



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

CHRIS DALY – CHAIRPERSON
SCOTT HAGGERTY
MARK ROSS
GAYLE B. UILKEMA

HAROLD BROWN - VICE CHAIRPERSON
YORIKO KISHIMOTO
MICHAEL SHIMANSKY
BRAD WAGENKNECHT

WEDNESDAY
JANUARY 28, 2009
9:30 A.M.

FOURTH FLOOR CONFERENCE ROOM
DISTRICT OFFICES

AGENDA

1. **CALL TO ORDER - ROLL CALL**

2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Board's authority. Speakers will be limited to three (3) minutes each.

3. **APPROVAL OF MINUTES OF OCTOBER 22, 2008**

4. **FOURTH QUARTER FINANCIAL REPORT**

J. McKay/4629

jmckay@baaqmd.gov

The Committee will receive a report on the fourth quarter financial report for Fiscal Year 2007-08.

5. **AIR DISTRICT FINANCIAL OVERVIEW**

J. McKay/4629

jmckay@baaqmd.gov

The Committee will receive an update of the Air District's financial overview.

6. **ANNUAL VALUATION REPORT FROM CALPERS**

M. Rich/5029

mrich@baaqmd.gov

The Committee will receive an update of the Annual Valuation Report from CalPERS.

7. **PRODUCTION SYSTEM PROJECT FUNDING**

J. McKay/4629

jmckay@baaqmd.gov

The Committee will consider recommending Board of Directors' approval to authorize the Executive Officer/APCO to solicit bids and execute agreements for the Production System project not to exceed \$2,800,000.

8. **AMEND FY 2008/2009 OPERATING BUDGET**

G. Kendall/4932

gkendall@baaqmd.gov

The Committee will consider recommending Board of Directors' approval to amend the FY 2008/2009 Budget to recognize revenue from a U.S. Environmental Protection Agency grant.

9. COMMITTEE MEMBER COMMENTS/OTHER BUSINESS

Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2).

10. TIME AND PLACE OF NEXT MEETING – 9:30 A.M., WEDNESDAY, FEBRUARY 25, 2009, 939 ELLIS STREET, SAN FRANCISCO, CA 94109

11. ADJOURNMENT

CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET SF, CA 94109

(415) 749-5127
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk's Office should be given at least 3 working days prior to the date of the meeting, so that arrangements can be made accordingly.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District's offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

JANUARY 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Ad Hoc Cme. on Port Emissions – <i>(At the Call of the Chair)</i>	Thursday	22	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i>	Friday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Legislative Committee <i>(Meets 4th Monday of the Month)</i>	Monday	26	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i>	Wednesday	28	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Executive Committee <i>(At the Call of the Chair)</i>	Thursday	29	9:30 a.m.	4 th Floor Conf. Room

FEBRUARY 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	4	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	11	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 4th Monday of the Month)</i>	Monday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i>	Wednesday	25	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i>	Thursday	26	9:30 a.m.	4 th Floor Conf. Room

MARCH 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	4	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	11	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room

MARCH 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday every other Month)</i>	Thursday	19	9:30 a.m.	4 th Floor Conf. Room
Joint Policy Committee	Friday	20	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Legislative Committee <i>(Meets 4th Monday of the Month)</i>	Monday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i>	Wednesday	25	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>– (Meets 4th Thursday of each Month)</i>	Thursday	26	9:30 a.m.	4 th Floor Conf. Room
HL - 1/22/09 (11:30 a.m.) P/Library/Forms/Calendar/Calendar/Moncal				

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 5, 2009

Re: Budget and Finance Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Budget and Finance Committee meeting of October 22, 2008.

DISCUSSION

Attached for your review and approval are the draft minutes of the October 22, 2008 Budget and Finance Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

**Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5000**

DRAFT MINUTES

Summary of Board of Directors
Budget & Finance Committee Meeting
9:30 a.m., Wednesday, October 22, 2008

1. **Call to Order:** Chairperson Chris Daly called the meeting to order at 9:33 a.m.

Roll Call: Chairperson, Chris Daly, Harold Brown, Mark Ross, Michael Shimansky, Pamela Torliatt, Gayle B. Uilkema

Absent: Scott Haggerty, Yoriko Kishimoto and Tim Smith

Also Present: Board of Directors Chairperson Jerry Hill
2. **Public Comment Period:** There was no public comment.
3. **Approval of Minutes of September 24, 2008:** Director Brown moved approval of the minutes; seconded by Director Torliatt; carried unanimously without objection.
4. **Status of San Mateo County Investment Pool and Recent Actions:** *Staff provided the Committee with an update of the San Mateo County investment pool and recent actions undertaken by the Air District.*

Executive Officer/APCO, Jack Broadbent, provided background information on Air District funds held with the San Mateo Treasurer. The Treasurer invests funds in a pool composed of a diversified portfolio. On September 15, 2008, Lehman Brothers filed for bankruptcy, and at that time the County Treasurer had a position in Lehman Brothers investment of approximately \$150 million. The loss is recorded as negative interest for the quarter ended September 30, 2008.

