



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

2007-2008
Recommended Budget



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

2007 Governing Board Members

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Seyed Sadredin

Executive Director / Air Pollution Control Officer

June 21, 2007

**San Joaquin Valley
Unified Air Pollution Control District**

2007-08 Recommended Budget

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San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

GOVERNING BOARD

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Chris Vierra
Councilmember, City of Ceres

Syed Sadredin
Executive Director/
Air Pollution Control Officer

Northern Region Office
4800 Enterprise Way
Modesto, CA 95356-8718
(209) 557-6400
FAX (209) 557-6475

Central Region Office
1990 East Gettysburg Avenue
Fresno, CA 93726-0244
(559) 230-6000
FAX (559) 230-6061

Southern Region Office
2700 M Street, Suite 275
Bakersfield, CA 93301-2373
(661) 326-6900
FAX (661) 326-6985

www.valleyair.org

May 17, 2007

Governing Board
San Joaquin Valley Unified Air Pollution Control District
1990 E. Gettysburg
Fresno, California 93726

Dear Board Members:

Attached is the Recommended Budget for the San Joaquin Valley Air Pollution Control District for July 1, 2007 to June 30, 2008. Policy guidance for development of this document was provided by your Board's Ad Hoc Subcommittee for Budget and Finance.

In 2007-08, the District will begin the implementation phase for the recently adopted 2007 Ozone Plan while working on the development and adoption of a new attainment plan for PM_{2.5}. In the coming year, the District will also face additional workload from the ramp up in the implementation of the Indirect Source Review Rule, the permitting and registration of agricultural sources, and the administration and enforcement of the incentive-based grant programs.

The bulk of this new workload will be absorbed through streamlining measures and enhanced efficiencies. In fact, for the first time in ten years, the proposed budget will reduce the District's annual operating budget.

Meeting the new federal health-based standards requires an ambitious and aggressive legislative agenda at the state and federal level. Success requires better understanding by the members of the legislature and the general public of the air quality issues in the San Joaquin Valley, as well as efforts to date by the Governing Board to reduce emissions. Although we have made considerable progress, our work on the 2007 Ozone Plan indicates that we need to do more to educate the general public, legislators, and the media concerning the unique characteristics of the Valley, successful local efforts to reduce emissions, and outline the challenges we currently face. In 2007-08 we will expand our efforts to more directly and comprehensively educate the general public and other stakeholders.

In addition to our regulatory measures, in 2007-08 the District will lead a broad coalition of Valley-based business and environmental

interests in an effort to procure a substantial increase in incentive funds. The incentive-based programs, together with the comprehensive regulatory measures in the District's Ozone and PM2.5 Plans are essential to bringing the Valley into attainment as expeditiously as practicable. Based on the success of our fund raising efforts, and the timing of the receipt of any additional funds, we will return to your Board to modify the 2007-08 Budget accordingly.

BUDGET HIGHLIGHTS

The narratives included as a part of the attached budget document describe the specifics of each department's functions, workload impacts, efficiencies and streamlining measures, and any requests for additional resources. The following are of some of the more significant highlights of the 2007-08 Recommended Budget:

- Enhanced public education and outreach
- Streamlining and efficiency measures
- A net increase of 1 permanent position
- Decrease in incentive fund appropriations
- Reduction in operating expenditures

Enhanced Public Education and Outreach

As air-quality continues to be a key issue for Valley residents, comprehensive multi-lingual outreach serves to not only educate Valley residents and stakeholders on the activities of the District, but it also enables residents to take a proactive role in improving air-quality. As the 8-hour ozone planning process has demonstrated, every Valley resident must assume some responsibility and make personal decisions to address the challenges presented by new federal mandates and health study information. Also, to be successful as advocates for air quality, our community needs to have a clear and complete understanding of the air quality challenges we face, past successful efforts to reduce emissions, and potential sources and strategies for further reductions in emissions.

Comprehensive and strategic public interaction and outreach will play an ever increasing role in the activities of the District. Enhancements to the District's public outreach strategy will increase the public's understanding of the air quality challenges in the Valley; the roles and responsibilities of the Air District; and the need for strategic air-friendly choices to be made by individuals, communities, organizations and stakeholder groups. By enriching successful initiatives such as multi-lingual outreach; community-based education such as symposiums, town hall meetings and civic presentations; increased presence on radio, print, Internet and TV media outlets; multi-generational outreach programs such as the curriculums, California State University, Fresno class, and flag program; Environmental Justice strategy adoption and implementation; and collaborative partnerships which leverage resources; the District will be able to substantially increase its presence in the community and build understanding of the public's role in improving air-quality. Initiatives such as the consolidation of advertising needs and the analysis of outreach activities and health-based results will target our messages to have the most direct impact on air-quality and public health.

The District will build additional efficiencies into its successful, comprehensive, trilingual marketing campaign for the English-, Spanish- and Hmong-speaking communities through a consolidation of messages under the various campaigns. This will allow the District to further unify key messages related to trip reduction; reductions in residential wood smoke; Air Quality Index (AQI) awareness; Indirect Source Review, land-use and the California Environmental Quality Act (CEQA); lawn-care; and educational events and outreach. Through strategic analysis and Valley-specific scientific research, the District will be able to better assess the relationship between key programs, air-quality and public health. This information will guide the District in developing outreach and regulatory strategies which maximize resources throughout the Valley.

Streamlining and Efficiency Measures

The 2007-08 Recommended Budget includes a number of initiatives aimed at streamlining and improving the efficiency of District operations. As in past years, the District's overall workload is expected to increase throughout the 2007-08 fiscal year. The preparation of the 2008 PM2.5 Attainment Plan, rule development to implement the 2007 Ozone Plan, new permitting and equipment registration requirements, and continued growth in Indirect Source Review and developer mitigation, will all add to this workload. This additional work will be accomplished with existing staff through efficiency and streamlining measures, which will include improved automation and remote computer access, further reductions in paperwork, expanded use of the Internet and Intranet, and continued work with stakeholders to further streamline the permitting process.

To enhance the District's overall effectiveness and delivery of service, the 2007-08 Recommended Budget also includes a proposal for management restructuring and reclassification. These changes will facilitate better communication within and amongst various District departments and will enhance our management capabilities. Proposed changes include reclassifying the Public Education Administrator to Chief Communications Officer, and changing the title of the Special Projects Administrator to Senior Policy Advisor. In recognition of the added management responsibilities, the benefit package for these two positions, and the Emissions Reduction Incentive Program Manager and Information Systems Manager positions will be upgraded from the management level to the executive management level. Also, the Office Services Supervisor position is being reclassified to Operations Support Supervisor to reflect additional responsibilities within the Clerk to the Board and office support areas.

A Net Increase of 1 Permanent Position

The 2007-08 Recommended Budget includes the deletion of four (4) permanent positions, the addition of one (1) permanent position, and the conversion of four (4) temporary positions to permanent positions, for a net increase of one (1) permanent position. The following are specifics about the recommended position changes:

Deletion of four (4) Permanent Positions

The Recommended Budget includes the elimination of four permanent positions: one (1) Senior Air Quality Specialist, one (1) Air Quality Engineer, and two (2) Air Quality

Specialists. The positions are currently vacant, so no layoffs are necessary. Two of the positions being cut (one (1) Specialist position and one (1) Senior Specialist position) are the result of the District experiencing significantly less first-year Indirect Source Review activity than was originally anticipated. The other two proposed position cuts are due to known and anticipated permit application processing efficiency improvements and the implementation of ongoing streamlining efforts.

Addition of one (1) Permanent Position

The District recently completed the installation of several significant new monitoring instruments and is continuing the construction of a new monitoring site near Tranquillity in western Fresno County. Additionally, new monitoring regulations, and new air quality standards necessitate several additional pieces of monitoring equipment. Specifically, federal regulations require a new ozone monitoring site in Tulare County, a new PM10 monitor in Madera County, and PM2.5 monitors in San Joaquin and Stanislaus Counties. To address the significant increase in the air monitoring workload, the Recommended Budget includes appropriations for one (1) additional Air Quality Instrument Technician I/II position.

Conversion of four (4) Temporary to Permanent Positions

Finance Section

The workload in the Finance Section has steadily increased since the inception of the District as the result of the increase in the number of District staff, and particularly in the past two years, the significant expansion of the incentive grant program. To address this increased workload, the 2006-07 Adopted Budget included appropriations for a full time temporary Accounting Technician position. It has become apparent that the workload performed by this temporary position will continue indefinitely. As a result, the 2007-08 Recommended Budget includes conversion of this position to a full-time permanent position.

Electronic Document Management System

In 2004, the District began the process of converting all paper file documents previously maintained in each regional office file room to electronic files for use in an Electronic Document Management System (EDMS). During this project, as many as twenty temporary positions were utilized for the scanning preparation and review of over five million documents. As the scanning of the initial file room documents was completed, the temporary work force was reduced to four positions to maintain the "day forward" scanning of permit file documents which are received in each of the three regional offices on an ongoing basis. The EDMS "day forward" scanning for all three regional offices has now been performed for a long enough period of time to determine the sustained workload related to this task. It is currently requiring approximately four full-time equivalent positions.

To meet the District's long-term EDMS "day forward" scanning needs, it is recommended that three of the current temporary positions be converted to permanent positions and funding for the fourth temporary position be retained. The fourth temporary position will only be utilized if the three new permanent positions

and existing office support staff cannot handle the current workload, or if the workload significantly increases. Therefore, the Recommended Budget includes appropriations for two (2) Office Assistant II positions and one (1) Senior Office Assistant position.

Decrease in Incentive Fund Appropriations

The 2007-08 Recommended Budget includes \$40,365,200 of appropriations for Emission Reduction Incentive Program grants. This is a reduction of approximately \$17 million dollars, or about 29%, from 2006-07, which can be primarily attributed to two factors. First, the 2006-07 appropriations included \$8,650,000 of Winery Mitigation Program funds which did not materialize because the wineries chose to mitigate their emissions with their own emission reduction projects, as allowed by the District's winery rule. Secondly, the appropriations for the Indirect Source Review Program have been reduced by about \$7.4 million to reflect a downturn in development projects in the Valley and more accurate estimates by the District. The following is a breakdown of the 2007-08 appropriations:

• Indirect Source Review Program	\$17,563,100
• DMV Surcharge Fees	\$11,114,300
• Carl Moyer Program	\$11,442,300
• Miscellaneous/ Interest	\$ 245,500
Total Incentive Grants	<u>\$40,365,200</u>

Reduction in Operating Expenditures

For the first time in over ten years, the 2007-08 Recommended Budget includes a decrease to the Operating Budget. This reduction is recommended in spite of a significant increase in the workload facing the District and is the first of several steps to address a structural imbalance between the cost to operate the District and the revenues available to offset those costs. This structural imbalance is the result of steadily increasing operating costs such as rent, fuel, postage, salaries, etc., combined with relatively stagnate revenues. There has only been one across-the-board fee increase, 5% in 1997, since formation of the District in 1992. In 2007-08 the District will need to explore and pursue reasonable revenue enhancements. Failure to make necessary budget cuts and/or revenue enhancements will result in the depletion of the District's fund balance and create an operating deficit that may exceed even the maximum legally permissible fee increase. Before any public discussions begin regarding the possibility of fee increases, it was important that every possible cost cutting opportunity was identified as the 2007-08 Recommended Budget was compiled for your Board's approval.

The following is a breakdown of the identified reductions, by object level, within the Operating Budget:

Salaries and Benefits	\$ (91,000)	- 0%
Services and Supplies	(179,600)	- 4%
Fixed Assets	<u>(23,700)</u>	<u>- 2%</u>
Total Operating Budget	<u>\$ (294,300)</u>	<u>- 1%</u>

Salaries and Benefits

While small in relation to the total, the \$91,000 reduction in Salaries and Benefits is significant considering this reduction is being recommended in spite of increases associated with employee Memoranda of Understanding in place for 2007-08. This reduction was accomplished by the following actions and circumstances:

Salary Savings

Each year the salaries account and all related benefit accounts are reduced by the amount estimated to be saved from vacant positions due to normal employee turnover. The salary savings reduction included in the 2006-07 Budget was a conservative 5%, or \$1,075,400. For 2007-08, the salary savings reduction has been increased to 9%, or \$1,934,400, decreasing the recommended appropriations by an additional \$859,000. To achieve this amount of salary savings may require management to exercise position controls should normal employee turnover not be sufficient.

Retirement Contribution Rate Decrease

The District participates in the Kern County Employees Retirement System (KCERA). KCERA has recommended a decrease in the employer contribution rate paid by the District from 30.51% to 28.77%, which reduces the District's annual retirement costs by \$192,000.

Worker's Compensation Rate Reduction

For the second consecutive year, statewide rates for worker's compensation insurance have significantly decreased. This translates into a savings of \$142,700 for the District for 2007-08.

Net Savings From Recommended Positions Changes

Although the 2007-08 Recommended Budget recommends a net increase of one permanent position, several reclassifications, and the restructuring of four management positions, there is a net annual savings from all position changes of \$134,300. This is possible because four of the five added positions are being converted from existing temporary positions, and the salaries and benefits cost for the five added positions is less than the four deleted positions.

Services and Supplies

Of the many changes within the services and supplies accounts, there are two that significantly contributed to the \$179,600 net reduction of this object level as follows:

Rental Savings from Purchase of Modesto Building

On May 18, 2006, your Board exercised an option to purchase the building housing our Modesto regional office. As a result of that decision, the District will benefit from the first full year of lease expense savings in 2007-08 of \$205,400.

Programming for Automated Inspection System

Appropriations in the amount of \$85,000 have been added to the 2007-08 Budget to provide contract programming services for automating many of the inspection

tasks performed by the District's field staff. Similar to the building purchase, we expect this investment in automation to pay for itself by allowing more mandated work to be completed by fewer staff.

Fixed Assets

Changes in three fixed asset accounts make up most of the \$23,700 reduction for this object level as follows:

Hardware for Automated Inspection System

The computer equipment account includes \$25,000 to provide the hardware necessary for the automated inspection system described above.

New Telephone System

The District's telephone communication system is indispensable in maintaining high efficiency while offering excellent customer service. While the current District-owned telephone system has performed well for many years, the District has been notified that it is obsolete and will soon no longer be eligible for manufacturer maintenance support. It is therefore necessary to replace our obsolete telephone system equipment with current technology. The 2007-08 Recommended Budget includes appropriations in the amount of \$125,000 for the first of five annual lease/purchase payments. This upgrade will help insure that the District has flexible, efficient and effective voice communication equipment

Air Monitoring Station Equipment

The 2006-07 Budget included appropriations for an additional air monitoring station. Since those appropriations are not needed for 2007-08, this account is showing a reduction of \$169,000.

I would like to express my gratitude to your Board's ad-hoc sub-committee consisting of Supervisor Worthley and Supervisor Dominici for their time in providing valuable guidance in the development of the Recommended Budget. I am also grateful for your Board's continued support for resources needed to sustain an active and effective air quality program.

I look forward to continuing and increasing our progress toward cleaner air for all Valley residents in 2007-08.

