mayor or city councilperson) from each of the eight cities within the county.

### *APCD's Mission*

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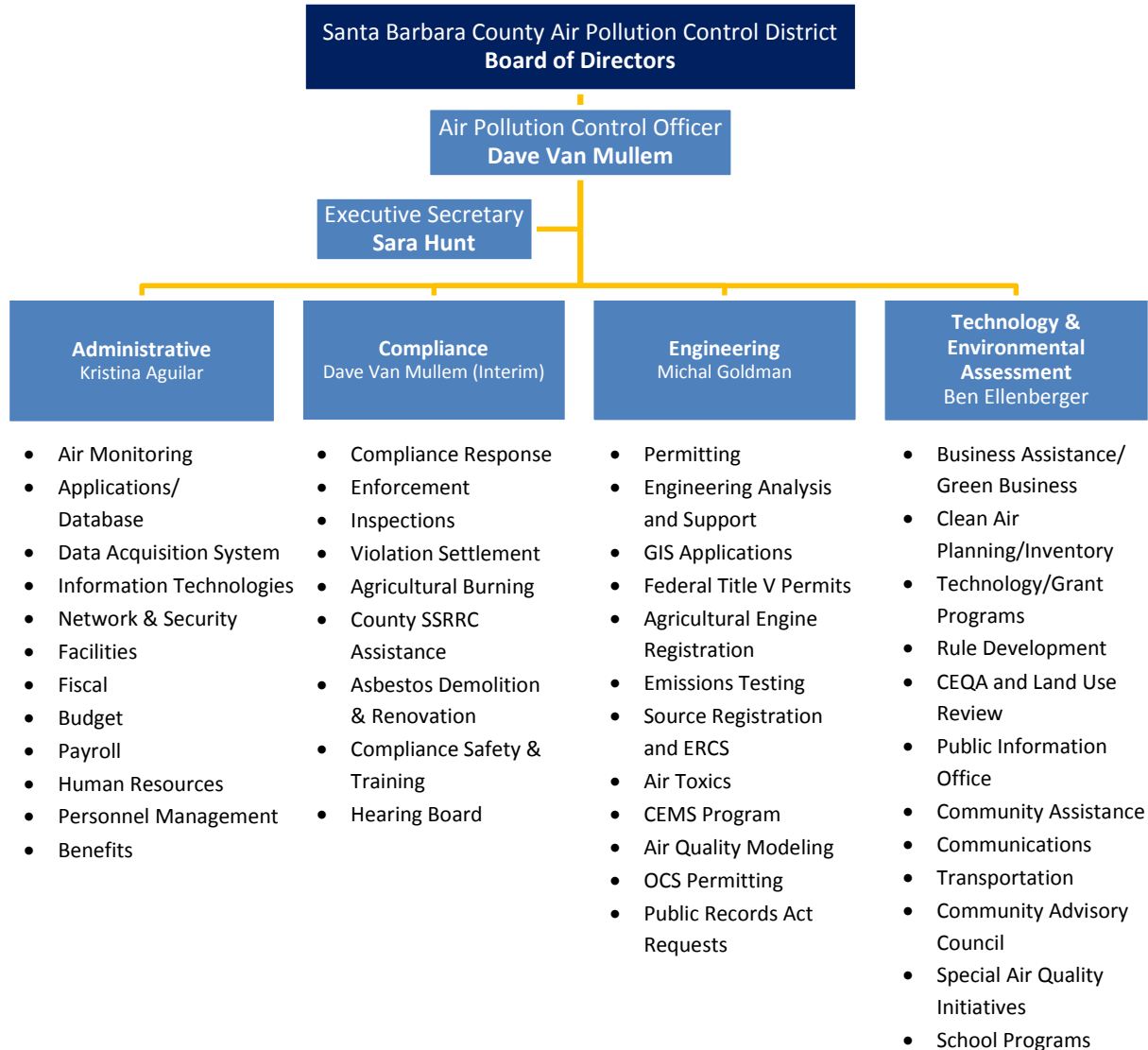
*The APCD's mission is to protect the people and the environment of Santa Barbara County from the effects of air pollution.*

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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. In striving towards our goal, the APCD embraces the attributes of accessibility, accountability, and transparency.

## Organizational Chart



## Fiscal Year 2015-16 Job Class Table (Effective June 18, 2015)

| Position Number                           | Classification Title                        | Adopted FY 2014-15 | Additions / Deletions | Proposed FY 2015-16 | Range Number | Monthly Equivalent Salary Range (A-E) | Representation Unit |
|---|---|--------------------|-----------------------|---------------------|--------------|---------------------------------------|---------------------|
| <b>Funded Positions</b>                   |   |                    |                       |                     |              |                                       |                     |
| 170                                       | OFFICE TECHNICIAN                           | 3.00               |                       | 3.00                | 5112         | 3097-3765                             | 23                  |
| 179                                       | EXECUTIVE SECRETARY/BOARD CLERK             | 1.00               |                       | 1.00                | 5982         | 4784-5815                             | 32                  |
| 180/181                                   | ACCOUNTING TECHNICIAN I/II                  | 1.00               |                       | 1.00                | 5006/5306    | 2937-4148                             | 24                  |
| 182                                       | ACCOUNTING TECHNICIAN III                   | 1.00               |                       | 1.00                | 5606         | 3965-4819                             | 24                  |
| 190                                       | SUPERVISING ACCOUNTANT                      | 1.00               |                       | 1.00                | 6350         | 5750-6989                             | 32                  |
| 200                                       | ADMINISTRATIVE MANAGER                      | 1.00               |                       | 1.00                | 7010         | 7997-9720                             | 43                  |
| 310/311                                   | NETWORK TECHNICIAN I/II                     | 1.00               |                       | 1.00                | 6026/6224    | 4891-6563                             | 24                  |
| 322                                       | EDP SYS. & PROG. ANALYST III                | 1.00               |                       | 1.00                | 6596         | 6502-7904                             | 24                  |
| 330                                       | INFORMATION TECHNOLOGY & MONITORING SUPV    | 1.00               |                       | 1.00                | 6760         | 7058-8579                             | 29                  |
| 400/401                                   | PERMIT TECHNICIAN I/II                      | 1.00               |                       | 1.00                | 5388/5588    | 3555-4776                             | 28                  |
| 410/411                                   | INSPECTION SPECIALIST I/II                  | 2.00               |                       | 2.00                | 5712/5912    | 4180-5615                             | 28                  |
| 412                                       | INSPECTION SPECIALIST III                   | 5.00               |                       | 5.00                | 6112         | 5105-6206                             | 28                  |
| 435/436                                   | AIR QUALITY ENGINEER I/II                   | 4.00               |                       | 4.00                | 6022/6222    | 4881-6556                             | 28                  |
| 437                                       | AIR QUALITY ENGINEER III                    | 4.00               |                       | 4.00                | 6422         | 5961-7245                             | 28                  |
| 438                                       | AIR QUALITY ENGINEERING SUPERVISOR          | 3.00               |                       | 3.00                | 6722         | 6925-8417                             | 29                  |
| 440/441                                   | MONITORING SPECIALIST I/II                  | 1.00               |                       | 1.00                | 5842/6022    | 4461-5933                             | 28                  |
| 442                                       | MONITORING SPECIALIST III                   | 2.00               |                       | 2.00                | 6272         | 5530-6722                             | 28                  |
| 453/454                                   | AIR QUALITY SPECIALIST I/II                 | 1.00               |                       | 1.00                | 5842/6022    | 4461-5933                             | 28                  |
| 443                                       | AIR QUALITY SPECIALIST III                  | 2.00               |                       | 2.00                | 6272         | 5530-6722                             | 28                  |
| 444                                       | EMISSIONS INVENTORY/PLANNING SPECIALIST III | 2.00               |                       | 2.00                | 6272         | 5530-6722                             | 28                  |
| 446                                       | PUBLIC INFORMATION AND EDUCATION SPECIALIST | 1.00               |                       | 1.00                | 6268         | 5519-6709                             | 28                  |
| 450                                       | COMMUNITY PROGRAMS SUPERVISOR               | 1.00               |                       | 1.00                | 6562         | 6393-7770                             | 29                  |
| 452                                       | PLANNING & GRANTS SUPERVISOR                | 1.00               |                       | 1.00                | 6660         | 6714-8160                             | 29                  |
| 600                                       | DIVISION MANAGER                            | 3.00               |                       | 3.00                | 7010         | 7997-9720                             | 43                  |
| 500/501                                   | HUMAN RESOURCES TECHNICIAN I/II             | 1.00               |                       | 1.00                | 5388/5588    | 3555-4776                             | 32                  |
| 555                                       | HUMAN RESOURCES OFFICER                     | 1.00               |                       | 1.00                | 6760         | 7058-8579                             | 43                  |
| 670                                       | AIR POLLUTION CONTROL OFFICER               | 1.00               |                       | 1.00                | n/a          | 12,501                                | 41                  |
| <b>TOTAL NUMBER OF FUNDED POSITIONS</b>   |   | <b>47.00</b>       | <b>0.00</b>           | <b>47.00</b>        |              |                                       |                     |
| <b>TOTAL NUMBER OF UNFUNDED POSITIONS</b> |   | <b>5.25</b>        | <b>0.00</b>           | <b>5.25</b>         |              |                                       |                     |
| <b>TOTAL NUMBER OF POSITIONS</b>          |   | <b>52.25</b>       | <b>0.00</b>           | <b>52.25</b>        |              |                                       |                     |

The Job Classification Table (above) depicts the positions needed to meet APCD mission requirements. The 47 individuals who fill these positions are organized into our four divisions making up a dedicated District team of professionals. The APCD Staff Directory listing the employees filling these positions can be found at [www.ourair.org/apcd-staff-directory-info/](http://www.ourair.org/apcd-staff-directory-info/).