Chairperson Hill reported on San Mateo and Monterey County's work with Congresswoman Anna Eshoo, stating that they were able to insert provisions for state and local government protection and assistance into the bailout language which Treasury Secretary Henry Paulson must approve.

Committee members discussed the statutory requirement that Air District funds be held by a County within its jurisdiction.

Mr. Broadbent further reported that San Mateo County has retained an attorney in conjunction with Monterey County to file suit against Lehman Brothers. Staff will update the Budget and Finance Committee when new information becomes available.

Mr. Broadbent reviewed actions being undertaken by the Air District including: implementing a hiring freeze on new hires; reviewing discretionary expenditures, capital asset expenditures, overtime expenditures and unexecuted contracts. Other actions include: notification to the Air Resources Board that the Carl Moyer Program and Mobile Source Incentive Program funds are sufficient to accommodate all current projects and fund the amount of the investment loss (negative interest). As a result, less funding will be issued in the future but to date, CARB has not indicated funding would need to be replaced with General Fund monies.

Mr. Broadbent also noted that TFCA funds are sufficient to fund all of the approved projects and staff is currently reviewing TFCA accounts to determine if funds are available for the contingency projects (Attachment 2) as presented to the Board. Mr. Broadbent said he is confident that TFCA Tier I and II projects would be funded and an update would be provided to the Mobile Source Committee.

Committee Action: None; informational report only.

5. **Status of Comments Contained in 2006-2007 Audit Management Letter:** *Staff provided the Committee a status of responses to the comments contained in the 2006-07 Report to the Board of Directors and District Management, presented by Caporicci & Larson, auditors.*

Finance Manager, Linda Serdahl, said auditors came before the Committee in February and presented a Management Letter. She noted that the District reported a liability of \$41,110 as of June 30, 2007 for the Lower Emissions School Bus Program (LESBP) administrative fees, the program has since been closed out, and any unused funds were returned to the Regional TFCA program in the last year.

Finally, Ms. Serdahl reviewed measures implemented by the Air District to address observations noted in the Audit Management Letter.

Committee members briefly discussed the process to change passwords, the auditor's issuance of a Management Letter which revealed observations and no findings, District protocols in place for checks and balances, and tightening of internal controls through review by third parties.

Committee Action: None; informational report only.

6. **Committee Member Comments/Other Business:** Committee member Shimansky suggested alternate meeting dates be polled due to the upcoming holiday schedule.
7. **Time and Place of Next Meeting:** 9:30 a.m., Wednesday, November 26, 2008 – 939 Ellis Street, San Francisco, CA 94109
8. **Adjournment:** The meeting adjourned at 10:12 a.m.

/s/ Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 16, 2009

Re: Fourth Quarter Financial Report – Fiscal Year 2007-08

RECOMMENDED ACTION

Informational report. Receive and file.

DISCUSSION

GENERAL FUND BUDGET: STATEMENT OF REVENUE

Comparison of Budget to Actual Revenue

- County Revenue receipts were \$20,878,005 (105.23%) of budgeted revenue.
- Permit Fee receipts were \$18,039,435 (92.39%) of budgeted revenue.
- Title V Permit Fees were \$1,992,820 (87.71%) of budgeted revenue.
- Asbestos Fees were \$1,800,001 (103.50%) of budgeted revenue.
- Toxic Inventory Fees were \$552,445 (1.03%) of budgeted revenue.
- Penalties and Settlements were \$3,084,812 (137.10%) of budgeted revenue.
- Miscellaneous Revenue receipts were \$82,602 (18%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$42,984,398 (101%) of budgeted expenditures.
- Operational Services and Supplies were \$12,376,258 (54.90%) of budgeted expenditures.
- Capital Outlay was \$3,008,925 (51.6%) of budgeted expenditures.