Respectfully submitted,



Seyed Sadredin
Executive Director/Air Pollution Control Officer

Budget
Financial Summary

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
BUDGET SUMMARY**

	Adjusted FY 06-07	Recommended FY 07-08	Increase (Decrease)
APPROPRIATIONS			
Salaries & Benefits (before Salary Savings)	25,946,100	26,714,100	768,000
Projected Salary Savings	(1,075,400)	(1,934,400)	(859,000)
Salaries & Benefits (net of Salary Savings)	24,870,700	24,779,700	(91,000)
Services & Supplies	4,781,400	4,601,800	(179,600)
Fixed Assets	1,435,200	1,411,500	(23,700)
OPERATING APPROPRIATIONS	31,087,300	30,793,000	(294,300)
Other Charges	58,451,200	41,401,200	(17,050,000)
Appropriation for Contingencies	295,200	850,000	554,800
NON-OPERATING APPROPRIATIONS	58,746,400	42,251,200	(16,495,200)
TOTAL APPROPRIATIONS	89,833,700	73,044,200	(16,789,500)
REVENUE			
Stationary Revenue	13,061,000	13,371,800	310,800
Grant Revenue	2,642,400	2,722,000	79,600
DMV Surcharge Fees - District Portion	9,134,600	9,800,000	665,400
Administrative Fees - Incentive Programs	924,800	945,700	20,900
ISR Application & Administrative Fees	1,624,000	879,600	(744,400)
Fund Balance/Reserves Released	3,700,500	3,073,900	(626,600)
OPERATING REVENUE/FUNDING SOURCES	31,087,300	30,793,000	(294,300)
Non-Operating Revenue	56,423,500	39,725,900	(16,697,600)
Fund Balance/Reserves Released	2,322,900	2,525,300	202,400
NON-OPERATING REVENUE/FUNDING SOURCES	58,746,400	42,251,200	(16,495,200)
TOTAL REVENUE/FUNDING SOURCES	89,833,700	73,044,200	(16,789,500)

RECOMMENDED POSITIONS	291	292	1
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RESERVES			
General Reserve	3,000,000	3,000,000	-
Long-Term Building Maintenance	235,000	289,000	54,000

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
SCHEDULE OF ESTIMATED REVENUES**

<u>ACCOUNT TITLE</u>	<u>2006-07 ESTIMATED REVENUES</u>	<u>2007-08 ESTIMATED REVENUES</u>	<u>INCREASE / (DECREASE)</u>	
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OPERATING REVENUE

STATIONARY SOURCE

Permit Fees	10,678,000	10,211,800	(466,200)	-4%
Settlements	1,993,000	2,770,000	777,000	39%
Interest	360,000	360,000	-	
Miscellaneous	30,000	30,000	-	
Total Stationary Non-grant Operating Revenue	13,061,000	13,371,800	310,800	2%

GRANT REVENUE

State Subvention	882,000	882,000	-	
EPA 105 Grant	1,700,000	1,800,000	100,000	6%
EPA 103 Grant	60,400	40,000	(20,400)	-34%
Total Grant Revenue	2,642,400	2,722,000	79,600	3%

Total Stationary Operating Revenue	15,703,400	16,093,800	390,400	2%
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DMV Surcharge Fees - District	9,134,600	9,800,000	665,400	7%
Administrative Fees - Incentive Programs	924,800	945,700	20,900	2%
ISR Application & Administrative Fees	1,624,000	879,600	(744,400)	-46%

Total Operating Revenue	27,386,800	27,719,100	332,300	1%
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Fund Balance/Reserves Released	3,700,500	3,073,900
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Estimated Funding Sources - Operating	31,087,300	30,793,000
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NON-OPERATING REVENUE

Air Toxics	36,000	36,000	-	
EPA 103 Grant - Non Operating	198,400	200,000	1,600	1%
DMV Surcharge Fees - Pass Through	9,805,900	9,829,500	23,600	0%
Carl Moyer Funds	11,459,100	11,356,300	(102,800)	-1%
Dairy CEQA - Pass Through	450,000	200,000	(250,000)	-56%
Indirect Source Review Mitigation Funds	25,004,000	17,462,700	(7,541,300)	-30%
Winery Rule Mitigation Funds	8,650,000	-	(8,650,000)	-100%
Non-Operating Interest	820,100	641,400	(178,700)	-22%

Total Non-Operating Revenue	56,423,500	39,725,900	(16,697,600)	-30%
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Fund Balance/Reserves Released	2,322,900	2,525,300
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Estimated Funding Sources - Non-Operating	58,746,400	42,251,200
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TOTAL REVENUE

Estimated Financing Sources - Total	89,833,700	73,044,200
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SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
2007- 08 Recomended Budget
Total District

ACCOUNT NUMBER	DESCRIPTION	2006-07		2007-08	
		ADJUSTED APPROPRIATIONS	RECOMMENDED	INCREASE (DECREASE)	
OPERATING APPROPRIATIONS					
SALARIES AND BENEFITS					
6100	Regular Salaries	\$ 15,725,800	\$ 15,865,900	140,100	1%
6200	Temporary Help	539,500	491,000	(48,500)	-9%
6270	On Call Pay	60,900	77,900	17,000	28%
6300	Overtime	249,700	249,700	-	0%
6350	Unemployment	66,000	66,500	500	1%
6400	Retirement	5,424,900	5,232,300	(192,600)	-4%
6500	OASDI	273,900	271,600	(2,300)	-1%
6550	Workers Compensation	350,100	207,400	(142,700)	-41%
6600	Cafeteria Plan Benefits	2,053,400	2,127,000	73,600	4%
6700	Long-Term Disability Insurance	54,900	56,700	1,800	3%
6800	Alternate Transportation Incentive	71,600	133,700	62,100	87%
TOTAL SALARIES AND BENEFITS		\$ 24,870,700	\$ 24,779,700	(91,000)	0%
SERVICES AND SUPPLIES					
7020	Safety Supplies & Equipment	\$ 19,300	\$ 22,400	3,100	16%
7039	Mobile Communications	109,900	112,400	2,500	2%
7040	Telephone Charges	98,300	115,300	17,000	17%
7100	Insurance	173,100	173,100	-	0%
7205	Equipment Maintenance	127,200	133,800	6,600	5%
7210	Vehicle Maintenance & Operations	182,200	189,700	7,500	4%
7215	Computer Maintenance	102,200	127,000	24,800	24%
7220	Video Conferencing Maintenance & Operations	173,900	157,000	(16,900)	-10%
7225	Building Maintenance & Operations	142,100	149,400	7,300	5%
7260	Office Supplies	101,000	101,000	-	0%
7264	Computer Software & Supplies	70,600	70,600	-	0%
7266	Monitoring Station Supplies & Equipment	80,200	88,200	8,000	10%
7268	Postage	143,800	143,800	-	0%
7270	Printing	151,800	153,400	1,600	1%
7295	Professional & Specialized Services	1,843,700	1,757,700	(86,000)	-5%
7325	Publications & Legal Notices	171,100	153,100	(18,000)	-11%
7340	Rents & Leases	305,300	249,800	(55,500)	-18%
7385	Small Tools & Equipment	56,700	56,700	-	0%
7400	Special District Expense	355,300	251,200	(104,100)	-29%
7415	Travel & Training	126,200	132,000	5,800	5%
7417	Travel & Training - Boards	50,600	50,600	-	0%
7431	Utilities	181,300	198,000	16,700	9%
7431	Audit Services	15,600	15,600	-	0%
TOTAL SERVICES AND SUPPLIES		\$ 4,781,400	\$ 4,601,800	(179,600)	-4%
FIXED ASSETS					
8202	Office Improvements	\$ 51,300	\$ 51,300	-	0%
8301	Computer Equipment	377,200	402,400	25,200	7%
8302	Office Furniture & Equipment	51,400	39,200	(12,200)	-24%
8303	Office Machines	64,800	65,100	300	0%
8305	Telephone Systems	19,000	143,700	124,700	656%
8307	Detection Equipment	22,600	20,200	(2,400)	-11%
8308	Automobiles	288,500	306,000	17,500	6%
8313	Safety Equipment	7,800	-	(7,800)	-100%
8316	Video Conferencing System	156,100	156,100	-	0%
8325	Air Monitoring Station Equipment	396,500	227,500	(169,000)	-43%
TOTAL FIXED ASSETS		\$ 1,435,200	\$ 1,411,500	(23,700)	-2%
TOTAL OPERATING APPROPRIATIONS		\$ 31,087,300	\$ 30,793,000	\$ (294,300)	-1%

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
2007- 08 Recommended Budget
Total District

ACCOUNT NUMBER	DESCRIPTION	2006-07	2007-08	INCREASE (DECREASE)
		ADJUSTED APPROPRIATIONS	RECOMMENDED	

NON-OPERATING APPROPRIATIONS				
OTHER CHARGES				
9100-01	Air Toxic Pass Through	\$ 36,000	\$ 36,000	- 0%
9100-10	Dairy CEQA - Pass Through	450,000	200,000	(250,000) -56%
9101-01	EPA 103 Grant - Operation Clean Air	198,400	200,000	1,600 1%
9120-01	DMV Surcharge Fees - Study Agency	250,000	100,000	(150,000) -60%
9130-00	DMV Surcharge Fees - Incentives	11,602,300	11,614,300	12,000 0%
9400-00	Carl Moyer Heavy Duty Program	11,544,900	11,442,300	(102,600) -1%
9500-00	Indirect Source Review Mitigation Program	25,005,300	17,563,100	(7,442,200) -30%
9515-01	Winery Rule Mitigation Program	8,650,000	-	(8,650,000) -100%
	Miscellaneous/Interest - Incentive Grants	714,300	245,500	(468,800) -66%
TOTAL OTHER CHARGES		\$ 58,451,200	\$ 41,401,200	(17,050,000) -29%
9991-00	Appropriation for Contingencies	\$ 295,200	\$ 850,000	554,800 188%
TOTAL NON-OPERATING APPROPRIATIONS		\$ 58,746,400	\$ 42,251,200	(16,495,200) -28%

TOTAL APPROPRIATIONS				
TOTAL DISTRICT APPROPRIATIONS		\$ 89,833,700	\$ 73,044,200	\$ (16,789,500) -19%

Operating Budget

ADMINISTRATION

FISCAL SUMMARY

	<u>Budgeted 2006-07</u>	<u>Recommended 2007-08</u>	<u>Increase/ (Decrease)</u>	
<u>Appropriations</u>				
Salaries and Benefits	5,291,600	5,522,800	231,200	4%
Services and Supplies	2,287,100	2,235,100	(52,000)	-2%
Fixed Assets	<u>334,500</u>	<u>414,900</u>	<u>80,400</u>	<u>24%</u>
 Total	 <u><u>7,913,200</u></u>	 <u><u>8,172,800</u></u>	 <u><u>259,600</u></u>	 <u><u>3%</u></u>

<u>Position Summary</u>	60	64	4
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FUNCTION

Administration is comprised of the executive management staff and several divisions that provide support services for the District's core operations. For budgeting purposes, these functions are structured under: General Administration, Personnel, Administrative Services, Information Technology Services, Outreach and Communications, and District Counsel.

General Administration

The General Administration Division has responsibility for the overall management of the District. Under policy direction of the Governing Board, the Executive Director/APCO and the Deputy APCO represent the Board's interests and oversee the development and implementation of policies and procedures, formulation of policy alternatives and recommendations, overall management of personnel and resources, and development and implementation of air quality-related programs.

District Counsel

The District Counsel is the chief legal advisor to the Governing Board, the Executive Director/APCO, the three District Hearing Boards, and the San Joaquin Valleywide Air Pollution Study Agency. Under policy direction of the Governing Board, the District Counsel provides legal representation and advice in both litigation and general law matters.

Personnel

The Personnel Division performs the full range of personnel support activities for all operating departments and programs. Specific program activities include: recruitment, classification and pay, records management, legal compliance, labor relations, training, and management/supervisory support. In addition, the Division is responsible for minimizing risk to the District through the employee benefits, workers' compensation, wellness, and centralized safety programs. The Personnel Division has also taken on a lead role in the program development and implementation of the STAR (service, teamwork, attitude, respect) work culture program.

Administrative Services

The Administrative Services Division is responsible for all fiscal and general services related functions of the District, oversight of the District clerical staff, records management, and oversight of the Clerk to the Board function. The fiscal functions include preparation and control of the District's budget; responsibility for accounting and auditing all District revenues and expenditures; and preparation of financial statements and all related reports. The general service functions include responsibility for facilities management, fleet maintenance, purchasing, and risk management.

Information Technology Services

Information Technology Services (ITS) administers all computer-related functions of the District. These functions include: strategic and tactical planning; policy and procedures formulation; I.T. budget preparation and administration; project prioritization and resource management; hardware and software standards, specifications, training, support maintenance, repair, and inventory; technology analysis and recommendations; and the Request for Proposal (RFP) and Request for Quote (RFQ) process related to technology procurement.

ITS is also responsible for the above functions in: voice and video communication technology (e.g. telephone systems, mobile communications, and video teleconferencing); facsimile technology (e.g. copiers and fax machines); and archival file management.

Outreach and Communications

The Outreach and Communications (OC) Division, plans and implements strategies to meet the District's outreach and communication goals. The program was renamed in 2007 to better reflect the activities of the program. The advocacy efforts of the Senior Policy Advisor are now a part of the General Administration Division and do not fall under the umbrella of the OC Division which is now being managed by the Chief Communications Officer under the direction of the APCO. The OC Division will continue to expand District outreach activities and communication strategies. These strategies include designing and implementing comprehensive, multi-lingual, multi-media outreach campaigns; coordinating an effective media relations program; responding to public inquiries; writing and distributing newsletters, brochures and other outreach materials; conducting public presentations to promote clean air; collaborating with local, state and federal agencies and stakeholders to further the District's mission; and working with other divisions to ensure they meet their communications and public

affairs needs. This Division also plays an executive level role in assisting in the development of the District's overall strategic plan, mission and goals.

SIGNIFICANT IMPACTS TO 2007-08 BUDGET

General Administration

The District's growth in both size and complexity has resulted in a broader range of responsibilities assigned to many management positions. This is particularly evident in mid-level management positions which report directly to the APCO or the Deputy APCO. As a result, the 2007-08 Recommended Budget includes a proposal for management restructuring aimed at facilitating better coordination and communication between departments, expanding our public outreach and communication efforts, and enhancing advocacy for the Governing Board and our legislative priorities.

Specifically, the 2007-08 Recommended Budget includes a reclassification of one position, from Public Education Administrator to Chief Communications Officer, and the retitling of one other position, from Special Projects Administrator to Senior Policy Advisor. With these changes, the benefit levels for these two positions would move from mid-management level to executive management level. Similar changes in benefits are also proposed for two other positions, the Emission Reduction Incentive Program Manager and Information Systems Manager, in recognition of increases in responsibilities in those areas as well.

Personnel

From the District's inception in 1992 until July 2006, the Personnel Department was made up of five staff members. As part of the 2006-07 Adopted Budget, an additional analyst was added to assist with the growing safety/risk workload and increased recruitment activities, bringing the total department complement to six positions.

While no change or addition to staffing levels is recommended, the 2007-08 Budget includes resources for program improvements such as the provision of internal CPR/First Aid training; availability of defibrillators and trained staff in each regional office; enhancements to existing safety policies and practices to ensure OSHA compliance; and enhanced recruitment activities.

Administrative Services

The 2007-08 Recommended Budget includes the following three personnel changes affecting the Administrative Services Division:

Finance Section

The workload in the Finance Section has steadily increased since the inception of the District as the result of the increase in the number of District staff, and particularly in the past two years, the significant expansion of the incentive grant program. To address this increased workload, the 2006-07 Adopted Budget included appropriations for a full time temporary Accounting Technician position. It has become apparent that the workload

performed by this temporary position will continue indefinitely. As a result, the 2007-08 Recommended Budget includes conversion of this position to a full-time permanent position.