## STRATEGIC PLANNING

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This section presents a strategic vision of the APCD for the future, including the programs and services to be provided, identifies necessary goals and objectives, evaluates the resources needed to achieve these goals, and describes how success will be measured. Below are the priorities, goals, and objectives of the APCD.

### *Priority 1: Protection of Public Health through Air Quality Improvement*

**Goal:** Continue to implement programs that directly reduce emissions.

**Objectives:**

- Adopt new rules and regulations that cost-effectively reduce emissions.
- Emphasize alternatives to “command-and-control” regulations such as pollution prevention, incentives, and social responsibility.
- Develop partnership initiatives to introduce innovative or other low polluting technologies 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 compliance program, with emphasis on educating the regulated community.
- Ensure a contribution by all emission sources towards emission reductions.
- Use penalties to act as a deterrent, and to place emphasis on compliance.

**Goal:** Maintain a strong, science-based program.

**Objectives:**

- Place a high priority on staff training and professional advancement.
- Base decisions on well documented data that has been subjected to critical and open review.
- Maintain a sound and ever improving 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 resources 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 the 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 improving systems and reviewing tasks for process improvements.
- Broaden the APCD funding base by actively pursuing additional sources of revenue.
- Continue to review our financial status by developing new tracking mechanisms to ensure financial stability.

*Priority 2: Community Involvement*

**Goal:** Involve the community in air quality protection.

**Objectives:**

- Initiate collaborative efforts and partnerships with the community around shared air quality and environmental goals.
- Offer timely information on air quality issues and upcoming events via the District's website and social media.
- Provide the public with additional informational resources, including presentations and publications.
- Support the District 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.
- Reach out to community partners and the media for additional opportunities to inform the public.
- Participate in community events such as Earth Day.
- Support students and teachers in efforts to learn about air quality and the environment.

### *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 affecting 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 2015-16 DISTRICT BUDGET

## Revenue Plan

|  | Actual<br>FY 2013-14 | Adopted<br>FY 2014-15 | Est Act<br>FY 2014-15 | Proposed<br>FY 2015-16 |
|--|----------------------|-----------------------|-----------------------|------------------------|
| <i>Licenses &amp; Permits</i>                |                      |                       |                       |                        |
| Evaluation Fees                              | \$ 410,848           | \$ 275,000            | \$ 330,000            | \$ 333,000             |
| Asbestos Notification Fees                   | 80,667               | 80,000                | 74,000                | 75,000                 |
| Reevaluation Fees                            | 500,495              | 1,061,685             | 1,062,000             | 991,463                |
| Air Toxics (AB 2588)                         | 5,867                | 6,000                 | 6,000                 | 6,000                  |
| Application Fees                             | 147,241              | 125,000               | 140,000               | 128,000                |
| Annual Emission Fees                         | 1,082,816            | 1,028,347             | 1,097,003             | 1,099,651              |
| Notice of Violation                          | 405,055              | 225,000               | 500,000               | 225,000                |
| Inspection Fees                              | 20,728               | 20,524                | 21,000                | 21,000                 |
| Source Test Fees                             | 95,217               | 80,000                | 80,000                | 115,852                |
| DAS  | 190,135              | 183,836               | 184,160               | 197,189                |
| Monitoring                                   | 597,744              | 567,163               | 558,950               | 613,024                |
| <i>Use of Money</i>                          |                      |                       |                       |                        |
| Interest                                     | 55,833               | 30,000                | 30,000                | 30,000                 |
| <i>Federal, State, and Other Governments</i> |                      |                       |                       |                        |
| Federal - EPA Grant                          | 483,924              | 475,000               | 475,000               | 475,000                |
| Motor Vehicle \$4                            | 1,435,967            | 1,359,334             | 1,358,334             | 1,374,001              |
| Motor Vehicle \$2                            | 681,666              | 681,666               | 681,666               | 686,999                |
| State-PERP                                   | 160,626              | 83,367                | 45,637                | 84,000                 |
| State-ARB                                    | 103,626              | 100,000               | 100,000               | 342,872                |
| Other Governments                            | 108,020              | 163,213               | 114,800               | 165,335                |
| <i>Charges for Services</i>                  |                      |                       |                       |                        |
| Environmental Review                         | 5,641                | 2,000                 | 5,500                 | 5,000                  |
| AQAP Fees                                    | 386,944              | 382,643               | 422,600               | 426,978                |
| Carl Moyer Program                           | 491,168              | 502,468               | 504,984               | 519,225                |
| Reimbursable Charges                         | 837,072              | 794,050               | 730,550               | 860,615                |
| <i>Miscellaneous Revenue</i>                 | 15,450               | 2,000                 | 2,000                 | 2,000                  |
| Revenue Total                                | 8,302,750            | 8,228,296             | 8,524,184             | 8,777,204              |
| <i>Other Financing Sources</i>               |                      |                       |                       |                        |
| Decrease in Fund Balance                     | 494,029              | 1,482,399             | 1,482,399             | 1,564,312              |
| Revenue Plan Total                           | \$ 8,796,779         | \$ 9,710,695          | \$ 10,006,583         | \$ 10,341,516          |

## Expenditure Plan

|  | Actual<br>FY 2013-14 | Adopted<br>FY 2014-15 | Est. Act<br>FY 2014-15 | Proposed<br>FY 2015-16 |
|--|----------------------|-----------------------|------------------------|------------------------|
| <i>Operating Expenditures</i>            |                      |                       |                        |                        |
| Administration                           | \$ 3,297,783         | \$ 3,655,659          | \$ 3,655,659           | \$ 3,802,754           |
| Engineering                              | 1,316,340            | 1,490,825             | 1,485,257              | 1,704,261              |
| Compliance                               | 919,866              | 1,148,647             | 1,128,003              | 1,009,284              |
| Technology &<br>Environmental Assessment | 2,523,239            | 3,196,841             | 2,868,689              | 3,690,747              |
| Operating Total                          | 8,057,228            | 9,491,972             | 9,137,608              | 10,207,046             |
| <i>Other Financing Uses</i>              |                      |                       |                        |                        |
| Increase in Fund Balance                 | 739,551              | 218,723               | 868,975                | 134,470                |
| Expenditure Plan Total                   | \$ 8,796,779         | \$ 9,710,695          | \$ 10,006,583          | \$ 10,341,516          |

## Character of Expenditures

|                               | Actual<br>FY 2013-14 | Adopted<br>FY 2014-15 | Est. Act<br>FY 2014-15 | Proposed<br>FY 2015-16 |
|-------------------------------|----------------------|-----------------------|------------------------|------------------------|
| <i>Operating Expenditures</i> |                      |                       |                        |                        |
| Regular Salaries              | \$ 3,546,244         | \$ 3,768,992          | \$ 3,768,993           | \$ 3,890,574           |
| Overtime                      | 4,984                | -                     | -                      | -                      |
| Extra Help                    | 13,528               | 16,733                | 16,733                 | 78,934                 |
| Benefits                      | 1,693,299            | 2,061,137             | 2,061,138              | 2,115,650              |
| Salaries & Benefits Total     | 5,258,055            | 5,846,862             | 5,846,864              | 6,085,158              |
| Services & Supplies           | 2,543,554            | 3,307,716             | 2,975,769              | 3,811,441              |
| Other Charges                 | 170,929              | 167,394               | 160,844                | 175,447                |
| Fixed Assets                  | 84,690               | 170,000               | 154,131                | 135,000                |
| Operating Total               | 8,057,228            | 9,491,972             | 9,137,608              | 10,207,046             |
| <i>Other Financing Uses</i>   |                      |                       |                        |                        |
| Increase in Fund Balance      | 739,551              | 218,723               | 868,975                | 134,470                |
| Expenditure Plan Total        | \$ 8,796,779         | \$ 9,710,695          | \$ 10,006,583          | \$ 10,341,516          |

### *Projects Funded with Motor Vehicle Registration Fees*

| <b>Fiscal Year 2015-16 Programs Funded with \$2 DMV</b> | <b>Funding</b>   |
|---|------------------|
| School bus replacement and retrofit program             | \$165,000        |
| Old Car Buy Back program                                | \$585,000        |
| <b>Total \$2 DMV FY 2015-16 Program Funds</b>           | <b>\$750,000</b> |

### *Projects Funded with Other Grant Funds*

| <b>Fiscal Year 2015-16 Innovative Technologies Program Expenditures</b> | <b>Funding</b>     |
|---|--------------------|
| Moyer Year 15 and 16 projects   | \$785,000          |
| ITG Mitigation Fund (Marine Shipping VSR, Old Car Buy Back program)     | \$200,000          |
| Guadalupe Dunes Oil Field Mitigation Funds                              | \$128,000          |
| Tri-County Hydrogen Readiness Plan                                      | \$242,872          |
| <b>ITG Programs Funded in FY 2015-16</b>                                | <b>\$1,355,872</b> |

## DISTRICT DIVISION SUMMARIES

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The Air Pollution Control District operates with 47 positions, from two locations, one in the South County and one in the North County, and is organized into four divisions, the Administration Division (ADM), the Engineering Division (ED), the Compliance Division (CD) and the Technology & Environmental Assessment Division (TEA).