<u>FUND BALANCES</u>	<u>6/30/2006</u>	<u>6/30/2007</u>	<u>6/30/2008</u>
	<u>Audited</u>	<u>Audited</u>	<u>Projected</u>
SPECIAL RESERVES:			
Imprest Cash	\$1,200	\$500	\$500
Building and Facilities	2,693,550	1,731,690	1,731,690
PERS Funding	3,500,000	3,100,000	2,700,000
Radio Replacement	3,500,000	75,000	75,000
Climate Protection	0	3,000,000	0
Production System	250,000	1,250,000	2,800,000
Capital Equipment	130,425	130,425	130,425
Prior Year Adjustments	15,000	0	0
Contingencies	400,000	400,000	400,000
Workers Compensation	1,000,000	1,000,000	1,000,000
Economic Uncertainties	0	7,709,028	8,755,437
TOTAL SPECIAL RESERVES:	<u>11,490,175</u>	<u>18,396,643</u>	<u>16,066,240</u>
MULTI-YEAR APPROPRIATION			
Appropriation – Production System	<u>1,552,141</u>	<u>152,141</u>	<u>0</u>
UNDESIGNATED:	<u>12,934,168</u>	<u>13,996,404</u>	<u>6,363,862</u>
TOTAL FUND BALANCES	<u>\$25,976,484</u>	<u>\$32,545,188</u>	<u>\$23,956,914</u>

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on Fiscal Year 2007/2008 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda J. Serdahl, CPA, CFE
Reviewed by: Jeffrey McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 20, 2009

Re: Air District Financial Overview

RECOMMENDED ACTION

Receive and file.

DISCUSSION

Entering the FY 2009-10 budget season, the Air District is financially sound and possesses adequate reserves. However, challenges are expected with reductions in property tax and other revenue sources. Staff will present a summary of this status.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No budget impact.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeffrey McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Daly and Members
of the Budget & Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 16, 2009

Re: Annual Valuation Report from CalPERS

RECOMMENDATION

Receive and file.

BACKGROUND

Staff receives a report detailing the actuarial status of the Air District's CalPERS pension plan each year in October. The report includes information on the funded status of the plan, the employer contribution rate for the next fiscal year, and the projected rate for FY 2010-11. Staff recently received the annual valuation report and is providing a summary to the Budget & Finance Committee. This is also an opportunity to discuss future impacts to the funded status and contribution rate resulting from recent investment losses.

VALUATION RESULTS

CalPERS' actuarial methodology utilizes data that is two years prior to the valuation date. For example, the valuation for the current fiscal year is based on plan assets and liabilities as of June 30, 2006. Accordingly, the valuation and employer contribution rate for Fiscal Year 2009-10 shown in the report is based on plan assets and liabilities as of June 30, 2007. The employer contribution rate effective July 1, 2009, will be 9.147%, a decrease of .574% from the current rate of 9.721%, due to strong investment gains during FY 2006-07. The decrease equates to approximately \$178,000 in reduced pension costs for FY 2009-10.

The valuation report projects an employer contribution rate for FY 2010-11 of 9%, however, CalPERS staff is advising employers that the projection is not likely to hold given recent severe investment losses. CalPERS instituted a 15 year rate smoothing methodology in June of 2004 to address concerns about rate volatility that should help prevent the District's employer contribution rate from increasing more than 1% in any given year, however, published news reports have quoted CalPERS staff as saying the size of the recent investment losses could result in a rate increase of 2% to 4% for FY 2010-11. The employer contribution rate for FY 2010-11 won't be known for sure until

next October. A summary page from the report is attached and staff will be providing additional detail on the valuation results in a slide presentation.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Each percent increase or decrease in the employer contribution rate equates to approximately \$300,000 in increased or decreased pension costs, so it is important to consider the information in the valuation report during the annual budget process.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Michael K. Rich

Purpose of the Report

This report presents the results of the June 30, 2007 actuarial valuation of the MISCELLANEOUS PLAN OF THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT of the California Public Employees' Retirement System (CalPERS). The valuation was prepared by the Plan Actuary in order to:

- set forth the actuarial assets and accrued liabilities of this plan as of June 30, 2007;
- certify the actuarially required employer contribution rate of this plan for the fiscal year July 1, 2009 through June 30, 2010 is 9.147%;
- provide actuarial information as of June 30, 2007 to the CalPERS Board of Administration and other interested parties; and
- provide pension information as of June 30, 2007 to be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement Number 27 for a Single Employer Defined Benefit Pension Plan.

Use of this report for other purposes may be inappropriate.