Operations and Program Support

In May of 2005, Cooperative Personnel Services (CPS) issued a final report on its Functional Audit of Operations of the District. The report included a recommendation that stated "the District should develop a succession plan to identify key competency requirements and knowledge, skills and abilities of both management and critical technical positions." As a result of this recommendation, the District reviewed our organizational structure to determine where succession issues may exist. One critical position identified by District staff with potential succession issues is the Clerk to the Board. To address this situation, the Clerk to the Board and the Office Support Sections were combined during 2006-07 to form the new Operations and Program Support Section under the direct supervision of the Clerk to the Board. This organizational change will allow for cross-training of the Clerk to the Board functions and provide the District with the ability to sustain critical functions in the absence of the Clerk to the Board. For this new organizational structure to be successful, the supervisor reporting to the Clerk to the Board must be able to temporarily fulfill the responsibilities of the Clerk to the Board when needed. Therefore, the 2007-08 Recommended Budget includes a reclassification of the Office Services Supervisor position at pay range 34 to a Operations Support Supervisor at pay range 37. The name change reflects the name of the new Section and the increase in pay range reflects the increase in related job responsibilities.

Electronic Document Management System

In 2004, the District began the process of converting all paper file documents previously maintained in each regional office file room to electronic files for use in an Electronic Document Management System (EDMS). During this project, as many as twenty temporary positions were utilized for the scanning preparation and review of over five million documents. As the scanning of the initial file room documents was completed, the temporary work force was reduced to four positions to maintain the "day forward" scanning of permit file documents which are received in each of the three regional offices on an ongoing basis. The EDMS "day forward" scanning for all three regional offices has now been performed for a long enough period of time to determine the sustained workload related to this task. It is currently requiring approximately four full-time equivalent positions.

To meet the District's long-term EDMS "day forward" scanning needs, it is recommended that three of the current temporary positions be converted to permanent positions and funding for the fourth temporary position be retained. The fourth temporary position will only be utilized if the three new permanent positions and existing office support staff cannot handle the current workload, or if the workload significantly increases. The three new permanent positions being requested are:

(2) Office Assistant II's - These two positions will perform all tasks related to scanning "day forward" documents from all three regional offices. Tasks include: operating scanning machines to scan documents, reviewing scanned images for clarity and legibility, indexing scanned images, submitting the scanned images into the EDMS, performing a quality assurance review of all scanned images against the original documents, and performing all tasks related to archiving the original documents to off-site storage.

(1) Senior Office Assistant - This position will provide lead direction for the three Office Assistant positions performing the day-to-day EDMS tasks. Specific duties will include: overseeing the daily workflow of documents to insure scanning procedures are consistently followed, assisting with non-routine and difficult documents, coordinating with ITS to resolve system problems, providing training to EDMS Office Assistants, and providing scanning coverage during peak periods or during unanticipated staff shortages.

Information Technology Services

ITS will be conducting several key projects in support of District operational objectives. These projects include: the grants management application; computer aided inspection system; electronic document management system; public records request process; video teleconferencing and telephone communication system upgrades; ITS staff technical development and training; and upgrade of the computer network infrastructure.

Under the District's grant programs, the District provides incentive funds for projects that achieve emission reductions in source categories that are outside the District's regulatory authority, as well as for source categories where financial hardship would otherwise prevent traditional control strategies from being implemented. As the District continues to focus on expanding its grants program to achieve even more reductions, it is increasingly important to provide reliable information technology in that area. The existing grants management program is failing to keep up with the growing demands placed upon it. Therefore, significant effort is being spent to develop a new grants management application that can support the additional grants-related capabilities envisioned by the District.

In the District's Compliance Department, meeting new mandates with existing staffing will require further streamlining and continued improvements in efficiency. Increasing the availability of Compliance assistance staff in the field is also a major customer service goal for the District. To achieve these goals it is important that Compliance field staff have appropriate computer hardware and software. Major programming resources will be utilized to specify and help implement technology that will empower field staff to meet their customer service goals. To support internal ITS staff implementation efforts, \$85,000 of appropriations have been included in the Recommended Budget for outsourced application program development.

The electronic document management system (EDMS) will be transitioning from an implementation focus to one of maintenance and development. To this end, internal programming resources will be utilized to develop additional applications for this productivity enhancing technology. Additionally, the Computer Maintenance Account has been increased approximately \$30,000 to pay for ongoing maintenance costs of the EDMS software.

Demand for air pollution-related data by the constituents of the District is growing year after year. It is taking an increasing amount of staff time to meet public data release requests. It is critical that technology be applied to help register and track data requests, reduce the amount of time internal staff spend fulfilling data release requests, and increase the ability of requestors to self-identify and obtain the data that they are interested in. To meet these objectives, ITS will begin development during 2007-08 of a tracking system to record and monitor the progress of public information requests and deployment of an Internet-based data request system that will help people identify and obtain the data they need.

The District's video teleconferencing (VTC) system has become a vital support technology for daily District operations. The VTC system helps the District communicate more efficiently and effectively between regional offices, assists in curtailing air pollution by reducing vehicle miles driven, and augments the District's ability to get its message out by making it easier for the public to participate in air quality improvement processes. ITS will be conducting a project to update the equipment in the Fresno office's small VTC room to replace aging equipment that is not meeting current District needs.

The District's telephone communication system is indispensable in maintaining high efficiency while offering excellent customer service. While the current District-owned telephone system has performed well for many years, the District has been notified that it is obsolete and will soon no longer be eligible for manufacturer maintenance support. It is therefore necessary to replace obsolete telephone system equipment with current technology. Based on preliminary quotes, staff estimates the cost of a comparable new telephone system to be approximately \$600,000 if purchased through a five-year lease/purchase agreement. The 2007-08 Recommended Budget includes appropriations in the amount of \$125,000 for the first lease/purchase payment. This upgrade will help insure that the District has flexible, efficient and effective voice communication equipment for the next five years.

The District utilizes a great deal of advanced automation technology to achieve its high efficiency goals. With the rapid pace of technology change, it is critical that technical staff have the knowledge and ongoing training necessary to effectively support District automation technologies. The District recently reviewed the effectiveness of technical support training for ITS staff and found several areas for enhanced training opportunities. A training plan has been created that includes both internal and external training modules. The completion of these modules will help insure that the District has adequately trained technical support staff.

The final focus area for ITS will be network infrastructure. With the growing demands for application data, audio and video-related files, and integrated communication services, the District's networking infrastructure equipment requires redesign and upgrade. ITS will redesign the current networking infrastructure to meet increasing data traffic demands, better integrate wireless networking technologies, and improve disaster recovery capabilities.

ITS will be reclassifying one Network Systems Analyst I/II position to a Senior Network Systems Analyst. This action is being recommended to help insure that adequately experienced technical staff is available to support District's office automation systems, and allows one Senior to focus on network systems and another to focus on communication systems.

Outreach and Communications

In 2007-08, the Outreach and Communications (OC) program will continue to play a major role in furthering the District's goals and mission through enhanced public outreach and education.

As air-quality continues to be a key issue for Valley residents, comprehensive multi-lingual outreach serves to not only educate Valley residents and stakeholders on the activities of the District, but it also enables residents to take a proactive role in improving air-quality. As the 8-hour ozone planning process has demonstrated, every Valley resident must take a level of ownership and make personal decisions to address the challenges presented by new federal mandates and health study information.

Comprehensive and strategic public interaction and outreach will play an ever increasing role in the activities of the District. Although outreach has historically been a key activity of this program, enhancements to the District's public outreach strategy will increase the public's understanding of the air quality challenges in the Valley; the roles and responsibilities of the Air District; and the need for strategic air-friendly choices to be made by individuals, communities, organizations and stakeholder groups. By enriching successful initiatives such as multi-lingual outreach; community-based education such as symposiums, town hall meetings and civic presentations; increased presence on radio, print, Internet and TV media outlets; multi-generational outreach programs such as the curriculums, California State University, Fresno class, and flag program; Environmental Justice strategy; and collaborative partnerships which leverage resources; the OC Division will be able to substantially increase the presence of the Air District in the community and build understanding of the public role in improving air-quality. Furthermore, initiatives such as the consolidation of advertising needs and the analysis of outreach activities and health-based results will target our messages to have the most direct impact on air-quality and public health.

The OC Division will build additional efficiencies into its successful, comprehensive, trilingual marketing campaign for the English-, Spanish- and Hmong-speaking communities through a consolidation of messages under the various campaigns. This will allow the District to further unify key messages related to trip reduction; reductions in residential wood smoke; Air Quality

Index (AQI) awareness; Indirect Source Review, land-use and the California Environmental Quality Act (CEQA); lawn-care; and educational events and outreach. Through strategic analysis, the Division will be able to better assess the relationship between key programs, air-quality and public health. This information will guide the OC Division in developing outreach strategies which maximize District resources throughout the Valley.

The OC Division also plays a key role in support of the District's outreach with key policymakers and stakeholders. In 2007-08, the District will be garnering support for state and federal funding initiatives in the San Joaquin Valley to reduce the impact of mobile sources. In order for the San Joaquin Valley to achieve attainment of the new standards it will be essential for all agencies to contribute their fair share of the necessary reductions. This support will rely on public knowledge and understanding developed through strategic outreach and media management.

SUMMARY OF POSITIONS

<u>Title</u>	<u>Current</u>	<u>Recommended</u>	<u>Increase/ Decrease</u>
Executive Director/APCO	1	1	0
Deputy APCO	1	1	0
District Counsel	1	1	0
Director of Administrative Services	1	1	0
Director of Personnel	1	1	0
Senior Policy Advisor	0	1	+1
Special Projects Administrator	1	0	-1
Assistant Counsel I/II	1	1	0
Information Systems Manager	1	1	0
Chief Communication Officer	0	1	+1
Controller	1	1	0
Public Education Administrator	1	0	-1
Supervising Programmer/Analyst	1	1	0
Personnel Administrator	1	1	0
Senior Programmer Analyst	2	2	0
Supervising Network Systems Analyst	1	1	0
Supervising Accountant	1	1	0
Senior Network System Analyst	1	2	+1
Senior Air Quality Ed Representative	1	1	0
Deputy Clerk to the Boards	1	1	0
Administrative Analyst I/II	5	5	0
Communication Systems Analyst I/II	2	2	0
Network Systems Analyst I/II	4	3	-1
Programmer Analyst I/II	6	6	0
Air Quality Ed Representative I/II	4	4	0
Accountant I/II	3	3	0
Operations Support Supervisor	0	1	+1
Office Services Supervisor	1	0	-1
Legal Technician	1	1	0
Administrative Secretary	1	1	0
Accounting Technician	0	1	+1
Personnel Technician I/II	1	1	0
General Services Technician I/II	1	1	0
Maintenance Worker	1	1	0
Senior Office Assistant	3	4	+1
Word Processing Specialist I/II	1	1	0
Accounting Assistant I/II	5	5	0
Office Assistant I/II	<u>2</u>	<u>4</u>	<u>+2</u>
TOTAL	<u>60</u>	<u>64</u>	<u>+4</u>

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
2007- 08 Recommended Budget
Administration

ACCOUNT NUMBER	DESCRIPTION	2006-07 ADJUSTED APPROPRIATIONS	2007-08 RECOMMENDED	INCREASE (DECREASE)	
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SALARIES AND BENEFITS

6100	Regular Salaries	\$ 3,407,300	\$ 3,612,500	205,200	6%
6200	Temporary Help	81,800	67,700	(14,100)	-17%
6270	On Call Pay	-	-	-	0%
6300	Overtime	27,500	32,600	5,100	19%
6350	Unemployment	13,600	14,600	1,000	7%
6400	Retirement	1,176,400	1,177,100	700	0%
6500	OASDI	56,400	57,900	1,500	3%
6550	Workers Compensation	53,800	39,100	(14,700)	-27%
6600	Cafeteria Plan Benefits	447,900	478,900	31,000	7%
6700	Long-Term Disability Insurance	12,000	12,900	900	8%
6800	Alternate Transportation Incentive	14,900	29,500	14,600	98%
TOTAL SALARIES AND BENEFITS		\$ 5,291,600	\$ 5,522,800	231,200	4%

SERVICES AND SUPPLIES

7020	Safety Supplies & Equipment	\$ 3,400	\$ 12,100	8,700	256%
7039	Mobile Communications	13,500	16,200	2,700	20%
7040	Telephone Charges	21,700	28,600	6,900	32%
7100	Insurance	173,100	172,800	(300)	0%
7205	Equipment Maintenance	25,400	26,500	1,100	4%
7210	Vehicle Maintenance & Operations	39,500	36,500	(3,000)	-8%
7215	Computer Maintenance	29,700	33,500	3,800	13%
7220	Video Conferencing Maintenance & Operations	173,900	157,000	(16,900)	-10%
7225	Building Maintenance & Operations	34,300	36,400	2,100	6%
7260	Office Supplies	25,400	23,600	(1,800)	-7%
7264	Computer Software & Supplies	13,700	14,500	800	6%
7266	Monitoring Station Supplies & Equipment	-	-	-	0%
7268	Postage	24,300	24,300	-	0%
7270	Printing	116,600	120,600	4,000	3%
7295	Professional & Specialized Services	1,063,800	1,088,500	24,700	2%
7325	Publications & Legal Notices	30,400	37,500	7,100	23%
7340	Rents & Leases	31,400	23,300	(8,100)	-26%
7385	Small Tools & Equipment	11,800	12,300	500	4%
7400	Special District Expense	319,800	218,900	(100,900)	-32%
7415	Travel & Training	48,700	64,600	15,900	33%
7417	Travel & Training - Boards	32,900	32,900	-	0%
7431	Utilities	38,200	38,900	700	2%
7480	Audit Services	15,600	15,600	-	0%
7490	Legal Services	-	-	-	0%
TOTAL SERVICES AND SUPPLIES		\$ 2,287,100	\$ 2,235,100	(52,000)	-2%

FIXED ASSETS

8202	Office Improvements	\$ 51,300	\$ 51,300	-	0%
8301	Computer Equipment	67,600	73,400	5,800	9%
8302	Office Furniture & Equipment	14,800	7,600	(7,200)	-49%
8303	Office Machines	12,900	13,400	500	4%
8305	Telephone Systems	3,800	29,100	25,300	666%
8307	Detection Equipment	-	-	-	0%
8308	Automobiles	28,000	84,000	56,000	200%
8309	Audio/Visual Equipment	-	-	-	0%
8314	Vehicle Radio Equipment	-	-	-	0%
8316	Video Conferencing System	156,100	156,100	-	0%
8325	Air Monitoring Station Equipment	-	-	-	0%
8404	Electronic Document Management Project	-	-	-	0%
8405	Central Region Parking Lot Project	-	-	-	0%
8406	Central Region Office Modification	-	-	-	0%
TOTAL FIXED ASSETS		\$ 334,500	\$ 414,900	80,400	24%

TOTAL CURRENT YEAR APPROPRIATIONS

\$ 7,913,200	\$ 8,172,800	259,600	3%
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COMPLIANCE

FISCAL SUMMARY

	<u>Budgeted 2006-07</u>	<u>Recommended 2007-08</u>	<u>Increase/ (Decrease)</u>	
<u>Appropriations</u>				
Salaries and Benefits	6,833,500	6,855,700	22,200	0%
Services and Supplies	743,300	827,200	83,900	11%
Fixed Assets	<u>347,200</u>	<u>365,400</u>	<u>18,200</u>	<u>5%</u>
Total	<u><u>7,924,000</u></u>	<u><u>8,048,300</u></u>	<u><u>124,300</u></u>	<u><u>2%</u></u>

<u>Position Summary</u>	83	83
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FUNCTION

The District's Compliance Department ensures that sources of air pollution subject to the District rules and regulations comply with applicable requirements. The program objectives for the Compliance Department are set forth in federal and state law and the District's Air Quality Attainment Plans. In order to meet these program objectives, District staff perform inspections at approximately 8,000 industrial and commercial facilities, over 6,400 agricultural operations, and hundreds of locations where emission reduction incentive projects have been implemented. The major functions of the Compliance Department are as follows:

Inspections of Stationary Sources

The stationary source inspections performed by the District are required by the United States Environmental Protection Agency (EPA) and the California Air Resources Board (ARB) as part of Federal Title V, EPA 105 Grant, and State Subvention requirements. ARB recommends that the District maintain inspection frequencies of once per year for minor sources and quarterly for major stationary sources. Under the District's variable inspection frequency policy, inspection frequencies are assigned considering various factors, including sources' compliance and complaint histories, potential for air quality impact, frequency of equipment use, the presence of toxic air contaminants, and potential for violations occurring.