### *Administration Division*

Administration includes administrative overhead, fiscal and executive services, human resources, information technology section, and air monitoring.

#### ***Administrative Overhead***

Administrative Overhead represents agency wide operational costs not attributable to any one program, such as building maintenance, janitorial services, lease costs, insurance, and the vehicle pool.

#### ***Fiscal and Executive Services***

Fiscal and Executive Services is responsible for the proper accounting and reporting of resources, and the administration of APCD facilities and 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 Section***

Information Technology Section is responsible for managing, developing, operating, training, and maintaining information systems at the APCD. Our systems include a computing 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-operated monitoring stations, as well as data collection and verification of continuous emission monitoring of large facilities. Additionally, we program IT solutions that streamline our processes creating cost reductions, time saving efficiencies, and increased productivity.



### ***Air Monitoring***

Air Monitoring is responsible for measuring and reporting air pollution levels throughout the county. This is done via 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 and/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 USEPA. If any monitoring station shows pollution levels above certain thresholds, staff will notify schools, hospitals, convalescent homes, radio and TV stations, and alert people to curb their outdoor activities.

### ***Engineering Division***

The Engineering Division provides initial and ongoing permitting, engineering, air toxics and source testing services to applicants and operators of stationary sources of air pollution. We also coordinate all Public Records Act requests. 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 for approximately 1,200 permitted or registered stationary facilities of small, medium, and large size, with a broad range of air pollution emitting activities. We also oversee the emission offsets program, including the Emission Reduction Credit Source Register.

The District ensures that operators of such activities abide by federal, state, and local air pollution laws and regulations. Larger facilities also require federal (Part 70) operating and PSD permits in accordance with the federal Clean Air Act. The technical staff from the Engineering Division also review detailed Plans and Reports from our larger sources, including the review of semi-annual Compliance Verification Reports from the Part 70 Sources.

### ***Public Record Act Requests***

The Engineering Division is responsible for coordinating the agency's response to all Public Records Act requests. We do so in a timely and transparent manner, many times responding to the request the same day. We routinely respond to approximately 200 requests per year.

### ***Permitting***

The review of new sources of pollution entails detailed engineering analyses of permit applications, evaluating applications for compliance with local, state and federal 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 District's permitting requirements. We also regulate and permit 15 federal Outer Continental Shelf (OCS) oil and gas platforms under a delegation agreement with the USEPA. Engineering staff coordinates with other agencies to ensure that the permit holder complies with all of their permit conditions, applicable rules and regulations, performance standards, the California Health & Safety Code, and the federal Clean Air Act.

Once the permit to operate is issued, technical staff from the Engineering Division provide on-going support for the more detailed and complex data submittals, source test plans/reports and continuous emissions monitoring plans/reports. This may also include site-assessments in the field. The source testing function is the physical measurement of pollutants from emission points; it is used to determine compliance with applicable rules and permit conditions. We utilize GIS tools in our permitting and air toxics programs to ensure sensitive receptors (e.g., schools) are properly notified.

### ***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. Computer air quality modeling analyzes potential air quality impacts of proposed projects using highly specialized software, which simulate the movement and dispersion of air pollutants, including the preparation of health risk analyses in certain cases. This modeling is also used in our larger permit applications to ensure compliance with State and National Ambient Air Quality Standards and Increments. 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 state of California develops Air Toxic Control Measures for categories of sources that emit toxic air contaminants, and the District implements these measures locally. The USEPA also develops air toxic control requirements, known as Maximum Achievable Control Technology standards and these are implemented locally by the District as well via a delegation agreement.

## ***Compliance Division***

The Compliance Division provides initial and ongoing inspection and enforcement services to applicants and operators of stationary sources of air pollution. Inspections are performed at a broad range of activities, from small businesses such as dry cleaners to large petroleum production and mining operations. We also perform random surveillance activities; reply to public nuisance complaints regarding odors, smoke and dust; implement the federal Asbestos

program; inspect equipment under the Statewide Portable Equipment Registration Program (PERP); inspect our local agricultural engine registrations; and in coordination with Santa Barbara County Fire, implement our burn programs (e.g., agricultural burns, prescribed burns). Compliance staff annually inspects approximately 1,000 permitted or registered stationary facilities of small, medium, and large size, with a broad range of air pollution emitting activities.

### ***Inspector Duties***

The field inspection function verifies compliance by conducting and documenting site inspections, reviewing records, accessing on-site monitoring data, and monitoring pollution levels. Inspectors also provide in-the-field compliance assistance and instruction.

Compliance staff also responds to citizen complaints, prepares reports for variances and abatement orders heard before the District Hearing Board, manages the District's mutual settlement program, manages the asbestos demolition and renovation compliance program, and manages the open fires and agricultural/prescribed burning programs (including direct coordination with the County/City Fire Departments). The Compliance staff coordinates with the Engineering Division on the more technically complex sources and the Technology & Environmental Assessment division when new or revised rules are being written. A large part of the inspector's role is to educate the sources on what is required and expected of them.

### ***Enforcement and Mutual Settlement***

Our enforcement function includes documenting non-compliance with the air quality requirements by writing Notices of Violation. This primary goal is to always get a source back into compliance with the applicable permit and rule requirements. The District typically attempts to settle violations directly with the source following guidelines outlined in our Mutual Settlement Policy & Procedure. The District will occasionally refer cases directly to the District Attorney's office.

## ***Technology & Environmental Assessment Division***

The Technology & Environmental Assessment (TEA) Division is responsible for planning and rule development, as well as coordinating with planning departments around the county. TEA also conducts outreach throughout the county which includes grant programs to promote clean air technologies, presentations for schools and community groups, and partnerships with local agencies and community groups. The Division reviews discretionary actions by the County and cities, providing comments on air quality issues, and is also responsible for ensuring compliance with the California Environmental Quality Act. Grants administered by the Division include incentives for replacing higher emitting cars and off road equipment, and replacing marine diesel engines with newer, cleaner engines.

### ***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 invoicing of emission based fees to support APCD programs.

### ***Rule Development***

The Rule Development Section implements air pollution control measures prescribed by 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. New and amended rules are analyzed for cost effectiveness. Opportunities for public participation in the rule development process are extensive, beginning with public workshops, then Community Advisory Council reviews, and finally public hearings at the APCD Board.

### ***Public Outreach***

The APCD's Public Outreach Program includes production and distribution of newsletters, brochures, videos and other educational materials; presentations at schools and at business, education, and other community events, development of partnerships around common interests with a range of organizations and agencies, implementation of special outreach and initiatives, including marine shipping partnerships and initiatives and development and maintenance of the APCD web site. Our staff manages the Santa Barbara Car Free Program, maintains media relations and serves as the APCD Public Information Officer. Staff also assists businesses and the public and monitors proposed legislation.

### ***Land Use***

APCD staff ensures that all permits, plans, rules, and programs of the District are in compliance with the California Environmental Quality Act. As a CEQA responsible agency, we review the larger land development and planning policy documents and provide comments and suggestions for mitigation measures on the air quality analyses in other local agencies' environmental documents. At state level, staff participates in statewide efforts to develop refinements to tools for calculating project air quality, health, and climate change 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 participates with SBCAG in regional transportation planning efforts and committees to evaluate transportation plans, projects, and funding proposals.

***Grant Programs/Innovative Technologies***

APCD Grant Programs promotes the development, demonstration, and implementation of clean fuels and clean energy technologies to reduce air pollution through incentives to local businesses and industry. Staff initiates projects through government-industry partnerships and through leveraged funding. APCD's portion of the funding comes primarily from the state Carl Moyer Program, tri-county hydrogen readiness plan and funds from the clean air surcharge on motor vehicle registration fees. Permit fees are not used to fund these programs.

## Impact Measures

| <b>Measure</b>   | <b>Actual<br/>CY 2014</b> | <b>Goal<br/>CY 2015</b> | <b>Est Actual<br/>CY 2015</b> | <b>Goal<br/>CY 2016</b> |
|--|---------------------------|-------------------------|-------------------------------|-------------------------|
| Number of days on which the state one-hour ozone standard is not met somewhere in Santa Barbara County   | 3                         | ≤ 2                     | 0                             | 0                       |
| Number of days on which the federal eight-hour ozone standard is not met somewhere in Santa Barbara County   | 4                         | ≤ 3                     | 0                             | ≤ 1                     |
| Number of days on which the state eight-hour ozone standard is not met somewhere in Santa Barbara County   | 10                        | ≤ 10                    | 2                             | ≤ 2                     |
| Number of days on which the state PM <sub>10</sub> standards are not met somewhere in Santa Barbara County   | 23                        | ≤ 15                    | 15                            | ≤ 15                    |
| Number of days on which the federal PM <sub>2.5</sub> standard is not met somewhere in Santa Barbara County  | 0                         | 0                       | 0                             | 0                       |
| Number of people in Santa Barbara County exposed to cancer risk of 10 in a million or greater from toxic air pollutants emitted by permitted sources               | 0                         | 0                       | 0                             | 0                       |
| Number of properties (parcels) in Santa Barbara County exposed to cancer risk of 10 in a million or greater from toxic air pollutants emitted by permitted sources | 1                         | 0                       | 1                             | 0                       |
| CY = Calendar Year   |                           |                         |                               |                         |



## *Fiscal Year 2014-15 Significant Accomplishments*

### *Summary*

- Four exceedances of the federal 8-hour ozone standard in CY 2014.
- Zero exceedances of the federal 24-hour PM<sub>2.5</sub> standard in CY 2014.
- Performed 531 inspections and 681 permitting actions in CY 2014.
- Responded to 220 air pollution complaints in CY 2014.
- Reduced the number of people exposed to a cancer risk of 10 in-a-million or greater from permitted sources to zero.
- Issued \$618,094 in clean air grants.
- Implemented the Vessel Speed Reduction Trial incentive program with partners in the Santa Barbara Channel July-November 2014, which resulted in 16 tons of NO<sub>x</sub> emission reductions, and laid the foundation for a larger-scale program. The program received regional, national, and international attention. Held a Community Forum in September of 2014 titled “Protecting Blue Whales and Blue Skies.”
- Produced and distributed a video “A Day in the Life of Santa Barbara County Air Pollution Control District” airing on public access channels and streaming on the web. Produced and distributed several other videos, all posted on the District’s website: [ourair.org/district-videos/](http://ourair.org/district-videos/).
- Completed transition of website to a new site at [www.ourair.org](http://www.ourair.org).

### *Air Quality*

Santa Barbara County air quality continues to meet all but two ambient air quality standards. With the exception of the State eight-hour ozone standard and the State particulate matter (PM<sub>10</sub>) standards, the county meets all federal and state standards. Santa Barbara County saw a slight increase in the number of ozone exceedance days in 2014. The ozone standard was exceeded on ten days: six of those days were in October 2014, two days in May 2014, and one day in February 2014, and one day in April 2014. The State 24-hour PM<sub>10</sub> standard was exceeded 23 days in 2014. Seven of those days were in January 2014 and six were in October 2014. The other ten days occurred in April, May, August, and September 2014.

### *Marine Shipping*

Marine shipping is the number one source of ozone-forming pollution in our County, and a major source of air toxics, particle pollution, and greenhouse gases. In order to maintain our hard-won accomplishment of attaining the federal ozone standard and to make progress toward attaining the state eight-hour ozone standard, we are continuing to look for ways to reduce emissions from this large mobile source. Ocean-going vessels passing along our County’s 140 miles of coastline are predominantly internationally flagged vessels, and have been largely

unregulated in the past. The following regulatory actions will have a positive impact on marine shipping emissions:

- 1) USEPA regulations that will require, starting in 2016, Tier 3 level emission standards on all new large “Category 3” engines used in marine vessels.
- 2) The International Maritime Organization (IMO) North American Emission Control Area (ECA) requirements mandating the use of low-sulfur fuel (0.1%) out to 200 nautical miles off the coast of North America became effective July 1, 2015. This rule harmonizes with the California Air Resources Board (CARB) “Fuel Sulfur and Other Operation Requirements for Ocean-Going Vessels within California” already in effect out to 24 miles. This cleaner fuel is producing air quality benefits in reductions of emissions of air toxics and particle pollution.

However, only item #1 above addresses ozone-forming pollutants, and cleaner engines will be phased in over a long period of time as new engines are installed. Our Clean Air Plans show marine vessel traffic in the Santa Barbara Channel will still be a major source of ozone - forming emissions in the County out to 2020, and will dominate the County inventory out to 2030. Ship speed reduction can achieve reductions in ozone-forming NOx emissions, and also provides whale-protection benefits. Our Vessel Speed Reduction Trial incentive program in the Santa Barbara Channel in 2014 was developed and implemented by APCD with Channel Islands National Marine Sanctuary, Environmental Defense Center, and the National Marine Sanctuary Foundation. The trial provided 16 tons of NOx emission reductions, and laid the foundation for a larger program. In September of 2014 the Ventura County Air Pollution Control District joined the program, providing additional funding. We will continue to monitor overall trends in marine traffic and collaborate with agencies and industry to seek further opportunities to reduce emissions from this major sector. Our primary focus will continue to be on ship speed reduction. In 2015 we will explore options for creating a larger-scale ship speed reduction program, and will continue to participate in a Working Group formally established by the Channel Islands National Marine Sanctuary to address environmental and navigational concerns of shipping in the Channel.

### *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 2014-15, ITG activities have resulted in reducing over 55 tons of smog forming and particulate pollutants. Emission Reduction activities included:

- Retrofitted one school bus with a diesel particulate filter.
- Replaced three old agricultural tractors with new tractors.

- Replaced one old construction backhoe with a new construction backhoe.
- Repowered two marine vessels with new marine diesel engines.
- Issued grants to assist in the purchase/installation of four Level 2 electric vehicle charging stations.
- Purchased 468 vehicles under the Old Car Buyback Program.

## FISCAL YEAR 2015-16

### OPERATING BUDGETS BY DIVISION

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#### *Administration Division*

The Administrative Division expenses are allocated to the District's direct operating activities as an overhead allocation based upon direct billable salaries and benefits. The Administration Division includes a Fiscal and Executive section, Human Resources, and an Information Technology Section which includes information technology services, data acquisition and air monitoring operations. Each section has costs associated with specific goals and objectives; and an Administrative Overhead section, which accumulates expenses that are not attributable to any specific district activity, such as rent, landscaping, janitorial, insurance, and utilities.

#### **EXPENDITURE PLAN**

|                               | Actual<br>FY 2013-14 | Adopted<br>FY 2014-15 | Est Act<br>FY 2014-15 | Proposed<br>FY 2015-16 |
|-------------------------------|----------------------|-----------------------|-----------------------|------------------------|
| <i>Operating Expenditures</i> |                      |                       |                       |                        |
| Administrative Overhead       | \$ 1,114,519         | \$ 1,216,244          | \$ 1,216,244          | \$ 1,214,194           |
| Fiscal and Executive          | 848,321              | 815,139               | 815,139               | 841,118                |
| Human Resources               | 156,089              | 240,841               | 240,841               | 343,647                |
| Air Monitoring                | 521,040              | 618,469               | 618,469               | 609,550                |
| Information Technology        | 657,814              | 764,966               | 764,966               | 794,245                |
| Operating Total               | 3,297,783            | 3,655,659             | 3,655,659             | 3,802,754              |
| <i>Other Financing Uses</i>   |                      |                       |                       |                        |
| Increase in Fund Balance      | 472,542              | 18,723                | 868,975               | 48,831                 |
| Expenditure Plan Total        | <u>\$ 3,770,325</u>  | <u>\$ 3,674,382</u>   | <u>\$ 4,524,634</u>   | <u>\$ 3,851,585</u>    |

#### **CHARACTER OF EXPENDITURES**

|                               | Actual<br>FY 2013-14 | Adopted<br>FY 2014-15 | Est Act<br>FY 2014-15 | Proposed<br>FY 2015-16 |
|-------------------------------|----------------------|-----------------------|-----------------------|------------------------|
| <i>Operating Expenditures</i> |                      |                       |                       |                        |
| Regular Salaries              | \$ 1,189,712         | \$ 1,215,277          | \$ 1,215,277          | \$ 1,253,921           |
| Overtime                      | 3,796                | -                     | -                     | -                      |
| Extra Help                    | -                    | -                     | -                     | 68,614                 |
| Benefits                      | 757,195              | 886,152               | 886,152               | 909,193                |
| Salaries & Benefits Total     | 1,950,703            | 2,101,429             | 2,101,429             | 2,231,728              |
| Services & Supplies           | 1,129,439            | 1,310,336             | 1,310,336             | 1,305,019              |
| Other Charges                 | 132,951              | 138,894               | 138,894               | 143,007                |
| Fixed Assets                  | 84,690               | 105,000               | 105,000               | 123,000                |
| Operating Total               | <u>\$ 3,297,783</u>  | <u>\$ 3,655,659</u>   | <u>\$ 3,655,659</u>   | <u>\$ 3,802,754</u>    |

## Significant Changes (FY 2014-15 Adopted to FY 2015-16 Proposed)

The proposed FY 2015-16 Operating Total for the Administration Division will increase by \$147,095 from the adopted 2014-15 budget to \$3,802,754.

Salaries and benefits increased \$130,299 primarily due to employees receiving a 3% cost of living adjustment spread between FY 2014-15 and FY 2015-16. Along with the addition of an extra-help employee working ¾ time in the Human Resources Department and an intern working in the Information Technology Department. Worker's compensations premiums are also anticipated to increase slightly at 3%.

Services and supplies decreased by \$5,317 primarily due to a decrease in the amount the County charges for services through their cost allocation plan. This decrease was offset by completing much needed tree care around the Casa Nueva building and the conversion from a sprinkler system to a drip system for our vegetation around the building.

Other charges increased by \$4,113 primarily due to an anticipated increase in our liability insurance premiums.

Fixed assets increased by \$18,000 from the previous fiscal year due to the need to purchase a new vehicle for the District's pool fleet. The air monitoring section also plans to continue to replace our data loggers and air quality instruments, as we have done in previous years.