Emission Reduction Incentive Program (ERIP) Inspections

To ensure that the emission reductions funded by the District's incentive programs are real and permanent, the District monitors pre-contract and post-contract performance by grant recipients. Field inspections are conducted to verify that emitting equipment is appropriately controlled or replaced, and adequately maintained. With the implementation and enforcement

of District Rule 9510 (Indirect Source Review) in 2005, the number of inspections associated with the District ERIP will increase dramatically over the next five years.

Source Testing

Hundreds of stationary sources must be tested each year for emissions of air pollutants, and ARB recommends all tests be observed and evaluated by District staff. In addition, the District utilizes its monitoring vans and portable exhaust gas analyzers to assess the emissions from internal combustion engines, boilers, and other combustion devices to ensure they are operating according to specifications and complying with all requirements. With new rule requirements, source testing has increased over the last few years. To meet the increased demand, changes to District policy were made, including the allowance of third party source testing contractors to test over longer periods. This program has been streamlined through policy and procedural changes such that staff traditionally working entirely in this program now assist with other program duties where the workload has increased.

Portable Equipment Inspections

In addition to inspecting portable equipment registered in the District portable equipment registration program, the District also inspects portable equipment registered in the State of California registration program. Recently, ARB updated their portable equipment regulation, which included an amnesty period for unregistered equipment to apply for registration. The revisions to the ARB regulation is expected to significantly increase the District's inspection workload related to portable equipment.

Gasoline Station Inspecting and Testing Program

Gasoline stations, in aggregate, are one of the largest potential sources of volatile organic compounds in the Valley. A comprehensive and effective inspection and testing program is important to ensure the vapor recovery systems operate as designed and the Valley realizes the emissions reductions anticipated in Rule 4622 (Gasoline Transfer into Motor Vehicle Fuel Tanks).

District staff continue to inspect gasoline station vapor recovery systems on a routine basis looking for torn hoses, damaged nozzles, and missing parts. However, during recent years there have been many changes in vapor recovery technology and state law such that the simple visual inspections are no longer sufficient. More emphasis is now being placed on performance tests that evaluate gasoline station equipment effectiveness. To this end, the District is developing a rule for a gasoline dispensing tester certification and training program to insure qualified third party contractors are available for owners of this equipment.

The centralized organizational structure for vapor recovery inspection staff, which was initiated in 2005, is helping us achieve our goals in this program. In conjunction with the tester certification program, staff who traditionally worked in this program have been re-assigned to assist with other programs where the workload has increased.

Fugitive Dust Regulations

District fugitive dust rules require the submittal of dust control plans on residential developments when there will be ten acres or more of disturbed surface area and on

non-residential developments when there will be five acres or more of disturbed surface area. To ensure that construction operators are able to comply with dust control requirements, District staff provide training classes for those required to submit dust control plans, and review each plan prior to the start of construction. A minimum of one field inspection is also required for each site.

The Compliance Department is also teaming with the ERIP Department on a policy that would allow some entities with a financial hardship to receive incentive money, if available, to comply with dust regulations.

Agricultural and Prescribed Burning

Under State Senate Bill 705, which became law in 2003, open burning for crops in the Valley will be phased out over the next several years as more alternatives to open burning are developed. Although the prohibition of burning of some materials has already taken effect, the District still issues approximately 11,000 annual burn permits and authorizes burning on a daily basis using the District's Smoke Management Program. In addition to the issuance of burn permits, staff receives over 25,000 calls requesting authorization to burn.

Prescribed burning by land management agencies is another activity regulated by the District. In accordance with Title 17, the District reviews burn plans, provides burn authorizations, and monitors the fires. Compliance staff also has an ongoing dialogue with land management agencies and other air districts to improve communication and cooperation among all parties. These activities help to ensure the smoke is well managed and its impact upon air quality and public health is reduced to the extent feasible.

Complaint Investigations

The District received 2,813 complaints in 2006 for which timely responses and investigations of alleged sources of complaints were top priorities. Inspectors are on-call 24 hours per day and use an automated answering/paging system and cellular telephones to respond to complaints quickly in order to abate potential public nuisances. Although the District has been providing a bilingual (Spanish-English) telephone complaint line for over two years, we now have the capability of translating any language into English by utilizing Language Line Services based in Monterey, California. This service is funded by ARB.

Compliance Assistance

Since its inception in 1992, the Compliance Assistance program has emphasized an educational approach to help Valley businesses comply with a variety of air pollution regulations. In 2006, businesses and individuals throughout the Valley were provided with:

- **Individualized Assistance**

Personal, one-on-one help was provided to hundreds of businesses and individuals to ensure they understood the District's requirements.

- **Compliance Assistance Bulletins**
Bulletins on various topics were sent to realtors, building departments, vapor recovery facilities, contractors, owners of boilers and internal combustion engines, and farmers.
- **Compliance School**
This two-hour training was provided on the topics of open burning, vapor recovery, and fireplace burning.
- **Gasoline Station Tester Training**
We provided ongoing training for contractors who wished to perform vapor recovery tests within the District. As stated previously, the District is working on a tester certification rule that will insure qualified testers are available for sources required to show compliance with rule requirements.
- **Asbestos Training**
Training on asbestos regulations was provided to the building industry, building departments, fire departments, and realtors. Staff continues to spend considerable time providing one-on-one assistance to the regulated community with asbestos inquiries.
- **Rule 4901 (Fireplace and Wood Burning Heater) Education**
In the past, the District has given presentations to realtor groups and various governmental agencies about Rule 4901 and its requirements, assisted in the production of compliance assistance brochures, and have provided answers for many private citizen information requests.
- **Regulation VIII (Fugitive Dust) Education**
Staff has organized classroom training for all groups required to submit dust control plans for construction activities and will provide ongoing training as needed.
- **Prescribed Burning Outreach**
The District met repeatedly with the land managers of the USDA Forest Service, National Park Service, US Fish and Wildlife Service, Bureau of Land Management, California Department of Forestry and Fire Protection, and Southern California Edison Company in order to develop smoke management policies and procedures that apply to Prescribed and Wild Land Fire Use fires.
- **Access To Compliance Policies**
In 2006, compliance policies were placed on the Web for sources to review, comment, and to assist them with complying with District requirements.
- **Permit Streamlining Meetings**
Historically, these meetings have been an outreach to industry on permit matters. Compliance now attends the meetings as another way of providing compliance assistance.

Mutual Settlement Program

The Mutual Settlement Program evaluates violations of District rules and reaches mutually agreed upon settlements within guidelines established by the California Health and Safety

Code and federal law. The Mutual Settlement Program is centralized in Fresno in order to provide for independent review and Valleywide consistency in the settlement of over 3,000 Notices of Violation per year. The program settles over 90 percent of the cases without the need for referral to our legal department.

Continuous Emission Monitoring System Polling

Many stationary sources of air pollutants throughout the District are required by law to monitor their emissions with instruments known as Continuous Emissions Monitoring Systems (CEMS). While these instruments are invaluable in ensuring the facilities operate properly, it is very time consuming for Inspectors to travel to each facility to review the records of the emissions. In an effort to better utilize existing resources, the District implemented an electronic CEMS Polling System in 2001-02. The District utilizes its computer system to automatically gather emissions data from the various companies' CEMS and to notify Inspectors of potential emissions problems. Approximately 70 facilities are currently being polled in this highly successful program.

Hearing Board Activities

Petitions for variances are received, reviewed, and researched by Compliance Department staff. Each petition results in a written staff report and a presentation of the case to the Hearing Board of jurisdiction. Compliance staff also handle public noticing of the hearings, reports of Board decisions, and variance tracking to ensure sources comply with variances and other Hearing Board orders. In 2006-07, Compliance assisted companies throughout the Valley in obtaining 70 variances that allowed them to operate legally while rectifying problems.

SIGNIFICANT IMPACTS TO 2006-07 BUDGET

The District's Compliance Department workload will continue to increase dramatically, with the 6,400 regulated agricultural sources requiring continued inspection, increases in reporting and monitoring associated with Title V permitting, a greater number of incentive grant inspections, and continued inspections with fugitive dust requirements related to construction projects. This trend will continue in 2007-08. As in past years, the bulk of this additional workload will be handled by existing staff using new technologies and efficiencies. Therefore, no increase in the number of Compliance positions is proposed for 2007-08.

New Workload

The increase in Compliance workload from future permitted sources is also expected to be significant. 40 new Title V sources and 400 new and existing confined animal facility operations will be permitted in 2007-08. This increase is on top of 4,000 winery tanks, 450 fumigation sources, and 6,400 farms that have been permitted over the last few years.

There will be a continued increase in the Compliance Department workload for 2007-08 as a result of the incentive grant programs. There will be an expected 25% increase of inspections associated with the Carl Moyer Program. In addition, inspection of

sources subject to Rule 9510 (Indirect Source Review) is expected to increase significantly.

There are currently 3,700 pieces of state registered equipment in the District, which is almost a 50% increase from a year ago. There could also be as many as 2,500 additional units as entities re-register equipment under ARB's revised portable equipment regulation. In addition, it is estimated there are many more unknown units that have not registered that will be discovered as District inspections and outreach occur. This large increase in the number of portable equipment units will significantly impact the inspection workload for Compliance in 2007-08.

Efficiency and Streamlining Measures

Meeting new mandates with existing staffing will require further streamlining of Compliance functions and continued improvements in efficiency. As part of our efforts to improve our inspection efficiency, the District embarked on an effort aimed at achieving a 15% reduction in inspection paperwork by the end of the 2006-07 fiscal year. For the last two years, forms were redesigned in anticipation of the long-term goal of implementing a computer-aided inspection system, with the new forms serving as the templates for the computerized forms. These efforts to reduce paperwork have resulted in a significant reduction in the number of hours spent on inspection paperwork in recent months.

One of the other keys to meeting the new and existing mandates with existing staffing levels will be the implementation and improvement of new technologies. New technologies being developed for the Compliance Department include: 1) a Field Activity Reporting system designed and implemented in 2006 will be improved with the implementation of PDAs; 2) a new assignment program designed to track assignment deadlines is expected to be implemented in late 2007; 3) enhancements to the Compliance Department intranet have given field staff better access to rules, policies, and forms; 4) the implementation of a Notice of Violation tracking program that will eliminate paperwork associated with documenting violations; and 5) an automated reporting and report handling system that will reduce paperwork for both the regulated sources and District staff.

The Department has continued to improve existing policies and added several new policies as needed to improve consistency and efficiency. Having more detailed policies give staff answers to most questions that arise and allow them to proceed quickly with tasks at hand. Detailed policies will also insure consistency among staff in all three regions. Better-trained inspectors will allow for improved inspections and better service to regulated sources. For this reason, the District will continue to provide staff with training that will improve their technical skills and customer service.

The STAR Program has been implemented in the Compliance Department, and there have been many suggestions from staff that have been incorporated into policies, procedures, inspection reports, and computer programs. Along these lines, an operational and time management study questionnaire has been filled out by staff and will be summarized and presented to staff. With this information and staff suggestions, additional efficiencies are expected to occur in the coming year.

By implementing an improved training and certification program for non-District testing contractors, District staff will be able to spend less time observing tests at gasoline dispensing facilities. The time saved will enable staff to keep up with the additional workload and enable inspectors to provide better training for facility owners and operators. We expect to be able to begin implementing these measures by July 1, 2007.

As in past years, temporary positions are being proposed to assist in some areas of responsibility until new technologies and efficiency measures that will eliminate the need for additional staffing have been fully implemented and evaluated. For 2007-08, temporary staffing will be increased by two office staff to assist with the review of Title V reports, data entry, and inspection preparation, which will free up field inspectors for the additional inspection workload.

To summarize, the following steps will be taken to assist stakeholders, further streamline the Compliance Department, and increase efficiency:

1. The use of the STAR Program to increase staff's involvement in improving the Compliance Program
2. Increase compliance assistance program through the following:
 - a. Additional compliance assistance bulletins
 - b. Continuing one-on-one assistance between stakeholders and compliance staff
 - c. Compliance's participation in Permit Streamlining Stakeholders Meeting
 - d. Working closely with other District departments to increase efficiency District-wide
 - e. Maintaining up to date policies on the Web for stakeholders
3. Additional policies will be completed and modified to insure consistency and efficiency
4. Inspection forms will be further evaluated for improvement
5. A workload study will be completed, evaluated, with suggested improvements implemented
6. Further use of office staff to handle office activities currently performed by field staff
7. Implementation of the GDF tester rule, which will free up staff to work in other areas where workload has increased and to increase compliance with Rules 4621 and 4622
8. Having field staff phone-in certain inspection findings to office staff who will enter the inspection findings electronically
9. The utilization of PDAs will reduce time necessary to complete reports and reduce time necessary to document activities
10. The implementation of an inspector activity report that will assist supervisors and staff in prioritizing work and completing work timely

SUMMARY OF POSITIONS

<u>Title</u>	<u>Current</u>	<u>Recommended</u>	<u>Increase/ Decrease</u>
Director of Compliance	1	1	0
Air Quality Compliance Manager	3	3	0
Supervising Air Quality Inspector	8	8	0
Senior Air Quality Inspector	13	13	0
Senior Air Quality Specialist	1	1	0
Air Quality Inspector I/II	42	42	0
Air Quality Specialist I/II	2	2	0
Air Quality Field Assistant	7	7	0
Air Quality Assistant	2	2	0
Senior Office Assistant	2	2	0
Office Assistant I/II	<u>2</u>	<u>2</u>	<u>0</u>
TOTAL	<u>83</u>	<u>83</u>	<u>0</u>

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
2007- 08 Recomended Budget
Compliance

ACCOUNT NUMBER	DESCRIPTION	2006-07		2007-08	
		ADJUSTED APPROPRIATIONS	RECOMMENDED	INCREASE (DECREASE)	
SALARIES AND BENEFITS					
6100	Regular Salaries	\$ 4,164,500	\$ 4,174,800	10,300	0%
6200	Temporary Help	215,900	283,300	67,400	31%
6270	On Call Pay	60,900	77,900	17,000	28%
6300	Overtime	45,800	49,000	3,200	7%
6350	Unemployment	18,800	18,800	-	0%
6400	Retirement	1,446,300	1,425,200	(21,100)	-1%
6500	OASDI	78,200	84,000	5,800	7%
6550	Workers Compensation	193,000	104,300	(88,700)	-46%
6600	Cafeteria Plan Benefits	575,500	585,800	10,300	2%
6700	Long-Term Disability Insurance	14,500	14,800	300	2%
6800	Alternate Transportation Incentive	20,100	37,800	17,700	88%
TOTAL SALARIES AND BENEFITS		\$ 6,833,500	\$ 6,855,700	22,200	0%
SERVICES AND SUPPLIES					
7020	Safety Supplies & Equipment	\$ 13,000	\$ 7,200	(5,800)	-45%
7039	Mobile Communications	84,800	83,900	(900)	-1%
7040	Telephone Charges	47,500	56,600	9,100	19%
7100	Insurance	-	-	-	0%
7205	Equipment Maintenance	37,600	43,900	6,300	17%
7210	Vehicle Maintenance & Operations	123,300	128,100	4,800	4%
7215	Computer Maintenance	11,800	20,300	8,500	72%
7220	Video Conferencing Maintenance & Operations	-	-	-	0%
7225	Building Maintenance & Operations	23,700	27,000	3,300	14%
7260	Office Supplies	29,800	33,900	4,100	14%
7264	Computer Software & Supplies	18,000	18,200	200	1%
7266	Monitoring Station Supplies & Equipment	-	-	-	0%
7268	Postage	19,500	24,500	5,000	26%
7270	Printing	11,700	11,300	(400)	-3%
7295	Professional & Specialized Services	36,500	122,300	85,800	235%
7325	Publications & Legal Notices	7,500	-	(7,500)	-100%
7340	Rents & Leases	153,700	120,300	(33,400)	-22%
7385	Small Tools & Equipment	15,600	16,600	1,000	6%
7400	Special District Expense	27,200	23,500	(3,700)	-14%
7415	Travel & Training	38,300	34,500	(3,800)	-10%
7417	Travel & Training - Boards	17,700	17,700	-	0%
7431	Utilities	26,100	37,400	11,300	43%
TOTAL SERVICES AND SUPPLIES		\$ 743,300	\$ 827,200	83,900	11%
FIXED ASSETS					
8202	Office Improvements	\$ -	\$ -	-	0%
8301	Computer Equipment	93,500	103,000	9,500	10%
8302	Office Furniture & Equipment	10,400	10,400	-	0%
8303	Office Machines	18,700	18,600	(100)	-1%
8305	Telephone Systems	5,500	41,200	35,700	649%
8307	Detection Equipment	22,600	20,200	(2,400)	-11%
8308	Automobiles	196,500	172,000	(24,500)	-12%
8309	Audio/Visual Equipment	-	-	-	0%
8314	Vehicle Radio Equipment	-	-	-	0%
8399	Smoke Management Program	-	-	-	0%
TOTAL FIXED ASSETS		\$ 347,200	\$ 365,400	18,200	5%
TOTAL CURRENT YEAR APPROPRIATIONS		\$ 7,924,000	\$ 8,048,300	\$ 124,300	2%

PERMIT SERVICES

FISCAL SUMMARY

	<u>Budgeted 2006-07</u>	<u>Recommended 2007-08</u>	<u>Increase/ (Decrease)</u>	
<u>Appropriations</u>				
Salaries and Benefits	8,700,400	8,380,800	(319,600)	-4%
Services and Supplies	589,700	497,200	(92,500)	-16%
Fixed Assets	<u>151,900</u>	<u>202,800</u>	<u>50,900</u>	<u>34%</u>
 Total	 <u>9,442,000</u>	 <u>9,080,800</u>	 <u>(361,200)</u>	 <u>-4%</u>
 <u>Position Summary</u>	 99	 95	 -4	

FUNCTION

As mandated by state and federal law, the District is charged with the primary responsibility for the permitting of stationary sources of air contaminants. To meet this responsibility, the Permit Services Department performs the following major functions:

Authorities to Construct and Permits to Operate

The permitting process involves two steps. The first step requires the applicant to submit project-specific information for evaluation in order for an Authority to Construct (ATC) permit to be issued. This process can be fairly lengthy and is critical because construction of new facilities or equipment, or modifications of existing equipment, may not legally proceed until this ATC is issued by the District. The second step, issuing the Permit to Operate, occurs after the applicant has installed the equipment as specified in the Authority to Construct and has demonstrated that it complies with District rules and regulations. Sources are aided in these steps through the District's Certification of Air Permitting Professionals (CAPP) program, our small business assistance offices, close coordination with various economic development organizations throughout the Valley, outreach at city and county building and planning agencies throughout the Valley, and continued cooperative permit streamlining efforts with regulated industries.

During the calendar year 2006, the District received 4,175 applications for Authorities to Construct. This represents an increase in ATC applications of about 50% over the past four years. Simultaneously to this increase in applications, we have reduced the average time it takes to issue ATCs from 70 days to 45 days and we are making progress towards our goal of 20-to-30-day average ATC processing times.

During this year, the District continued processing new permit applications from farm and dairy operations. We have issued over 3,000 Permits to Operate to over 400 existing large farms and dairies that emit in excess of one-half of the District's major source thresholds, and we received over 2,500 new applications in December and January from dairies and other confined animal feeding operations that must comply with the emissions reduction requirements of Rule 4570, Confined Animal Facilities.

Finally, in 2006 we finished the majority of the work associated with about 4,500 applications to bring units into the District permitting program that had been operating without required Permits to Operate. These units consisted of commodity fumigation operations, winery storage and fermentation tanks, and fugitive emissions sources at waste water treatment plants.

Federally Mandated Operating Permits (Title V)

In 1996, the District began full implementation of the Title V operating permits program, and the District has now issued Title V permits to 200 major sources of air pollution. Title V does not impose any new emission standards or any new controls on emissions. It does, however, prescribe numerous detailed administrative, monitoring, and reporting requirements that must be met when issuing, renewing, or revising permits. In general, these requirements expand public and EPA participation in the permitting process for the largest emitters of air contaminants in the District.

In 2006, we issued 29 new and renewal facility Title V permits, and processed 349 Title V permit modifications.

Conservation Management Practices Plans

The District implemented its Conservation Management Practices (CMP) plan program in 2004-05, and is now responsible for regulating and updating over 6,000 CMP plans designed to decrease dust emissions from agricultural operations on farms, dairies, and other confined animal operations.

Emission Reduction Banking

Permit Services is responsible for administering the District's Emission Reduction Credit (ERC) bank. The purpose of this bank is to allow sources to store emission reduction credits for later use as offsets where allowed by District, state, and federal rules and regulations. This mechanism also allows sources to transfer emission reduction credits to other sources for use as offsets. The administration of deposits, transfers, and withdrawals from the bank is accomplished through the filing of a banking application. The District reviews banking applications to ensure reductions are real, permanent, quantifiable, surplus, and enforceable as mandated by state and federal regulations. The District issued or transferred ownership of 311 ERCs in 2006.

Air Toxics Program

State and federal law mandate a number of requirements aimed at reducing the quantity and risk associated with hazardous (or toxic) air contaminants. Under state mandates, the District is required to enforce emission standards established by Air Toxics Control Measures (ATCMs). Additionally, the state's Air Toxics Hot Spots Act requires the District to

systematically inventory emissions of toxic air contaminants, assess the potential health risks to the public caused by toxic air emissions, notify the public of these potential health risks, and reduce the facility's risk to a level below significant. In 1990, amendments to the Federal Clean Air Act, Title III, required EPA to promulgate regulations for controlling toxic air contaminants, called Maximum Achievable Control Technology (MACT) standards. The District then must implement all MACT standards that apply to facilities within our jurisdiction.

The District's air toxics program, to the extent possible, integrates state and federal air toxics mandates and is designed to provide for cost effective implementation without duplication.

As a part of this integrated program, the District assesses the health risk associated with proposed increases in air toxic emissions through a Risk Management Review (RMR) process, and denies proposals that constitute a significant health risk. The District processed 912 RMRs in 2006.

Small Business Assistance

The District operates an effective Small Business Assistance (SBA) program to provide assistance to businesses that lack the resources or expertise needed to efficiently obtain air permits. District SBA engineers, who can be contacted by calling a District SBA hotline telephone number, provide expert advice on technology options, application processes, and other air issues.

District's BACT Clearinghouse

Best Available Control Technology (BACT) is a key requirement of the District's New and Modified Stationary Source Review rule, Rule 2201, which is applicable to new or modified stationary sources. The process for determining BACT for each new project involves complex technical and cost-effectiveness analyses. To assist applicants in selecting appropriate control technology for new and modified sources, and to assist staff in conducting the necessary analysis, the District actively maintains and updates a comprehensive BACT Clearinghouse.

The BACT Clearinghouse expedites the permitting process by minimizing the need for lengthy project-specific BACT determinations. It also aids new project proponents in designing new or expanding facilities by outlining air pollution control requirements early in the process.

Criteria Pollutants Emissions Inventory

Permit Services maintains the District's annual criteria pollutant inventory of emissions from stationary sources. The emissions inventory system contains data from two types of sources. One type is the Point Source inventory for which emissions data is maintained for specific permitted equipment. The other is the Area Source inventory which is made up of smaller sources that are grouped together and reported by source category. The process includes the gathering of raw data from facilities and other

information sources, calculating emissions, reporting of the emissions to the California Air Resources Board, and associated quality assurance work.

California Environmental Quality Act (CEQA) and Indirect Source Review (ISR)

The District's CEQA and ISR application processing responsibilities were transferred from the Planning Department to the Permit Services Department in September of 2006. This move accomplished two goals: it allowed the Planning Department to concentrate their efforts on the development of the eight-hour ozone and PM 2.5 plans, and the associated rules that are to be developed in the future; and it allowed the CEQA and ISR processes to benefit from the application processing efficiencies and streamlining that Permit Services has developed over the years. This mid-year adjustment added ten positions to the Permit Services budget, for a total of 99 budgeted positions at the close of the current budget year.

SIGNIFICANT IMPACTS TO 2007-08 BUDGET

The Recommended Budget includes the elimination of four permanent positions; one (1) Senior Air Quality Specialist, one (1) Air Quality Engineer, and two (2) Air Quality Specialists. These positions are currently vacant, so no layoffs are necessary. Two of the positions being cut (one (1) Specialist position and one (1) Senior Specialist position) are due to the District experiencing significantly less first-year ISR activity than was originally anticipated. This low activity level is due to the fact that the housing development market has experienced a significant downward correction in 2006-07. The other two proposed position cuts are not due to decreased workload, but due to known and anticipated permit application processing efficiency improvements as further streamlining efforts are implemented. As these measures are being implemented, temporary staffing will be used as necessary to handle short-term workload spikes and to assure the continuation of our traditionally high level of service.

New Workload

In addition to the normal permitting workload associated with new and modifying sources of air pollution, several District rules were adopted or amended in 2005 and 2006 that will require the receipt and processing of hundreds of additional permit applications, including Rule 4307, for small boilers and steam generators; Rule 4702, for internal combustion engines; and Rule 4694, for winery fermentation and storage tanks. In addition, rules for dairies and composting operations have been adopted. The impacts from these rules on Permit Services workload will continue to be felt in 2007-08, as equipment operators file applications to meet compliance deadlines.

In addition, the District developed the Permit-Exempt Equipment Registration (PEER) rule, Rule 2250, during 2006, and will be implementing this new program in 2007-08. While the PEER rule is designed to minimize the overall workload required to achieve the emissions reductions expected of permit-exempt equipment, there will be some start-up workload demands associated with the initial implementation – these start-up demands will impact the District in this coming budget year.

We expect to issue about 50 new Title V permits to existing agricultural operations that have emissions exceeding our major source emissions thresholds, increasing the total number of Title V facilities by as much as 20%. These labor intensive projects will be streamlined to the extent possible, but are expected to add significantly to the Department's workload for 2007-08.

Efficiency and Streamlining Measures

In order to effectively and efficiently handle this increased workload with decreasing staffing resources, Permit Services will continue our streamlining efforts. We will work closely with District stakeholders in our effort to find further gains in efficiency and productivity, and we anticipate implementing several additional streamlining initiatives from this process in the coming year. For instance, over the next several months we will be developing and implementing permit streamlining procedures for the agricultural community and the sand and gravel industry, and we expect to modify existing policies pertaining to expedited permit issuance for other emissions sources as we continue to work with the Stakeholders Permit Streamlining Group.

SUMMARY OF POSITIONS

<u>Title</u>	<u>Current</u>	<u>Recommended</u>	<u>Increase/ Decrease</u>
Director of Permit Services	1	1	0
Permit Services Manager	4	4	0
Supervising Air Quality Engineer	6	6	0
Senior Air Quality Engineer	12	12	0
Supervising Air Quality Specialist	3	3	0
Senior Air Quality Specialist	6	5	-1
Air Quality Engineer I/II	39	38	-1
Air Quality Specialist I/II	21	19	-2
Air Quality Technician I/II	2	2	0
Air Quality Assistant	1	1	0
Senior Office Assistant	1	1	0
Office Assistant I/II	<u>3</u>	<u>3</u>	<u>0</u>
TOTAL	<u>99</u>	<u>95</u>	<u>-4</u>

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
2007- 08 Recommended Budget
Permit Services

ACCOUNT NUMBER	DESCRIPTION	2006-07		2007-08	
		ADJUSTED APPROPRIATIONS	RECOMMENDED	INCREASE (DECREASE)	
SALARIES AND BENEFITS					
6100	Regular Salaries	\$ 5,627,600	\$ 5,506,300	(121,300)	-2%
6200	Temporary Help	115,300	44,500	(70,800)	-61%
6270	On Call Pay	-	-	-	0%
6300	Overtime	123,700	113,300	(10,400)	-8%
6350	Unemployment	22,400	21,600	(800)	-4%
6400	Retirement	1,926,600	1,790,900	(135,700)	-7%
6500	OASDI	92,200	84,600	(7,600)	-8%
6550	Workers Compensation	61,900	38,500	(23,400)	-38%
6600	Cafeteria Plan Benefits	686,600	718,300	31,700	5%
6700	Long-Term Disability Insurance	19,500	19,500	-	0%
6800	Alternate Transportation Incentive	24,600	43,300	18,700	76%
TOTAL SALARIES AND BENEFITS		\$ 8,700,400	\$ 8,380,800	(319,600)	-4%
SERVICES AND SUPPLIES					
7020	Safety Supplies & Equipment	\$ -	\$ -	-	0%
7039	Mobile Communications	2,600	3,300	700	27%
7040	Telephone Charges	16,200	15,900	(300)	-2%
7100	Insurance	-	-	-	0%
7205	Equipment Maintenance	40,800	40,500	(300)	-1%
7210	Vehicle Maintenance & Operations	-	-	-	0%
7215	Computer Maintenance	14,000	24,300	10,300	74%
7220	Video Conferencing Maintenance & Operations	-	-	-	0%
7225	Building Maintenance & Operations	49,800	51,500	1,700	3%
7260	Office Supplies	25,900	24,800	(1,100)	-4%
7264	Computer Software & Supplies	23,500	23,100	(400)	-2%
7266	Monitoring Station Supplies & Equipment	-	-	-	0%
7268	Postage	50,100	40,300	(9,800)	-20%
7270	Printing	10,800	11,100	300	3%
7295	Professional & Specialized Services	86,900	30,900	(56,000)	-64%
7325	Publications & Legal Notices	75,800	54,200	(21,600)	-28%
7340	Rents & Leases	94,500	79,600	(14,900)	-16%
7385	Small Tools & Equipment	17,300	16,900	(400)	-2%
7400	Special District Expense	3,900	4,700	800	21%
7415	Travel & Training	21,900	18,800	(3,100)	-14%
7417	Travel & Training - Boards	-	-	-	0%
7431	Utilities	55,700	57,300	1,600	3%
7480	Audit Services	-	-	-	0%
TOTAL SERVICES AND SUPPLIES		\$ 589,700	\$ 497,200	(92,500)	-16%
FIXED ASSETS					
8202	Office Improvements	\$ -	\$ -	-	0%
8301	Computer Equipment	110,800	119,200	8,400	8%
8302	Office Furniture & Equipment	12,400	12,400	-	0%
8303	Office Machines	22,200	22,100	(100)	0%
8305	Telephone Systems	6,500	49,100	42,600	655%
8307	Detection Equipment	-	-	-	0%
8308	Automobiles	-	-	-	0%
8309	Audio/Visual Equipment	-	-	-	0%
8314	Vehicle Radio Equipment	-	-	-	0%
8316	Video Conferencing System	-	-	-	0%
8325	Air Monitoring Station Equipment	-	-	-	0%
TOTAL FIXED ASSETS		\$ 151,900	\$ 202,800	50,900	34%
TOTAL CURRENT YEAR APPROPRIATIONS		\$ 9,442,000	\$ 9,080,800	\$ (361,200)	-4%

coordinating efforts with Valley transportation planning agencies, stakeholders, and EPA. The District develops its air quality plans in an open public process, and air quality plans are presented to the Governing Board for approval. After Governing Board approval, the District submits its air quality plans to ARB, who in turn approves and transmits the plans to EPA for incorporation in the State Implementation Plan. Even after plans are adopted by the Governing Board, District staff expend significant effort responding to requests from EPA for supporting information. Air quality plans have recently been the subject of citizen lawsuits, which results in additional staff effort.