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## *Fiscal and Executive Services*

### ***Fiscal Year 2014-15 Significant Accomplishments***

- Implemented a new payroll software platform that is more user friendly.
- Increased our accounts receivable collections rate to 99%.
- Renewed the North County lease in February 2015.
- Continue to implement the new online purchase order program for the District and streamline it to become totally paperless.
- Successfully completed a Non-Selective Reduction with the EPA so we could continue to receive our federal grant funding even though we were not able to meet our Maintenance of Effort (MOE) requirement.

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*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.*

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- Went out to RFP to retain a new outside Public Accounting Firm to perform the annual audit. The District had retained the same Accounting Firm since 1995.

### ***Fiscal Year 2015-16 Goals and Objectives***

1. Continue to look into updating our processes and streamline them to become more efficient.
2. Continue to study financial information system options for improved reporting.
3. Continue to submit and track State and Federal Grants, ensuring the District meets Federal MOE requirements for expenditures.
4. Continue improvement of fiscal staff knowledge of ever evolving financial reporting requirements, as well as quality control procedures, ensuring accuracy of information.
5. Maintain the District's employee safety program.
6. Prepare for the implementation of GASB 68.
7. Continue coordination of Casa Nueva building maintenance requests with co-tenants and sustaining a desirable work environment.

### ***Recurring Performance Measures***

| <b>Measure</b>  | Actual<br>FY 2013-14 | Goal<br>FY 2014-15 | Est. Actual<br>FY 2014-15 | Goal<br>FY 2015-16 |
|---|----------------------|--------------------|---------------------------|--------------------|
| Percent of actual revenue received to revenue budgeted                          | 98.3%                | 100%               | 103.0%                    | 100%               |
| Percent of actual expenditures to expenditures budgeted                         | 95.8%                | 100%               | 96.2%                     | 100%               |
| Total federal maintenance of effort (MOE) above/(below) previous year MOE + \$1 | \$195,776            | ≤ \$1              | ≤ \$1                     | ≤ \$1              |



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## *Human Resources*

### ***Fiscal Year 2014-15 Significant Accomplishments***

- Conducted 13 recruitments.
- Implemented new health benefit plan in compliance with health care reform mandates.
- Administered District safety training program in compliance with OSHA regulations.
- Managed District workers' compensation program.
- Managed and provided comprehensive Human Resource programs and services for the District and its employees.
- Conducted ongoing monthly safety training for all staff.

### ***Fiscal Year 2015-16 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 and negotiations with employee organizations.
4. Meet with employees and employee organizations to discuss and resolve grievances and other workplace issues.
5. Review management and employee requests for classification and pay changes, initiate studies, and make recommendations as necessary.
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 evaluate Human Resources programs, identify needs, and implement programs and services in support of the agency's mission.

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*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.*

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## Information Technology Section

Three programs make up Information Systems: the Data Acquisition System (DAS), Air Monitoring, and the Local Area Network (LAN.)

### **Fiscal Year 2014-15 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 were 100%, Data Acquisition exceeded 90%.
- Ongoing improvements of function and efficiencies of the DAS system and the support of the monitoring sites.
- Upgraded DAS server to maintain operating efficiencies.
- Provided discounted fee to participants.

#### 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 keeping in line with our goal of providing reliable and cost effective information systems.
- APCD's web sites were supported and greatly enhanced.
- Ongoing support and enhancements for the payroll, human resources software, accounting, Integrated Database System, and the telecommuting program were provided.
- Obtained new internet service provider to increase bandwidth and improve connections between the Santa Barbara and Santa Maria offices.
- Provided IT services to meet the needs of Santa Barbara County Association of Governments staff.

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*Purpose Statement: The Information Technology Section (ITS) 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. The ITS develops innovative IT solutions to create operational efficiencies that reduce costs and increases productivity.*

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## ***Fiscal Year 2015-16 Goals and Objectives***

### **Automated Data Acquisition (DAS) Program**

1. Up Time >97% / Data Acquisition >80%.
2. Backups 100% reliable.
3. Hold the line on costs for the Data Acquisition System.
4. Ongoing enhancements to the overall system.

### **Local Area Network (LAN)**

1. Backups 100% reliable.
2. Reliably operate the LAN/WAN with minimal down time (Up Time >97%) including hardware and software maintenance, backups and telecommunications.
3. Ongoing public web site maintenance.
4. Software applications developed or enhanced for efficiency and accuracy.
5. Maintain and enhance network security.
6. Integrate phone and computer network functions (with the forth coming County phone system upgrade).

### **Recurring Performance Measures**

|   | Actual            | Goal              | Est. Actual       | Goal              |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Measure</b>  | <b>FY 2013-14</b> | <b>FY 2014-15</b> | <b>FY 2014-15</b> | <b>FY 2015-16</b> |
| Network uptime  | >97%              | 97%               | >97%              | 97%               |
| APCD website uptime   | >99%              | 100%              | >99%              | 100%              |
| Data Acquisition System<br>(DAS) valid data acquisition<br>rate | >97%              | 97%               | >97%              | 97%               |

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## *Air Monitoring*

### ***Fiscal Year 2014-15 Significant Accomplishments***

- Operated or provided oversight for the collection of high quality ambient air monitoring data from 18 stations throughout the county.
- Published the 2013 Annual Air Quality Report on the APCD's web page.
- Continued equipment and parts replacement according to schedule.
- Passed all performance audits met minimum data collection rates.
- Submitted and received USEPA approval of our 2014 Annual Air Monitoring Network Plan.
- Submitted and certified all 2014 air quality data to USEPA's database by May 1, 2014.

### ***Fiscal Year 2015-16 Goals and Objectives***

1. On-going operation of the APCD's State and Local Air Monitoring Stations (SLAMS) network and selected Prevention of Significant Deterioration (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. Publish the Annual Air Quality Report on the APCD's web page.
3. 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 the APCD website.
5. Provide technical support to APCD project managers for major source continuous emissions monitoring programs.
6. Provide data to USEPA's AirNow program to provide real-time ozone and particulate matter mapping on the internet.

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*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 concentrations. 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.*

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7. Submit for USEPA approval of our 2015 Annual Air Monitoring Network Plan and Five Year Network Assessment.

#### Recurring Performance Measures

| <b>Measure</b>  | Actual            | Goal              | Est Actual        | Goal              |
|---|-------------------|-------------------|-------------------|-------------------|
|   | <u>FY 2013-14</u> | <u>FY 2014-15</u> | <u>FY 2014-15</u> | <u>FY 2015-16</u> |
| Collect 80%/90% valid data for air quality/meteorological measurements. | 100%/100%         | 100%/100%         | 100%/100%         | 100%/100%         |

## Engineering Division

The Engineering Division includes Permitting, Source Testing, Air Toxics, Offsets/Source Register and Public Records Act programs, and have costs associated with specific goals and objectives. The Division also 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.

### EXPENDITURE PLAN

|                               | Actual<br>FY 2013-14 | Adopted<br>FY 2014-15 | Est. Act<br>FY 2014-15 | Proposed<br>FY 2015-16 |
|-------------------------------|----------------------|-----------------------|------------------------|------------------------|
| <i>Operating Expenditures</i> |                      |                       |                        |                        |
| Administrative Overhead       | \$ 430,203           | \$ 339,530            | \$ 327,911             | \$ 364,230             |
| Permitting & Air Toxics       | 886,137              | 1,151,295             | 1,157,346              | 1,340,031              |
| Operating Total               | 1,316,340            | 1,490,825             | 1,485,257              | 1,704,261              |
| <i>Other Financing Uses</i>   |                      |                       |                        |                        |
| Increase in Fund Balance      | 76,839               | 200,000               | -                      | 85,639                 |
| Expenditure Plan Total        | \$ 1,393,179         | \$ 1,690,825          | \$ 1,485,257           | \$ 1,789,900           |

### CHARACTER OF EXPENDITURES

|                               | Actual<br>FY 2013-14 | Adopted<br>FY 2014-15 | Est. Act<br>FY 2014-15 | Proposed<br>FY 2015-16 |
|-------------------------------|----------------------|-----------------------|------------------------|------------------------|
| <i>Operating Expenditures</i> |                      |                       |                        |                        |
| Regular Salaries              | \$ 942,967           | \$ 990,158            | \$ 990,158             | \$ 1,133,698           |
| Overtime                      | 1,093                | -                     | -                      | -                      |
| Extra Help                    | -                    | -                     | -                      | -                      |
| Benefits                      | 359,912              | 437,788               | 437,788                | 498,353                |
| Salaries & Benefits Total     | 1,303,972            | 1,427,946             | 1,427,946              | 1,632,051              |
| Services & Supplies           | 10,311               | 26,879                | 30,430                 | 71,210                 |
| Other Charges                 | 2,057                | 1,000                 | 750                    | 1,000                  |
| Fixed Assets                  | -                    | 35,000                | 26,131                 | -                      |
| Operating Total               | \$ 1,316,340         | \$ 1,490,825          | \$ 1,485,257           | \$ 1,704,261           |

### Significant Changes (FY 2014-15 Adopted to FY 2015-16 Proposed)

The proposed FY 2015-16 Operating Total for the Engineering Division increased by \$213,436 from the adopted 2014-15 budget to \$1,704,261.