Air Quality Modeling and Analysis

Air quality modeling uses sophisticated computer applications, supercomputer hardware, and extremely large databases, to predict ambient pollution concentrations given various emission inventory scenarios and meteorological conditions. These models bring together the science of emissions generation, transport, and chemical alteration into a computer package that can be applied in the San Joaquin Valley and more broadly in Central California. Many of the inputs and formulations in these models have been derived from data collected for the San Joaquin Valleywide Air Pollution Study Agency.

In a general context, air quality modeling activities are fundamental to understanding the San Joaquin Valley's perplexing air quality problems. The Planning Department provides technical support for the San Joaquin Valleywide Air Pollution Study Agency, which is responsible for coordinating basic research on air pollution in the Valley. District staff collaborates extensively with modelers from ARB, industry, academia, and other air districts on modeling projects. In particular, Planning Department staff have worked extensively with ARB on air quality analysis and modeling to better characterize pollution transport from upwind air basins.

In the context of the District's air quality plans, modeling is necessary to provide estimates for the quantities of emission reductions necessary to attain the federal air quality standards. These models are also highly valuable for estimating the contribution of ozone and PM precursor emissions from outside the District. District modelers work closely with ARB staff to prepare the required modeling for the District's air quality plans. While ARB has considerably more modeling resources, the District does have the in-house capability to conduct detailed reviews of ARB's modeling results and to simulate gross cuts in the emissions inventory to provide rough approximations of reductions needed for attainment using the same modeling systems as ARB and other air districts.

Rulemaking

The District develops rules and rule amendments to achieve emission reductions pursuant to its air quality attainment plans. In developing new and amended rules, District staff implements the Governing Board-approved Rule Development Procedures, as well as state laws regarding public hearings and economic analysis. During the development of each rule, staff works closely with ARB and EPA to satisfy state and federal requirements, and solicits stakeholder comments at public workshops. On rulemaking projects that implement Best Available Retrofit Control Technology (BARCT) as required in ozone plans

and Best Available Control Measures (BACM) as required in particulate matter plans, staff collaborate closely with industry focus groups to gain a better understanding of regulatory economic impacts. Staff develop industry-wide cost estimates and provide this data to an economic consultant, who in turn prepares a regional economic impact analysis. As a result of the time needed for the public review process and the mandatory economic analysis, major rule development projects may take as long as two years to complete in order to produce rules that meet the District's air quality goals and provide cost-effective compliance options for affected businesses.

Air Quality Forecasting

The Planning Department supports other District programs by providing daily Air Quality Index (AQI) forecasts, Spare the Air and health advisory forecasts, forecasts for the episodic curtailment provisions of Rule 4901 (Wood Burning Fireplaces and Wood Burning Heaters), and smoke management decisions for agricultural and prescribed burns. AQI reporting and forecasting is required by EPA. Each day District staff analyze forecasted weather conditions using state of the art tools, such as the National Weather Service models, District-owned radar profilers, and District-customized small-scale weather and statistical models. These tools are then used to provide the public with AQI, agricultural, and prescribed burn forecasts. The District's Smoke Management Program is designed to minimize impacts of smoke on public health while addressing the open burn needs of agricultural operators and land managers. Staff continuously work on improvements of its forecasting tools supporting the burn allocation program and other forecast-dependent programs. Implementation of the mandatory burn curtailment provisions in Rule 4901 and the Smoke Management Program has raised the importance of accurate and timely air quality forecasts.

Air Monitoring

The District and ARB share joint responsibility for ambient air monitoring of criteria air pollutants in the San Joaquin Valley. The Planning Department's air quality instrument technicians maintain and operate 19 ambient air-monitoring stations. Two of these stations are jointly operated with ARB. Pollutants monitored include ozone, PM10 and PM2.5, nitrogen oxides, hydrocarbons, and carbon monoxide. In addition to the routine monitoring, the District operates a network of six Photochemical Air Monitoring System (PAMS) stations and two atmospheric wind and temperature profilers that provide for enhanced forecasting and modeling.

Information gathered from the District's monitoring stations is reviewed and quality assured by District staff and then transmitted to EPA, where it becomes part of the public record. Air quality data is used to determine the District's progress toward achieving the state and federal air quality standards, to assess the benefits of control strategies, and to document air quality trends over long periods of time. Real-time air monitoring data is also used in daily air quality forecasts and Smoke Management Program forecasts.

SIGNIFICANT IMPACTS TO 2007-08 BUDGET

Federal mandates for developing air quality plans, monitoring to address new air quality standards, the need to continue to issue daily air quality forecasts and refine the forecasting system, and the need to fulfill rulemaking commitments in District plans, will result in a significant workload increase for the District's Planning Department in 2007-08. Streamlining current processes and increasing the capacity of current staff will allow the Planning Department to meet the 2007-08 workload increase with an increase in staffing by one position in the Air Monitoring Section.

New Workload

During 2007-08, the Planning Department will be actively working on the PM2.5 Attainment Demonstration Plan that is due to EPA by April 5, 2008. All plan development projects require extensive research and outreach to develop emission control strategies and model runs sufficient to attain the standards as expeditiously as practical. It is also likely the Planning Department will need to revise the 2003 PM10 Plan to respond to ARB and EPA requests related to plan contents, and to address other issues such as transportation conformity. The Planning Department will also be coordinating the implementation of the 2007 Ozone Plan by developing new regulations and innovative control strategies, as well as providing any necessary follow-up documentation to EPA. The Department will also prepare a California Clean Air Act Annual Progress Report and a new emission reduction progress report in the spring of 2008.

District staff will also need to provide significant technical support for the final phases of the Central California Ozone Study, the California Regional Particulate Air Quality Study, and the workgroups developing the data analyses and modeling for the SIPs. EPA's finding of PM10 attainment for San Joaquin Valley Air Basin requires that the District very provide additional supporting information and analysis. In light of the December 2006 Washington D.C. Circuit Court of Appeals ruling, EPA may also require the District to produce administrative clarifications, reports, and analyses to document implementation of the federal one-hour ozone ambient air quality standard. Staff will also begin the process of identifying the most appropriate locations for additional monitoring sites to comply with new federal PM standards and monitoring regulations. The District will also be conducting analysis directed toward improving the forecasting tools to reflect the ongoing improvements in Valley air quality.

Planning staff are committed to adopt or amend another 22 rules in 2007-08, as listed in the 2007 Ozone Plan. Staff will begin work on another five rules, and will need to accommodate other unforeseen projects that may be mandated by new state laws or requested by stakeholders. The rules required by the 2007 Ozone Plan include emission controls for gas turbines; cleaning solvents; fuel transfer and storage; foam products manufacturing; soil decontamination; and industrial and commercial boilers. Staff will begin three major feasibility studies that could lead to future rule development projects for prescribed and hazard reduction burns and heavy crude oil and sumps. During this period staff will also investigate two significant incentive programs for internal combustion

engines and open burning that could result in additional reductions not possible with traditional command and control rules.

The District recently completed the installation of several significant new monitoring instruments and is continuing the construction of a new monitoring site near Tranquillity in western Fresno County. Although current monitoring assets fully occupy the current staffing level, population growth, new monitoring regulations, and new air quality standards necessitate several additional pieces of monitoring equipment. Specifically, federal regulations require a new ozone monitoring site in Tulare County, a new PM10 monitor in Madera county, and PM2.5 monitors in San Joaquin County and Stanislaus County. The Recommended Budget includes appropriations for one additional Air Quality Instrument Technician I/II to support the significant increase in air monitoring workload.

Rather than add staff to carry out two short-term, major projects, funds are appropriated in the Recommended Budget to engage qualified contractors to complete the work. The first project is a comprehensive technical assessment of the District's air-monitoring network. The assessment must be submitted to EPA in June 2009, therefore work needs to begin during Budget Year 2007-08. In addition to reviewing the monitoring network as a whole, this assessment will evaluate each monitoring site to assess compliance with all federal requirements, make sure they are located correctly for their stated purpose, and determine whether any monitors should be moved to better serve the public. The second project is an analysis of speciated ambient hydrocarbon data that has been collected for over ten years at Valley PAMS stations. The data will be evaluated for trends and will examine specific compounds in detail, in order to enhance the accuracy of the Emission Inventory, photochemical modeling, and attainment plans. This work will be funded with monies from the EPA 105 grant.

Efficiency and Streamlining Measures

Planning will continue to refine its procedures for rule and plan workshops while still providing ample opportunity for public review. Streamlining measures will involve more utilization of video-teleconferencing technology to avoid time-consuming travel to sparsely attended workshops. Staff will continue to present major topics in-person and utilize the District's current VTC facilities for meetings of lesser consequence. Additionally, staff will continue to prudently limit the number of identical workshops presented in each phase of the public review process. In order to better reach stakeholders in the Valley's environmental and community groups, Department staff provide plan workshop sessions at regularly scheduled meetings of the environmental/community groups. This has reduced the need to hold separate community workshops at night, while offering the potential for enhanced communication with stakeholders.

The Planning Department is also continuing its process of reviewing and updating all departmental procedures with the objective of having them all critically reviewed, and updated if necessary, every two years. This ongoing effort will also identify any procedures that need to be newly documented. Weekly staff meetings are the forum for refresher training on current Department policies and procedures.

As Internet connections improve and reach more sectors of the community, the District has observed the need for printing and mailing large documents, such as rules and plans, decrease over time. Although the Planning Department recently started publishing large documents on CD-ROMs, many stakeholders are downloading documents directly from the District's website. This means of obtaining the documents has become widely accepted by stakeholders, and reduces the up-front printing, postage and administrative staff time costs or the District. In addition, the District now notifies stakeholders of workshops, hearings, and other advisories, via e-mail. The e-mail notifications contain a hyperlink to the District web page for that event or project, and users are encouraged to download documents from the web page. The e-mail notifications have the potential for virtually eliminating mailing and printing costs and staff processing time.

Several current and future streamlining initiatives in the Planning Department leverage computer automation and technology improvements to replace tasks currently or previously performed by staff. Forecasting staff has developed and implemented several automated modules in their daily AQI and burn allocation routines that have significantly reduced the time spent on those tasks. Air monitoring staff are in the process of replacing filter-based particulate matter monitors, which are labor-intensive, with real-time, automated monitors, where appropriate. Air monitoring staff continue their effort of modernizing the air monitoring network to allow remote calibration and diagnostics, and utilizing equipment with longer maintenance intervals, significantly decreasing the number of trips to the outlying monitoring stations. Air monitoring staff are also being equipped with laptop computers that will allow them to perform needed diagnostics and maintenance from wherever they happen to be in the field, thus significantly eliminating trips and reducing their travel time.

SUMMARY OF POSITIONS

<u>Title</u>	<u>Current</u>	<u>Recommended</u>	<u>Increase/ Decrease</u>
Director of Planning	1	1	0
Air Quality Planning Manager	2	2	0
Supervising Air Quality Engineer	1	1	0
Supervising Air Quality Planner	1	1	0
Supervising Air Quality Specialist	1	1	0
Supervising Air Quality Instrument Technician	1	1	0
Senior Air Quality Engineer	1	1	0
Senior Air Quality Specialist	1	1	0
Senior Air Quality Instrument Technician	1	1	0
Air Quality Project Planner	4	4	0
Air Quality Engineer I/II	3	3	0
Air Quality Specialist I/II	10	10	0
Air Quality Instrument Technician I/II	5	6	+1
Senior Office Assistant	1	1	0
Office Assistant I/II	<u>2</u>	<u>2</u>	0
TOTAL	<u>35</u>	<u>36</u>	<u>+1</u>

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
2007- 08 Recommended Budget
Planning

ACCOUNT NUMBER	DESCRIPTION	2006-07		2007-08	
		ADJUSTED APPROPRIATIONS	RECOMMENDED	INCREASE (DECREASE)	
SALARIES AND BENEFITS					
6100	Regular Salaries	\$ 1,866,700	\$ 1,892,100	25,400	1%
6200	Temporary Help	10,700	11,200	500	5%
6270	On Call Pay	-	-	-	0%
6300	Overtime	36,400	37,800	1,400	4%
6350	Unemployment	8,000	8,300	300	4%
6400	Retirement	644,600	614,700	(29,900)	-5%
6500	OASDI	28,500	28,600	100	0%
6550	Workers Compensation	33,000	20,200	(12,800)	-39%
6600	Cafeteria Plan Benefits	246,000	244,300	(1,700)	-1%
6700	Long-Term Disability Insurance	6,600	7,100	500	8%
6800	Alternate Transportation Incentive	8,600	16,700	8,100	94%
TOTAL SALARIES AND BENEFITS		\$ 2,889,100	\$ 2,881,000	(8,100)	0%
SERVICES AND SUPPLIES					
7020	Safety Supplies & Equipment	\$ 2,900	\$ 3,100	200	7%
7039	Mobile Communications	8,100	8,200	100	1%
7040	Telephone Charges	10,500	11,400	900	9%
7100	Insurance	-	300	300	0%
7205	Equipment Maintenance	17,100	16,600	(500)	-3%
7210	Vehicle Maintenance & Operations	19,400	25,100	5,700	29%
7215	Computer Maintenance	44,700	45,500	800	2%
7220	Video Conferencing Maintenance & Operations	-	-	-	0%
7225	Building Maintenance & Operations	24,100	24,300	200	1%
7260	Office Supplies	15,200	11,700	(3,500)	-23%
7264	Computer Software & Supplies	12,300	11,700	(600)	-5%
7266	Monitoring Station Supplies & Equipment	80,200	88,200	8,000	10%
7268	Postage	45,000	47,700	2,700	6%
7270	Printing	11,500	9,100	(2,400)	-21%
7295	Professional & Specialized Services	445,400	442,900	(2,500)	-1%
7325	Publications & Legal Notices	57,400	61,400	4,000	7%
7340	Rents & Leases	25,700	26,600	900	4%
7385	Small Tools & Equipment	6,500	8,200	1,700	26%
7400	Special District Expense	3,400	3,100	(300)	-9%
7415	Travel & Training	14,800	11,800	(3,000)	-20%
7417	Travel & Training - Boards	-	-	-	0%
7431	Utilities	49,900	54,300	4,400	9%
7480	Audit Services	-	-	-	0%
TOTAL SERVICES AND SUPPLIES		\$ 894,100	\$ 911,200	17,100	2%
FIXED ASSETS					
8202	Office Improvements	\$ -	\$ -	-	0%
8301	Computer Equipment	82,100	90,200	8,100	10%
8302	Office Furniture & Equipment	4,500	7,000	2,500	56%
8303	Office Machines	7,900	7,900	-	0%
8305	Telephone Systems	2,300	17,400	15,100	657%
8307	Detection Equipment	-	-	-	0%
8308	Automobiles	64,000	50,000	(14,000)	-22%
8309	Audio/Visual Equipment	-	-	-	0%
8313	Safety Equipment	7,800	-	(7,800)	-100%
8314	Vehicle Radio Equipment	-	-	-	0%
8316	Video Conferencing System	-	-	-	0%
8325	Air Monitoring Station Equipment	396,500	227,500	(169,000)	-43%
TOTAL FIXED ASSETS		\$ 565,100	\$ 400,000	(165,100)	-29%
TOTAL CURRENT YEAR APPROPRIATIONS		\$ 4,348,300	\$ 4,192,200	\$ (156,100)	-4%

EMISSION REDUCTION INCENTIVE PROGRAM

FISCAL SUMMARY

	<u>Budgeted 2006-07</u>	<u>Recommended 2007-08</u>	<u>Increase/ (Decrease)</u>	
<u>Appropriations</u>				
Salaries and Benefits	1,156,100	1,139,400	(16,700)	-1%
Services and Supplies	267,200	131,100	(136,100)	-51%
Fixed Assets	<u>36,500</u>	<u>28,400</u>	<u>(8,100)</u>	<u>-22%</u>
 Total	 <u>1,459,800</u>	 <u>1,298,900</u>	 <u>(160,900)</u>	 <u>-11%</u>

<u>Position Summary</u>	14	14
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FUNCTION

The Emission Reduction Incentive Program (ERIP) is responsible for the development, implementation, and on-going administration of all District incentive programs, including the Heavy-Duty Engine Emission Reduction Incentive Program (Heavy-Duty Engine Program) and the *REduce MOtor Vehicle Emissions II* (REMOVE II) Program. These programs provide a positive impact on air quality and are highly successful due to the fact that participation is voluntary and all emission reductions are surplus.

Heavy Duty Engine Program

The Heavy-Duty Engine Program is by far the District's largest and most successful incentive program. The Heavy-Duty Engine Program accepts applications for a wide variety of engines that power vehicles or equipment. Heavy-duty trucks, buses, and heavy-duty off-road engines are significant sources of nitrogen oxides (NOx) emissions within the San Joaquin Valley. Although the District does not have the authority to regulate vehicle tailpipe emissions, it can provide monetary incentives to reduce emissions from these sources. The program provides funding for new purchases, engine repowers, or retrofits. Emission reductions are obtained when the project applicant purchases vehicles and engines that are cleaner than required by current emission standards or installs an emission certified retrofit kit on an existing engine. Project types funded in the past include, but are not limited to: on-road vehicles, locomotives, off-road vehicles and equipment (construction, etc.), agricultural irrigation pump engines, alternative fuel infrastructure, forklifts, and engine idle reduction technology.

During the first six months of 2006-07, the District obligated almost \$40 million in incentive funds for over 934 engines/vehicles. While continuing with the traditional projects, the

District will also focus on funding large-scale projects, such as school bus replacements and retrofits, locomotives, large off-road and on-road fleets during 2007-08.

Lower Emission School Bus Program: A new component of the Heavy-Duty Engine Program is the Lower Emission School Bus Program. The program was created to reduce school children's exposure to cancer-causing and smog-forming pollution. By reducing exhaust emissions from old diesel school buses, the risk to our most sensitive groups (children and elderly) will be greatly reduced. Any California public school district that owns and operates school buses in the San Joaquin Valley Air Basin, or any Joint Powers Authority (JPA) that directly provides transportation services to public school districts, is eligible to apply for funds. The School Bus Replacement Program offers incentive funding for the replacement of specific old, high-emitting diesel school buses with new emission certified buses. Additional funding from State Proposition 1B is anticipated to be allocated to this program during 2007-08. Approximately \$200 million will be available statewide for new school bus purchases and retrofits.

REMOVE II Program

The REMOVE II Program provides incentives for specific projects that will reduce motor vehicle emissions within the District. The purpose of the REMOVE II Program is to assist the District in satisfying the requirements of the California Clean Air Act. This is accomplished by allocating funds to cost-effective projects that have the greatest motor vehicle emission reductions resulting in long-term impacts on air pollution problems in the San Joaquin Valley. All projects must have a direct air quality benefit to the District. Eligible project types include E-mobility (video-telecommunications), light- and medium-duty vehicle purchase, bicycle infrastructure, alternative fuel vehicle mechanics training, public transportation and commuter vanpool subsidies.

During the first six months of 2006-07, the District provided over \$400,000 in incentive funds for 49 REMOVE II projects. It is anticipated that two new components may be developed and implemented during 2007-08: Traffic Management (signal synchronization) and Particulate Matter Reduction (road/shoulder paving).

Gross Polluting Vehicle Replacement Program: A new component of the REMOVE II Program is the Gross Polluting Vehicle Replacement Program. This new and innovative program will provide funds to encourage the early retirement of the highest polluting light-duty vehicles on the San Joaquin Valley's roads. The State Bureau of Automotive Repair currently has a statewide program that encourages the early retirement of vehicles that fail their smog check.

The District's Gross Polluting Vehicle Replacement Program will become fully operational during 2007-08, with \$2 million being allocated to permanently remove approximately 600 high polluting vehicles from the road.

Smoking Vehicle Program

The ERIP Department also administers the District's Smoking Vehicle Program; a voluntary compliance program intended to make people aware that their vehicle had been witnessed emitting excessive smoke and pollutants. Anonymous reports are received by the District's

Smoking Vehicle telephone hotline, website, or through regular mail. Owners of the reported smoking vehicles are contacted via letter informing them that their vehicles were seen emitting excessive smoke, along with information on ways they could repair their vehicles. During the first six months of 2006-07, 467 smoking vehicle reports were received.

SIGNIFICANT IMPACTS TO 2007-08 BUDGET

The workload of the ERIP Department has increased significantly over the past few years, with the expansion of the District's incentive programs and increases in available funding.

New Workload

It is anticipated that new components will be created and implemented through the District's incentive programs, including various incentive control measures identified in the 2007 Ozone Plan. New SIP protocols and enhanced reporting for the incentive programs will also need to be established during this process.

The Air Resources Board (ARB) is currently in the process of updating the Carl Moyer Program Guidelines. The updates will necessitate revisions to the District's existing incentive program and may result in the creation of new program components. These tasks may require substantial staff resources to accomplish.

The District has entered into several Voluntary Air Quality Mitigation Agreements to mitigate the increased emissions from development projects in the San Joaquin Valley. Funding from these agreements is utilized in the District's incentive programs to fund qualifying emission reduction projects. These agreements have resulted in an increase in project submissions that have added substantially to the workload of the ERIP Department. A significant amount of Indirect Source Review (ISR) revenue may also become available during 2007-08. The addition of ISR revenue will impact the ERIP workload with increased application processing, contract administration, grant tracking requirements, grant payments, and program development for new and modified components that may need to be expanded as this new revenue source becomes available.

It is important to note that several sources of incentive funds include provisions for a portion of the funds to be used for administration support. These administrative funds are adequate to fully support the ERIP Department with no impact to stationary source fees.

Efficiency and Streamlining Measures

Timeliness in the evaluation of incentive applications and payment of claims is imperative to allow the District to obtain much needed emission reductions within mandated state and federal timelines. Applicants expect quick turnaround times on their completed applications in order to install the new reduced-emission technologies in a timely manner. Failure to expend funds within specified time frames may result in the loss and return of unused funds. District staff has implemented several operational efficiencies to expedite the

application and contract process and will continually look for opportunities to streamline this process.

The ERIP Department is finalizing new policies and procedures to improve consistency and efficiency within the incentive programs. Having detailed policies will provide staff with answers to most common questions that arise and will allow them to proceed quickly with their various tasks. Additionally, well-trained staff will allow for improved operational efficiency and better customer service. The District will continue to provide staff with enhanced training opportunities to improve their technical skills and customer service. The District is also in the process of creating a comprehensive database that will link the Finance, Planning, Compliance, Permits and ERIP Departments to increase the coordination and speed in processing incentive program applications.

SUMMARY OF PERMANENT POSITIONS

<u>Title</u>	<u>Current</u>	<u>Recommended</u>	<u>Increase/ Decrease</u>
Program Manager	1	1	0
Supervising Air Quality Specialist	1	1	0
Senior Air Quality Specialist	3	3	0
Air Quality Specialist I/II	6	6	0
Staff Technician I/II	2	2	0
Air Quality Assistant	<u>1</u>	<u>1</u>	<u>0</u>
TOTAL	<u>14</u>	<u>14</u>	<u>0</u>

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
2007- 08 Recommended Budget
Emission Reduction Incentive Program

ACCOUNT NUMBER	DESCRIPTION	2006-07		2007-08	
		ADJUSTED APPROPRIATIONS	RECOMMENDED	INCREASE (DECREASE)	
SALARIES AND BENEFITS					
6100	Regular Salaries	\$ 659,700	\$ 680,200	20,500	3%
6200	Temporary Help	115,800	84,300	(31,500)	-27%
6270	On Call Pay	-	-	-	0%
6300	Overtime	16,300	17,000	700	4%
6350	Unemployment	3,200	3,200	-	0%
6400	Retirement	231,000	224,400	(6,600)	-3%
6500	OASDI	18,600	16,500	(2,100)	-11%
6550	Workers Compensation	8,400	5,300	(3,100)	-37%
6600	Cafeteria Plan Benefits	97,400	99,700	2,300	2%
6700	Long-Term Disability Insurance	2,300	2,400	100	4%
6800	Alternate Transportation Incentive	3,400	6,400	3,000	88%
TOTAL SALARIES AND BENEFITS		\$ 1,156,100	\$ 1,139,400	(16,700)	-1%
SERVICES AND SUPPLIES					
7020	Safety Supplies & Equipment	\$ -	\$ -	-	0%
7039	Mobile Communications	900	800	(100)	-11%
7040	Telephone Charges	2,400	2,800	400	17%
7100	Insurance	-	-	-	0%
7205	Equipment Maintenance	6,300	6,300	-	0%
7210	Vehicle Maintenance & Operations	-	-	-	0%
7215	Computer Maintenance	2,000	3,400	1,400	70%
7220	Video Conferencing Maintenance & Operations	-	-	-	0%
7225	Building Maintenance & Operations	10,200	10,200	-	0%
7260	Office Supplies	4,700	7,000	2,300	49%
7264	Computer Software & Supplies	3,100	3,100	-	0%
7266	Monitoring Station Supplies & Equipment	-	-	-	0%
7268	Postage	4,900	7,000	2,100	43%
7270	Printing	1,200	1,300	100	8%
7295	Professional & Specialized Services	211,100	73,100	(138,000)	-65%
7325	Publications & Legal Notices	-	-	-	0%
7340	Rents & Leases	-	-	-	0%
7385	Small Tools & Equipment	5,500	2,700	(2,800)	-51%
7400	Special District Expense	1,000	1,000	-	0%
7415	Travel & Training	2,500	2,300	(200)	-8%
7417	Travel & Training - Boards	-	-	-	0%
7431	Utilities	11,400	10,100	(1,300)	-11%
7480	Audit Services	-	-	-	0%
TOTAL SERVICES AND SUPPLIES		\$ 267,200	\$ 131,100	(136,100)	-51%
FIXED ASSETS					
8202	Office Improvements	\$ -	\$ -	-	0%
8301	Computer Equipment	23,200	16,600	(6,600)	-28%
8302	Office Furniture & Equipment	9,300	1,800	(7,500)	-81%
8303	Office Machines	3,100	3,100	-	0%
8305	Telephone Systems	900	6,900	6,000	667%
8307	Detection Equipment	-	-	-	0%
8308	Automobiles	-	-	-	0%
8309	Audio/Visual Equipment	-	-	-	0%
8316	Video Conferencing System	-	-	-	0%
8325	Air Monitoring Station Equipment	-	-	-	0%
TOTAL FIXED ASSETS		\$ 36,500	\$ 28,400	(8,100)	-22%
TOTAL CURRENT YEAR APPROPRIATIONS		\$ 1,459,800	\$ 1,298,900	\$ (160,900)	-11%

Non-Operating Budget

NON-OPERATING BUDGET

FISCAL SUMMARY

	<u>Budgeted 2006-07</u>	<u>Recommended 2007-08</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
<u>Appropriations</u>				
Other Charges	58,451,200	41,401,200	(17,050,000)	-29%
Approp. for Contingencies	<u>295,200</u>	<u>850,000</u>	<u>554,800</u>	<u>188%</u>
Total	<u>58,746,400</u>	<u>42,251,200</u>	<u>(16,495,200)</u>	<u>-28%</u>

FUNCTION

This budget unit has been established for those expenditures that are not related to the internal operations of the District and/or are not attributable to any specific program. For 2007-08, this budget unit contains the Air Toxics pass-through account, the Dairy CEQA pass-through account, the EPA 103 Grant for Operation Clean Air, the contribution for the San Joaquin Valleywide Air Pollution Study Agency, Emission Reduction Incentive Program grant funds, and the Appropriation for Contingencies account. Descriptions for each account, along with explanations for any significant changes for 2007-08, are included below.

OTHER CHARGES

Air Toxics - Pass Through

This appropriation represents that portion of the Toxic Hot Spots fees collected by the District on behalf of the state and is intended to reimburse the California Air Resources Board (ARB) and the Office of Environmental Health & Hazard Assessment (OEHHA) for their share of the costs associated with this program. These fees are forwarded to the state only after the cost of the District's program has been recovered. The recommended appropriation of \$36,000 is based on an estimate provided by OEHHA

Dairy CEQA – Pass Through

For new dairies in counties without a project-level environmental review process, the District requires proposed dairy owners to pay consultant costs for preparation of all required California Environmental Quality Act (CEQA) documents. The District collects monies from the dairy owners and disburses them to the consultant after the CEQA documents have been reviewed by District staff.

EPA 103 Grant – Operation Clean Air

The District’s budget includes \$200,000 in federal EPA 103 grant funds for Operation Clean Air (OCA). OCA obtained these grants through the congressional earmark process. The grants provide funding for a public education program, and for a wood stove change-out program. The District is administering the grants, and is acting as a pass through agency.

DMV Surcharge Fees - Study Agency Contribution

This appropriation represents the District’s 2007-08 contribution to the San Joaquin Valleywide Air Pollution Study Agency research funds. Appropriations to the Study Agency support research on ozone and particulate matter through extension and completion of the CRPAQS and CCOS studies, as well as supporting research on central California agricultural air pollution issues, assessment of technical issues regarding air pollution and meteorological monitoring within the District and development to support SIP modeling. The recommended appropriation of \$100,000 is the twelfth consecutive annual contribution made by the District to the Study Agency for a total of \$6,750,000.

Emission Reduction Incentive Program Grants

The 2007-08 Recommended Budget includes \$40,365,200 of appropriations for Emission Reduction Incentive Program grants. This is a reduction of approximately \$17 million dollars from 2006-07, which can be primarily attributed to two factors. First, the 2006-07 appropriations included \$8,650,000 of Winery Mitigation Program funds which did not materialize because the wineries chose to mitigate their emissions with their own emission reduction projects, as allowed by the District’s winery rule. Secondly, the appropriations for the Indirect Source Review Program have been reduced by about \$7.4 million to reflect a downturn in development projects in the Valley and more accurate estimates by the District. The following is a breakdown of the 2007-08 appropriations:

• Indirect Source Review Program	\$17,563,100
• DMV Surcharge Fees	\$11,114,300
• Carl Moyer Program	\$11,442,300
• Miscellaneous/ Interest	<u>\$ 245,500</u>
Total Incentive Grants	<u>\$40,365,200</u>

Indirect Source Review (ISR) Program

This appropriation represents the estimate for incentive grant revenue generated in 2007-08 as the result of the District’s ISR Rule and voluntary development mitigation agreements. These funds will be provided by residential and commercial development projects to offset emissions associated with these projects. ISR Program funds will be utilized for quantifiable and enforceable projects that reduce surplus emissions of NOx and PM. As stated above, the estimate for 2007-08 has been reduced to reflect the current economic forecasts for development projects in the Valley.