Salaries and benefits increased \$204,105 primarily due to transferring one engineer from the Compliance Division to the Engineering Division to help with the work load. Also, employees

received a 3% cost of living adjustment spread between FY 2014-15 and FY 2015-16. Lastly, a small part of the increase can be attributed to employees receiving merit increases.

Services and supplies increased \$44,331, due to the need to hire a consultant in the air toxics department to develop a health risk screening tool. Also, the training budget increased, which will allow the air toxics and engineering staff to attend a GIS and specialized Aermod training.

Other charges have remained consistent from the prior year and hence there is no change.

Fixed assets decreased \$35,000 from the previous year due to the District's purchase of a new Source Test vehicle in FY 2014-15. The new vehicle replaced the aging Prius that the Source Test engineer was driving to test sites.

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## *Permitting, Source Testing, PRA and Air Toxics*

### Fiscal Year 2014-15 Significant Accomplishments

- The District conducted 681 permitting actions during calendar year 2014.
- Issued 16 Part 70 federal operating permit renewals during calendar year 2014.
- Reviewed and Observed 78 emissions source tests during calendar year 2014.
- Replied to 193 requests for information under the Public Records Act during calendar year 2014.
- Initiated program design on a new web-based permit application process.
- Made significant progress in addressing the offsets issue by developing proposed changes to our New Source Review rules, including draft rule language, analyses and staff report and working directly with staff from the ARB and EPA.
- APCD staff completed work on all the remaining toxic Significant Risk Sources and have achieved our long term goal of having no people in Santa Barbara County exposed to a significant cancer risk from sources that are subject to the permit program. We are currently in the process of updating the Health Risk Assessment processes

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*Purpose Statement: We issue technically rigorous and effective permits to new and existing stationary sources and ensure each project complies with all applicable local, state and federal air quality requirements. We strive to protect the public from the exposure to significant levels of air toxics and inform and educate the public about emissions to which they may be exposed. We operate a technical-sound Source Test review and observation program. And we provide transparent and timely responses to Public Records Act requests for information.*

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for UCSB, VAFB, ExxonMobil, Imery's Minerals California, and Venoco Ellwood to ensure these sources remain below the District's adopted risk management levels for significance.

- Updated our air toxics program to meet current standards by implementing the following initiatives: transition to the AERMOD dispersion model; implement the revised OEHHA health risk guidelines; revised the AB-2588 Hot-Spots implementation tools, including the ARB's HARP 2.0 model.

### ***Fiscal Year 2015-16 Goals and Objectives***

1. Improve the quality and efficiency of the permitting process by implementing the following initiatives: continue our efforts at establishing a web-based permit application process; improving the permit application review process; updating the permit application forms; standardizing the emission calculations; and, streamlining the Permit to Operate and Part 70 Operating Permit processes.
2. Update our air toxics program to revamp the quadrennial Hot-Spots process; revamp our air toxics program management and reporting tools; reassess our current risk management significance threshold and report back to the Board if any changes are warranted; ensure our new staff are trained to apply the new toxics program requirements; address, in coordination with the ARB, the risk impacts from emergency diesel generators and gasoline dispensing facilities; and, to implement new health risk screening tools to help streamline the process.
3. Finalize our efforts at addressing the permitting offsets issue by implementing proposed revisions to our New Source Review rules by taking the lead in rulemaking solutions, including CAC meetings, public workshops and Board meetings.
4. 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.
5. Provide support to other District programs. Also provide support to numerous outside entities including: Santa Barbara County departments, local cities in Santa Barbara County, other air Districts in the state, California agencies and federal agencies.
6. Actively participate in the CAPCOA Engineering Managers and TARMAC Committees.
7. Respond to all Public Records Acts requests in a timely and transparent manner.
8. Continue the automation of the permit process by updating and maintaining our permit data entry, permit system automation and permit reports database programs.
9. Implement new State and Federal climate control regulations.
10. Oversee and implement the conversion from USEPA's AFS compliance database to their new web-based ICIS database compliance tracking tool.



### ***Recurring Performance Measures***

| <b>Measure</b>  | <b>Actual<br/>FY 2013-14</b> | <b>Goal<br/>FY 2014-15</b> | <b>Est Actual<br/>FY 2014-15</b> | <b>Goal<br/>FY 2015-16</b> |
|---|------------------------------|----------------------------|----------------------------------|----------------------------|
| <b>Permit Processing</b>  |                              |                            |                                  |                            |
| Percent of Authority to construct permit applications reviewed for completeness within 30 days of receipt | 98%                          | 100%                       | 100%                             | 100%                       |
| Percent of authority to construct permits issued within 180 days of application completeness              | 91%                          | 100%                       | 91%                              | 100%                       |
| Percent of permit to operate annual scheduled reevaluation renewals completed within the year             | 88%                          | 90%                        | 95%                              | 90%                        |
| <b>Compliance</b>   |                              |                            |                                  |                            |
| Percent of complete review of all Part 70 major source compliance verification reports within 120 days    | 14%                          | 50%                        | 87%                              | 50%                        |
| <b>Source Testing</b>   |                              |                            |                                  |                            |
| Percent of source test reports reviewed within 60 days  | 35%                          | 50%                        | 56%                              | 50%                        |
| <b>Public Records Act Information Request Response</b>  |                              |                            |                                  |                            |
| Percent of requests initially responded to within 10 days of receipt                                      | 99%                          | 98%                        | 98%                              | 98%                        |

## Compliance Division

The Compliance Division includes Inspection and Enforcement programs, and have costs associated with specific goals and objectives. The Division also 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.

| <b>EXPENDITURE PLAN</b>       |                      |                       |                       |                        |
|-------------------------------|----------------------|-----------------------|-----------------------|------------------------|
|                               | Actual<br>FY 2013-14 | Adopted<br>FY 2014-15 | Est Act<br>FY 2014-15 | Proposed<br>FY 2015-16 |
| <i>Operating Expenditures</i> |                      |                       |                       |                        |
| Administrative Overhead       | \$ 243,309           | \$ 178,758            | \$ 164,113            | \$ 157,325             |
| Compliance &<br>Enforcement   | 676,557              | 969,890               | 963,890               | 851,959                |
| Operating Total               | 919,866              | 1,148,648             | 1,128,003             | 1,009,284              |
| <i>Other Financing Uses</i>   |                      |                       |                       |                        |
| Increase in Fund Balance      | -                    | -                     | -                     | -                      |
| Expenditure Plan Total        | <u>\$ 919,866</u>    | <u>\$ 1,148,648</u>   | <u>\$ 1,128,003</u>   | <u>\$ 1,009,284</u>    |

| <b>CHARACTER OF EXPENDITURES</b> |                      |                       |                       |                        |
|----------------------------------|----------------------|-----------------------|-----------------------|------------------------|
|                                  | Actual<br>FY 2013-14 | Adopted<br>FY 2014-15 | Est Act<br>FY 2014-15 | Proposed<br>FY 2015-16 |
| <i>Operating Expenditures</i>    |                      |                       |                       |                        |
| Regular Salaries                 | \$ 626,413           | \$ 710,767            | \$ 710,767            | \$ 627,061             |
| Overtime                         | -                    | -                     | -                     | -                      |
| Extra Help                       | -                    | -                     | -                     | -                      |
| Benefits                         | 255,802              | 343,631               | 343,631               | 305,533                |
| Salaries & Benefits Total        | 882,215              | 1,054,398             | 1,054,398             | 932,594                |
| Services & Supplies              | 16,780               | 39,250                | 30,605                | 42,250                 |
| Other Charges                    | 20,871               | 25,000                | 20,000                | 22,440                 |
| Fixed Assets                     | -                    | 30,000                | 23,000                | 12,000                 |
| Operating Total                  | <u>\$ 919,866</u>    | <u>\$ 1,148,648</u>   | <u>\$ 1,128,003</u>   | <u>\$ 1,009,284</u>    |

### ***Significant Changes (FY 2014-15 Adopted to FY 2015-16 Proposed)***

The proposed FY 2015-16 Operating Total for the Compliance Division decreased by \$139,364 from the adopted 2014-15 budget to \$1,009,284.

Salaries and benefits decreased \$121,804 primarily due to an employee being transferred to the Engineering Division to help with the workload. This decrease was offset by the employees receiving a 3% cost of living adjustment spread between FY 2014-15 and FY 2015-16. And by some employees receiving merit increases.

Services and supplies in the Compliance Division increased slightly by \$3,000. This is due to the necessity for an increase in training. The District has hired 5 new inspectors over the last year and making sure they have all the skills necessary to be out in the field completing inspections properly is very important. There was also a slight increase for maintenance work on inspection equipment.

Other charges decreased by \$2,560 due to the decrease of fuel and maintenance costs from the County garage.

Fixed assets decreased \$18,000 from the previous year due to the division requesting to purchase or replace less equipment. Two new Data RAM pDR – 1000AN monitors are budgeted for purchase in FY 2015-16.

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## *Compliance and Enforcement*

### ***Fiscal Year 2014-15 Significant Accomplishments***

- During calendar year 2014, inspectors performed 531 inspections.
- During calendar year 2014, inspectors responded to and documented 220 air pollution complaints.
- The division successfully launched a new reporting program which digitizes all facets of the inspection process, ultimately saving time for staff, improving coordination with other District divisions, and greatly reducing paper waste.