DMV Surcharge Fees

This appropriation represents the total estimate for DMV Surcharge Fee revenue available in 2007-08 for incentive grants. There are three distinct sources of DMV Surcharge Fees as follows:

• AB2766	\$4 per vehicle	\$ 1,550,000
• AB923	\$2 per vehicle	\$ 6,084,400
• SB709	\$1 per vehicle	<u>\$ 3,479,900</u>
	Total DMV Surcharge Fees	<u>\$11,114,300</u>

Depending on the source of the DMV Surcharge Fee revenue, the restrictions included with the enabling legislation, and the types of grant applications received by the District, these funds can be used in either the Heavy-Duty or REMOVE II programs.

Carl Moyer Program

This appropriation is based on the annual state allocation of Carl Moyer Program funds and these funds are used predominantly in the Heavy-Duty Program and the Voluntary Accelerated Vehicle Retirement program (car crushing program). These funds must be granted in strict accordance with guidelines adopted by the Air Resources Board.

Winery Mitigation Program

The 2006-07 Adopted Budget included an appropriation of \$8,650,000, which represented the estimate for incentive grant funds generated as the result of the District's Rule 4694 – Wine Fermentation & Storage Tanks. Rule 4694 gives wineries the choice of mitigating their volatile organic compound emissions from the fermentation & storage tanks with their own emission reduction projects, or paying mitigation fees to the District to be used to offset these emissions through the District's incentive grant programs. The wineries chose to mitigate their emissions onsite. Therefore, the mitigation funds estimated for 2006-07 did not materialize, and the 2007-08 Recommended Budget does not include any appropriations for these funds.

APPROPRIATION FOR CONTINGENCIES

The purpose of the Appropriation for Contingencies Account is to provide a prudent safety net should the District encounter a reduction in revenue or an increase in expenditures caused by state or federal actions, or other unforeseen circumstances. The recommended appropriation for this account for 2007-08 is \$850,000, the same as recommended and adopted for 2006-07. The difference of \$554,800 between the 2006-07 Adjusted Budget and the 2007-08 Recommended Budget is the result of a transfer of that amount from the Appropriation for Contingencies account during 2006-07. This transfer was approved by the Governing Board primarily to address an unanticipated increase in retirement contribution rates.

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
2007- 08 Recommended Budget
Non-Operating

ACCOUNT NUMBER	DESCRIPTION	2006-07 ADJUSTED APPROPRIATIONS	2007-08 RECOMMENDED	INCREASE (DECREASE)
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NON-OPERATING APPROPRIATIONS				
OTHER CHARGES				
9100-01	Air Toxic Pass Through	36,000	36,000	-
9100-10	Dairy CEQA - Pass Through	450,000	200,000	(250,000) -56%
9101-01	EPA 103 Grant - Operation Clean Air	198,400	200,000	1,600 1%
9120-01	DMV Surcharge Fees - Study Agency	250,000	100,000	(150,000) -60%
9130-00	DMV Surcharge Fees - Incentives	11,602,300	11,614,300	12,000 0%
9400-00	Carl Moyer Heavy Duty Program	11,544,900	11,442,300	(102,600) -1%
9500-00	Indirect Source Review Mitigation Program	25,005,300	17,563,100	(7,442,200) -30%
9515-01	Winery Rule Mitigation Program	8,650,000	-	(8,650,000) -100%
	Miscellaneous/Interest - Incentive Grants	714,300	245,500	(468,800) -66%
TOTAL OTHER CHARGES		58,451,200	41,401,200	(17,050,000) -29%
9991	Appropriation for Contingencies	295,200	850,000	554,800 188%
TOTAL NON-OPERATING APPROPRIATIONS		58,746,400	42,251,200	(16,495,200) -28%

**Prior Years
Budget Comparison**

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
BUDGET SUMMARY**

Prior 3 Years and 2007- 08 Recommended

	Adjusted 2004-05 @ 6/30/05	Adjusted 2005-06 @ 6/30/06	Adjusted 2006-07 @ 2/28/07	Recommended 2007-08
APPROPRIATIONS				
Salaries & Benefits (net of Salary Savings)	20,972,200	22,642,000	24,870,700	24,779,700
Services & Supplies	4,601,700	4,630,100	4,781,400	4,601,800
Fixed Assets	1,806,252	4,897,300	1,435,200	1,411,500
OPERATING APPROPRIATIONS	<u>27,380,152</u>	<u>32,169,400</u>	<u>31,087,300</u>	<u>30,793,000</u>
Other Charges	13,014,302	46,155,900	58,451,200	41,401,200
Appropriation for Contingencies	666,200	750,000	295,200	850,000
NON-OPERATING APPROPRIATIONS	<u>13,680,502</u>	<u>46,905,900</u>	<u>58,746,400</u>	<u>42,251,200</u>
TOTAL APPROPRIATIONS	<u>41,060,654</u>	<u>79,075,300</u>	<u>89,833,700</u>	<u>73,044,200</u>
REVENUE				
Stationary Revenue	12,224,152	12,972,246	13,061,000	13,371,800
Grant Revenue	2,982,800	2,827,000	2,642,400	2,722,000
DMV Surcharge Fees - District Portion	8,200,000	8,446,000	9,134,600	9,800,000
Administrative Fees - Incentive Programs	-	520,000	924,800	945,700
ISR Application & Administrative Fees	-	68,300	1,624,000	879,600
Fund Balance/Reserves Released	3,840,900	7,335,854	3,700,500	3,073,900
OPERATING REVENUE/FUNDING SOURCES	<u>27,247,852</u>	<u>32,169,400</u>	<u>31,087,300</u>	<u>30,793,000</u>
Non-Operating Revenue	10,189,090	43,489,705	56,423,500	39,725,900
Fund Balance/Reserves Released	3,623,712	3,416,195	2,322,900	2,525,300
NON-OPERATING REVENUE/FUNDING SOURCES	<u>13,812,802</u>	<u>46,905,900</u>	<u>58,746,400</u>	<u>42,251,200</u>
TOTAL REVENUE/FUNDING SOURCES	<u>41,060,654</u>	<u>79,075,300</u>	<u>89,833,700</u>	<u>73,044,200</u>
RECOMMENDED POSITIONS	271	291	291	292
RESERVES				
General Reserve	1,500,000	3,000,000	3,000,000	3,000,000
Long-Term Building Maintenance	205,000	195,000	235,000	289,000

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
SCHEDULE OF ESTIMATED REVENUES
 Prior 3 Years and 2007- 08 Recommended

ACCOUNT TITLE	2004-05 Adjusted Revenues @ 6/30/05	2005-06 Adjusted Revenues @ 6/30/06	2006-07 Adjusted Revenues @ 2/28/07	2007-08 Estimated Revenues
OPERATING REVENUE				
STATIONARY SOURCE				
Permit Fees	10,647,800	10,830,700	10,678,000	10,211,800
Settlements	1,000,000	1,600,000	1,993,000	2,770,000
Interest	360,000	360,000	360,000	360,000
Miscellaneous	216,352	181,546	30,000	30,000
Total Stationary Non-grant Operating Revenue	12,224,152	12,972,246	13,061,000	13,371,800
GRANT REVENUE				
State Subvention	882,000	882,000	882,000	882,000
EPA 105 Grant	1,929,800	1,900,000	1,700,000	1,800,000
EPA 103 Grant	92,000	45,000	60,400	40,000
FHWA Grant	25,000	-	-	-
CAL Energy Commision Grant	54,000	-	-	-
Total Grant Revenue	2,982,800	2,827,000	2,642,400	2,722,000
Total Stationary Operating Revenue	15,206,952	15,799,246	15,703,400	16,093,800
MOBILE SOURCE				
DMV Surcharge Fees - District	8,200,000	8,446,000	9,134,600	9,800,000
Administrative Fees - Incentive Programs	-	520,000	924,800	945,700
ISR Application & Administrative Fees	-	68,300	1,624,000	879,600
Total Operating Revenue	23,406,952	24,833,546	27,386,800	27,719,100
Fund Balance/Reserves Released	3,840,900	7,335,854	3,700,500	3,073,900
Estimated Funding Sources - Operating	27,247,852	32,169,400	31,087,300	30,793,000
NON-OPERATING REVENUE				
Air Toxics	33,000	33,000	36,000	36,000
Carl Moyer Funds	3,500,000	10,780,000	11,459,100	11,356,300
Traffic Congestion Relief Program	2,961,490	9,538,510	-	-
EPA 103 Grant Revenue	273,800	-	198,400	200,000
DMV Surcharge Fees - Pass Through	2,652,000	8,974,000	10,112,000	9,829,500
Lawnmower Trade-in Program	48,500	-	-	-
School Bus Retrofit Program	-	1,223,000	-	-
School Bus Replacement Program	-	4,340,000	-	-
Dairy CEQA - Pass Through	-	450,000	450,000	200,000
Voluntary Development Mitigation Contracts	531,900	5,887,195	1,070,000	8,304,000
ISR Mitigation Funds	-	1,706,900	23,934,000	9,158,700
Winery Rule Mitigation Funds	-	-	8,650,000	-
Interest - Non-Operating	188,400	557,100	514,000	641,400
Total Non-Operating Revenue	10,189,090	43,489,705	56,423,500	39,725,900
Fund Balance/Reserves Released	3,623,712	3,416,195	2,322,900	2,525,300
Estimated Funding Sources - Non-Operating	13,812,802	46,905,900	58,746,400	42,251,200
TOTAL REVENUE				
Estimated Financing Sources - Total	41,060,654	79,075,300	89,833,700	73,044,200

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
Budget Comparison
Total District
Prior 3 Years and 2007- 08 Recommended

ACCOUNT NUMBE	DESCRIPTION	2004-05 Adjusted @ 6/30/05	2005-06 Adjusted @ 6/30/06	2006-07 Adjusted @ 2/28/07	2007-08 Recommended Appropriations
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OPERATING APPROPRIATIONS								
SALARIES AND BENEFITS								
Regular Salaries	\$	14,696,500	\$	14,778,800	\$	15,725,800	\$	15,865,900
Temporary Help		487,000		605,700		539,500		491,000
On Call Pay		39,000		39,000		60,900		77,900
Overtime		249,400		260,500		249,700		249,700
Unemployment		78,600		86,300		66,000		66,500
Retirement		2,787,600		4,158,700		5,424,900		5,232,300
OASDI		252,500		270,000		273,900		271,600
Workers Compensation		642,100		480,400		350,100		207,400
Cafeteria Plan Benefits		1,643,200		1,861,100		2,053,400		2,127,000
Long-Term Disability Insurance		52,200		54,900		54,900		56,700
Alternate Transportation Incentive		44,100		46,600		71,600		133,700
TOTAL SALARIES AND BENEFITS	\$	20,972,200	\$	22,642,000	\$	24,870,700	\$	24,779,700
SERVICES AND SUPPLIES								
Safety Supplies & Equipment	\$	12,000	\$	14,100	\$	19,300	\$	22,400
Mobile Communications		109,400		130,000		109,900		112,400
Telephone Charges		102,700		126,800		98,300		115,300
Insurance		157,400		150,600		173,100		173,100
Equipment Maintenance		136,400		133,100		127,200		133,800
Vehicle Maintenance & Operations		147,900		199,600		182,200		189,700
Computer Maintenance		100,500		91,300		102,200		127,000
Video Conferencing Maintenance & Operations		179,600		168,700		177,600		157,000
Building Maintenance & Operations		105,700		136,700		138,400		149,400
Office Supplies		98,300		110,600		101,000		101,000
Computer Software & Supplies		54,000		55,100		70,600		70,600
Monitoring Station Supplies & Equipment		91,000		83,200		80,200		88,200
Postage		144,700		137,600		143,800		143,800
Printing		136,200		172,200		151,800		153,400
Professional & Specialized Services		1,902,500		1,619,700		1,843,700		1,757,700
Publications & Legal Notices		96,000		135,200		171,100		153,100
Rents & Leases		387,800		401,000		305,300		249,800
Small Tools & Equipment		51,300		74,300		56,700		56,700
Special District Expense		218,200		296,800		355,300		251,200
Travel & Training		123,100		126,200		126,200		132,000
Travel & Training - Boards		50,600		50,600		50,600		50,600
Utilities		180,200		162,500		181,300		198,000
Audit Services		16,200		17,000		15,600		15,600
Legal Services		-		37,200		-		-
TOTAL SERVICES AND SUPPLIES	\$	4,601,700	\$	4,630,100	\$	4,781,400	\$	4,601,800
FIXED ASSETS								
Office Improvements	\$	71,300	\$	71,300	\$	51,300	\$	51,300
Computer Equipment		437,100		402,500		377,200		402,400
Office Furniture & Equipment		36,100		98,900		51,400		39,200
Office Machines		64,800		64,800		64,800		65,100
Telephone Systems		21,500		22,500		19,000		143,700
Detection Equipment		80,500		30,700		22,600		20,200
Automobiles		369,600		386,500		288,500		306,000
Safety Equipemnt		-		-		7,800		-
Video Conferencing System		156,100		156,100		156,100		156,100
Air Monitoring Station Equipment		369,252		94,000		396,500		227,500
Electronic Document Management Project		200,000		200,000		-		-
Northern Region Office		-		3,370,000		-		-
TOTAL FIXED ASSETS	\$	1,806,252	\$	4,897,300	\$	1,435,200	\$	1,411,500
TOTAL OPERATING APPROPRIATIONS	\$	27,380,152	\$	32,169,400	\$	31,087,300	\$	30,793,000

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
Budget Comparison
Total District
Prior 3 Years and 2007- 08 Recommended

ACCOUNT NUMBE	DESCRIPTION	2004-05 Adjusted @ 6/30/05	2005-06 Adjusted @ 6/30/06	2006-07 Adjusted @ 2/28/07	2007-08 Recommended Appropriations
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NON-OPERATING APPROPRIATIONS					
OTHER CHARGES					
Air Toxic Pass Through	\$ 33,000	\$ 33,000	\$ 36,000	\$ 36,000	
Dairy CEQA Pass Through	-	450,000	450,000	200,000	
Misc. Incentive Grant Funding - Hearing Board	-	-	-	50,000	
EPA 103 Grants	273,800	-	198,400	200,000	
Carl Moyer Heavy Duty Program	3,500,000	11,261,000	11,544,900	11,442,300	
Traffic Congestion Relief Program	2,961,490	9,538,500	-	-	
DMV Surcharge Fees - Study Agency	250,000	250,000	250,000	100,000	
DMV Surcharge Fees - Incentives	3,679,300	10,966,300	11,602,300	11,614,300	
Indirect Source Review Mitigation Program	531,900	7,594,100	25,005,300	17,563,100	
Winery Rule Mitigation Program	-	-	8,650,000	-	
Miscellaneous/Interest - Incentive Grants	1,784,812	5,563,000	714,300	195,500	
SJV Blueprint Project	-	500,000	-	-	
TOTAL OTHER CHARGES	\$ 13,014,302	\$ 46,155,900	\$ 58,451,200	\$ 41,401,200	
Appropriation for Contingencies	\$ 666,200	\$ 750,000	\$ 295,200	\$ 850,000	
TOTAL NON-OPERATING APPROPRIATIONS	\$ 13,680,502	\$ 46,905,900	\$ 58,746,400	\$ 42,251,200	

TOTAL APPROPRIATIONS					
TOTAL DISTRICT APPROPRIATIONS	\$ 41,060,654	\$ 79,075,300	\$ 89,833,700	\$ 73,044,200	