### ***Fiscal Year 2015-16 Goals and Objectives***

1. 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 USEPA.
2. Represent the agency in actions before the Hearing Board, and assist regulated facilities with the Hearing Board process.
3. Update and improve compliance forms, enforcement policies, and make available on the APCD's webpage.

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*Purpose Statement: We equitably enforce all rules and regulations to ensure air pollution control requirements are being met, to motivate and educate those we regulate to comply with air pollution laws, to protect human health and the environment, and to promote regulatory equity in the marketplace. We strive to protect the public from air quality nuisance situations and inform and educate the public about emissions to which they may be exposed.*

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4. Continue the automation of the Inspection process by updating and maintaining our Compliance database programs.
5. Redesign and update the Compliance webpage
6. Redesign and update the online breakdown reporting program.
7. Enhance the newly created paperless field inspection reporting process by adding new source-specific modules.
8. Consolidate the Division's reporting tools for tracking and reporting of compliance data to address the multiple data requests from internal and external customers.
9. Implement new State and Federal climate control regulations.

### ***Recurring Performance Measures***

| <b>Measure</b>  | <b>Actual<br/>FY 2013-14</b> | <b>Goal<br/>FY 2014-15</b> | <b>Est Actual<br/>FY 2014-15</b> | <b>Goal<br/>FY 2015-16</b> |
|---|------------------------------|----------------------------|----------------------------------|----------------------------|
| <b>Inspections</b>  |                              |                            |                                  |                            |
| Percent of citizen complaints about air pollution responded to  |                              |                            |                                  |                            |
| - within 3 hours  | 85%                          | 90%                        | 76%                              | 90%                        |
| - within 24 hours   | 96%                          | 95%                        | 85%                              | 95%                        |
| Percent of scheduled Part 70 major source inspections completed | 89%                          | 80%                        | 79%                              | 80%                        |
| Percent of assigned inspection caseload completed.              | 67%                          | 80%                        | 97%                              | 80%                        |

## Technology & Environmental Assessment Division

The Technology and Environmental Assessment Division includes the following program groups, which have costs associated with specific goals and objectives: Air Quality Planning, Community Programs, Land Use, Innovative Technologies Group, and Rule Development. The Division also 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.

### EXPENDITURE PLAN

|                               | Actual<br>FY 2013-14 | Adopted<br>FY 2014-15 | Est Act<br>FY 2014-15 | Proposed<br>FY 2015-16 |
|-------------------------------|----------------------|-----------------------|-----------------------|------------------------|
| <i>Operating Expenditures</i> |                      |                       |                       |                        |
| Administrative Overhead       | \$ 336,863           | \$ 197,438            | \$ 194,188            | \$ 216,696             |
| Air Quality Planning          | 174,595              | 254,640               | 231,598               | 276,143                |
| Rule Development              | 131,273              | 138,065               | 138,015               | 149,110                |
| Community Programs            | 231,646              | 297,541               | 292,161               | 448,087                |
| Land Use                      | 193,694              | 286,114               | 277,564               | 290,099                |
| Innovative Technologies       | 1,455,168            | 2,023,044             | 1,735,163             | 2,310,612              |
| Operating Total               | 2,523,239            | 3,196,842             | 2,868,689             | 3,690,747              |
| <i>Other Financing Uses</i>   |                      |                       |                       |                        |
| Increase in Fund Balance      | 190,170              | -                     | -                     | -                      |
| Expenditure Plan Total        | <u>\$ 2,713,409</u>  | <u>\$ 3,196,842</u>   | <u>\$ 2,868,689</u>   | <u>\$ 3,690,747</u>    |

### CHARACTER OF EXPENDITURES

|                               | Actual<br>FY 2013-14 | Adopted<br>FY 2014-15 | Est Act<br>FY 2014-15 | Proposed<br>FY 2015-16 |
|-------------------------------|----------------------|-----------------------|-----------------------|------------------------|
| <i>Operating Expenditures</i> |                      |                       |                       |                        |
| Regular Salaries              | \$ 787,152           | \$ 852,791            | \$ 852,791            | \$ 875,894             |
| Overtime                      | 95                   | -                     | -                     | -                      |
| Extra Help                    | 13,528               | 16,733                | 16,733                | 10,320                 |
| Benefits                      | 320,390              | 393,567               | 393,567               | 402,571                |
| Salaries & Benefits Total     | 1,121,165            | 1,263,091             | 1,263,091             | 1,288,785              |
| Services & Supplies           | 1,387,024            | 1,931,251             | 1,604,398             | 2,392,962              |
| Other Charges                 | 15,050               | 2,500                 | 1,200                 | 9,000                  |
| Fixed Assets                  | -                    | -                     | -                     | -                      |
| Operating Total               | <u>\$ 2,523,239</u>  | <u>\$ 3,196,842</u>   | <u>\$ 2,868,689</u>   | <u>\$ 3,690,747</u>    |

***Significant Changes (FY 2014-15 Adopted to FY 2015-16 Proposed)***

The proposed FY 2015-16 Operating Total for the Technology & Environmental Assessment Division will increase by \$493,905 from the adopted 2014-15 budget to \$3,690,747.

Salaries and benefits increased \$25,694 primarily due to employees receiving a 3% cost of living adjustment spread between FY 2014-15 and FY 2015-16. Also, part of the increase can be attributed to employees receiving merit increases.

Services and supplies increased by \$461,711 due primarily to an increase in new and ongoing incentive programs and projects. The first one being the continuation of the marine shipping incentive to slow the ships in the Santa Barbara Channel. The second is a new lawnmower scrap incentive program and the third is two community outreach projects which are: a new exhibit at the Santa Maria Valley Children's Museum and a portable air sensor project with local schools. Both of these projects are slated as one time expenditures and will be paid for with fund balance monies. The two other large increases are: the CEC grant for the tri-county hydrogen readiness plan, and the use of fund balance to allow for additional \$2 DMV grants to be awarded (Old Car Buy Back and School Bus Replacement).

Other charges increased by \$6,500 due to the need for a transportation analysis done by Santa Barbara County Association of Governments for the 2016 Clean Air Plan.

Fixed assets had no change from the previous year, there are no anticipated fixed asset purchases planned for FY 2015-16.

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## *Air Quality Planning*

### ***Fiscal Year 2014-15 Significant Accomplishments***

- Successfully implemented a vessel speed reduction pilot program in the Santa Barbara Channel. The program was a partnership effort with seven global shipping companies, NOAA's Channel Islands Marine Sanctuary, the Environmental Defense Center, the Ventura County Air Pollution Control District, and the National Marine Sanctuary Foundation.
- Published the 2010 Clean Air Plan triennial update to satisfy California Clean Air Act requirements for the state 8-hour ozone standard.
- Updated Point and Area source emissions for 2013 and submitted to the Air Resources Board.
- Issued all applicable emission-based fees for FY 2013-2014 including OCS sources.
- Continued upgrading greenhouse gas emission inventory database.
- Fulfilled all public data requests for planning or emission inventory information.

### ***Fiscal Year 2015-16 Goals and Objectives***

1. Complete the review of data from the vessel speed reduction pilot program and pursue opportunities to reduce emissions associated with marine shipping.
2. Track USEPA attainment designations and requirements for the federal one-hour SO<sub>2</sub> standard.
3. Track the USEPA 5-year review of the federal 8-hour ozone standard and any new planning requirements.
4. Track implementation of AB 32 and SB 375.
5. Submit information to USEPA as required by their Section 105 Grant.

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*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 people and the environment of Santa Barbara County. 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.*

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6. Prepare, distribute, collect, and analyze emission questionnaires and statements.
7. Compile, mail out and respond to inquiries on annual emission, AQAP, and air toxic program fee invoices.
8. Fulfill all public data requests for planning or emission inventory information.

***Recurring Performance Measures***

| <b>Measure</b>   | Actual<br>FY 2013-14 | Goal<br>FY 2014-15 | Est. Actual<br>FY 2014-15 | Goal<br>FY 2015-16 |
|--|----------------------|--------------------|---------------------------|--------------------|
| Submit emissions inventory data to the California Air Resources Board each year by November 1                  | 8/15/2013            | 8/5/2014           | 10/31/2014                | 9/1/2015           |
| Process emissions inventory data submitted by sources for fee invoices each year by April 30 (deadline May 31) | 5/31/2014            | 5/31/2014          | 5/31/2015                 | 5/31/2016          |



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## Rule Development

### **Fiscal Year 2014-15 Significant Accomplishments**

- Draft revised Rules 102, 204, 801, 802, 803, 804, 805, 806, and 809 to update the Districts New Source Review program. Prepared rulemaking support documents.
- Drafted new rule 807 to implement a greenhouse gas emission reduction credit program. Prepared rulemaking support documents.

### **Fiscal Year 2015-16 Goals and Objectives**

1. Develop and maintain a rule development schedule. Modify priorities as necessary to comply with federal and state requirements, or to address local concerns.
2. Hold workshops, develop, and adopt revised Rules 102, 204, 312, 801, 802, 803, 804, 805, 806, and 809 to update the Districts New Source Review Program.
3. Hold workshops, develop, and adopt new Rule 807 to implement a greenhouse gas emission reduction credit program.
4. Hold workshops, develop, and adopt revised Rule 360 to control emissions from large water heaters and small boilers.
5. Develop and adopt rules as required by new state and federal mandates.
6. 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.
7. Present all rules to the APCD Community Advisory Council for their recommendation to the Board.

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*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.*

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### **Recurring Performance Measures**

|  | Actual     | Goal       | Est Actual | Goal       |
|--|------------|------------|------------|------------|
| Measure  | FY 2013-14 | FY 2014-15 | FY 2014-15 | FY 2015-16 |
| Number of draft rules released for public review | 1          | 2          | 0          | 11         |

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## Community Programs

### ***Fiscal Year 2014-15 Significant Accomplishments***

- Published two *On-The Air* and *Business Focus* newsletters.
- Participated in multiple community and school events, including Santa Barbara Earth Day, Vandenberg Air Force Base Earth Day, Marian Medical Center Environmental Fair, Santa Barbara Open Streets, and more. Also, we made numerous classroom presentations to UCSB students, Santa Barbara City College students and students at other schools throughout the County.
- Organized and coordinated a Community Forum on the Vessel Speed Reduction (VSR) Trial Program September 10, 2014, termed “Protecting the Blue Whales and Blue Skies.” The forum was co-sponsored by the UCSB Bren School of Environmental Science and Management, the Channel Islands National Marine Sanctuary, the National Marine Sanctuary Foundation and the Environmental Defense Center.
- Assisted in the implementation of the VSR Trial Program, working with other APCD staff and management.
- Transitioned to a new website at [www.ourAir.org](http://www.ourAir.org)
- Produced and distributed “A Day in the Life of Santa Barbara County Air Pollution Control District,” a video showing District activities from the perspective of a staff member. Produced several additional videos, and distributed the CAPCOA video “California’s Clean Air Legacy”.
- Partnered in the Green Business Santa Barbara County program and maintained certification as a green business.
- Worked with the APCD Air Toxics technical team to develop communication materials, including infographics, brochures and web pages.
- Issued news releases and promoted media coverage of District issues and news.
- Continued to lead the Santa Barbara Car Free project with Amtrak and more than 100 other partners.
- Operated Business Assistance Program and Business Assistance Line to help businesses comply with APCD requirements. Developed outreach materials for district programs.

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*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.*

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- Reviewed public notices, made presentations to the public and industry, continued to enhance the APCD website and provided website support to staff, as well as support in development of documents, materials and Board presentations.
- Participated in the Emergency Public Information Communicators (EPIC) Committee, the National Association of Clean Air Agencies Outreach Committee, and served as Vice Chair (2014) and Chair (2015) CAPCOA Public Outreach Committee.
- Partnered with the County Education Office, Santa Barbara County Water Agency and PG&E on “Care for Our Earth” program to award mini-grants to more than 30 county teachers to do environmental projects with their students.

### ***Fiscal Year 2015-16 Goals and Objectives***

1. Publish On-The Air and Business Focus newsletters.
2. Participate in the Santa Barbara County Green Business Program.
3. Continue to support implementation of marine shipping initiatives, working with partners, and participate in the Marine Shipping Working Group.
4. Administer the Business Assistance Program including managing the Business Assistance Line, providing information and direction to businesses, compliance and permit assistance, and incentive information.
5. Continue to coordinate outreach efforts to the media and to the public for all APCD programs.
6. Schedule and provide speakers at schools and other events and in response to community requests.
7. Maintain and improve APCD’s website, expand outreach in social media avenues of communication, and continue to develop communication materials.
8. Chair the 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.
9. Participate in the National Association of Clean Air Agencies Public Outreach committee to maximize input on federal air quality communication programs, and to benefit from national communication initiatives.
10. Participate in the Emergency Public Information Communicators committee to share information and strategies.
11. Promote clean-air transportation choices through implementation of the Santa Barbara Car Free project and participation in community events and projects.

### ***Recurring Performance Measures***

| <b>Measure</b>                  | <b>Actual<br/>FY 2013-14</b> | <b>Goal<br/>FY 2014-15</b> | <b>Est. Actual<br/>FY 2014-15</b> | <b>Goal<br/>FY 2015-16</b> |
|---------------------------------|------------------------------|----------------------------|-----------------------------------|----------------------------|
| Publish "On-The Air" newsletter | 4                            | 3                          | 2                                 | 3                          |

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## Land Use

### **Fiscal Year 2014-15 Significant Accomplishments**

- Prepared California Environmental Quality Act (CEQA) documentation for 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 a variety of land use project types.
- As a responsible agency, reviewed environmental documentation for major oil & gas projects, and as a concerned agency, reviewed documents from NEPA and CEQA lead agencies such as Caltrans, California State Land Commission, U.S. Department of interior/bureau of Indian Affairs, UCSB, local cities, Santa Barbara County and other special districts.
- Collaborated with other air districts to test and upgrade land use emission calculation tools to enhance analysis capabilities for mitigation measures, greenhouse gases, and construction impacts.
- Participated in the Subdivision/Development Review Committees of Santa Barbara County and Goleta, and SBCAG's Technical Transportation Advisory Committee and Technical Planning Advisory Committee.
- Developed options for District CEQA significance thresholds for greenhouse gas emissions, held workshops and public outreach, prepared a staff report, and brought a recommendation for Board approval.

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*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 local transportation planning process and review transportation projects to ensure that transportation policies and projects do not weaken air quality improvements.*

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### **Fiscal Year 2015-16 Goals and Objectives**

1. Implement CEQA on APCD rules, APCD permits, and plans.
2. Carry out CEQA responsible agency review for stationary sources requiring APCD permits, and concerned/trustee agency review for major development projects in the county.

3. Work with other districts to improve the tools to assess criteria pollutant and greenhouse gases from direct and indirect sources and to quantify the effectiveness of mitigation measures.
4. Continue to provide information and training to planners and consultants on methodology and resources available for evaluating air quality and climate change/greenhouse gas impacts from development projects.
5. Continue to participate on CAPCOA Planning Managers Group and related focus groups to coordinate statewide solutions for emissions estimation tools, mitigation strategies, and establishing CEQA thresholds.
6. Revise the APCD Environmental Review Guidelines as necessary to address new requirements.

### ***Recurring Performance Measures***

| <b>Measure</b>  | Actual<br>FY 2013-14 | Goal<br>FY 2014-15 | Est Actual<br>FY 2014-15 | Goal<br>FY 2015-16 |
|---|----------------------|--------------------|--------------------------|--------------------|
| Percent of CEQA reviews completed within 30 days for all initial studies and minor projects | 100% of<br>157       | 100% of<br>160     | 100% of<br>141           | 100% of<br>160     |

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## *Innovative Technologies Group*

### ***Fiscal Year 2014-15 Significant Accomplishments***

- Retrofitted one school bus with a diesel particulate filter.
- Replaced three old agricultural tractors with new tractors.
- Replaced one old construction backhoe with a new construction backhoe.
- Repowered two marine vessels with new marine diesel engines.
- Issued grants to assist in the purchase/installation of four Level 2, and one level 3, fast charge, electric vehicle charging stations.
- Purchased 468 vehicles under the Old Car Buy Back Program.
- Continued implementation of the Carl Moyer Program, the agricultural water pump engine program, the marine re-power program, and the on- and off-road heavy-duty diesel re-power program.
- Applied for and received Carl Moyer Program Year 17 funding.
- In partnership with the EV Communities Alliance, Community Environmental Council, Central Coast Clean Cities Coalition, and Ventura County and San Luis Obispo County APCDs, finalized the Electric Vehicle Readiness Plan for Ventura, Santa Barbara, and San Luis Obispo Counties and held public outreach workshops.

### ***Fiscal Year 2015-16 Goals and Objectives***

1. Lead the development of a tri-county hydrogen refueling infrastructure plan to support the introduction of hydrogen-fueled vehicles in the region.
2. Evaluate grant applications and issue grants according to the Carl Moyer Program, AB 923, APCD Electric Vehicle Charging Station Program and the 2013 Guadalupe Dunes Mitigation Program criteria.

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*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.*

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3. Continue management of existing programs, e.g., the marine re-power program, agricultural water pump engine program, state Carl Moyer Program, off-road vehicle replacement program, and the school bus replacement/retrofit program
4. 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 the Old Car Buyback Program.
5. Continue efforts to “clean the fleet” by working with local fleet vehicle operators, transit and school districts to re-power, retrofit or replace diesel engines.
6. Work closely with school districts on grant agreements to assist with installing diesel particulate filters (DPFs) on school busses as required by state law.
7. Track developments in EV fast charging technology and partner with the Community Environmental Council, UCSB, the Central Coast Clean Cities Coalition, SCE and PG&E to obtain funding for charging stations accessible to the public.
8. Support the Santa Barbara County Long Range Planning Division with an Alternative Fuels Readiness Plan to guide development of alternative transportation infrastructure.

### ***Recurring Performance Measures***

| <b>Measure</b>   | Actual<br>FY 2013-14 | Goal<br>FY 2014-15 | Est. Actual<br>FY 2014-15 | Goal<br>FY 2015-16 |
|--|----------------------|--------------------|---------------------------|--------------------|
| NO <sub>x</sub> , ROC, and PM emissions reduced from signed Moyer grant agreement projects (tons). | 31                   | 15                 | 19                        | 20                 |
| Average cost effectiveness for all Carl Moyer Program funded projects (\$/ton)                     | \$12,484             | \$17,080           | \$14,389                  | \$15,000           |