Required Contributions

	Fiscal Year 2008/2009	Fiscal Year 2009/2010
Required Employer Contributions		
Employer Contribution Required (in Projected Dollars)		
Payment for Normal Cost	\$ 1,986,467	\$ 2,110,622
Payment on the Amortization Bases	850,461	696,765
Total (not less than zero)	\$ 2,836,928	\$ 2,807,387
Annual Lump Sum Prepayment Option*	\$ 2,733,000	\$ 2,704,541
Employer Contribution Required (Percentage of Payroll)		
Payment for Normal Cost	6.807%	6.877%
Payment on the Amortization Bases	2.914%	2.270%
Total (not less than zero)	9.721%	9.147%
Required Employee Contributions (Percentage)	7.000%	6.999%

Funded Status

	June 30, 2006	June 30, 2007
Present Value of Projected Benefits	\$ 173,593,459	\$ 185,118,001
Entry Age Normal Accrued Liability	144,155,886	154,268,467
Actuarial Value of Assets (AVA)**	133,258,350	145,957,078
Unfunded Liability	\$ 10,897,536	\$ 8,311,389
Market Value of Assets (MVA)	\$ 140,944,275	\$ 168,491,592
Funded Status (on an MVA basis)	97.8%	109.2%
Superfunded Status	No	No

* Payment must be received by CalPERS between July 1 and July 15.

** The Actuarial Value of Assets is used to establish funding requirements, while the funded ratio based on the Market Value of Assets is a better indicator of the solvency of the plan.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 20, 2009

Re: Production System Project Funding

RECOMMENDED ACTION

Consider recommending that the Board of Directors: authorize the Executive Officer/APCO to solicit bids and execute agreements for the Production System project not to exceed \$2,800,000, and transfer a corresponding amount from the Designated Reserve for this purpose, and adjust the Air Districts' FY 2008/09 Information Systems budget accordingly.

DISCUSSION

After a careful phase of scoping work Air District staff presented a detailed Production System project plan which was approved by the Board in December of 2006. Execution of the plan has been accompanied by detailed reports on the status of actual costs as compared to projected costs, and by detailed reports on the status of actual accomplishments as compared to projected accomplishments.

The Project is composed of nine phases. The cost of the first four phases was firmly targeted at \$2.8M in total, and that amount was approved by the Board of Directors. Those four phases have now been completed on budget.

The cost of the remaining five phases was originally estimated to total an equal amount (\$2.8M) bringing the total estimated project cost to \$5.6M. As originally proposed, further refinement of the cost target for the final five phases has been facilitated by completion of the first four phases. The estimate to complete the project remains on-track at \$2.8M

Staff now recommends that the remaining \$2.8M be transferred from Designated Reserve, and that authorization be granted to issue purchase orders not to exceed the \$2.8M bringing the total transfers for the project (expended and unexpended) to the \$5.6M originally projected.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Staff's recommendation would result in a transfer of \$2,800,000 from the Designated Reserve and a corresponding increase in the Air Districts' FY 2008/09 Information Systems budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: John Chiladakis
Reviewed by: Jeffrey McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 20, 2009

Re: Consider Amending FY 2008/2009 Operating Budget to Recognize
Increased Revenue under an Environmental Protection Agency Grant

RECOMMENDED ACTION

Recommend the Board of Directors amend the FY 2008/2009 Budget by increasing the Section 105 Environmental Protection Agency (EPA) Grant Revenue by \$374,870, and correspondingly increase the professional services and capital equipment budget for Air Monitoring (Program 802).

SUMMARY

In accordance with the Air District's Administrative Code, Division II, Fiscal Policies and Procedures, Section 4.3, staff requests that the Committee recommend that the Board amend the FY 2008/2009 budget by increasing the Air Monitoring Section's budget by a total of \$374,870 and correspondingly increase revenue by the same amount. The funding source is an increase in the EPA Section 105 Grant.

DISCUSSION:

The Air District applied for a Section 105 grant from the EPA to perform monitoring of ozone precursor compounds as part of the Photochemical Assessment Monitoring Stations (PAMS) program starting in Federal fiscal year 2006. Although a grant was offered for \$125,000 in 2006, it was significantly less than the approximately \$365,000 required to develop and operate the proposed PAMS network. In addition, the grant was awarded after the ozone season ended and, therefore, did not allow enough time to begin the process before the end of the Federal fiscal year. As a result, those grant funds could not be used.

In June 2008, EPA revised the national 8-hour ozone standard by lowering it from 84 ppb to 75 ppb; the revision became effective on May 27, 2008. EPA will likely designate the Bay Area as non-attainment for the revised ozone standard. Therefore, it is important to further evaluate and understand ozone formation in the Bay Area. The Air District continued to negotiate with EPA to increase the PAMS grant award to an adequate level and award the grant earlier. This federal fiscal year (2008), the Air District applied for, and received, a one time award of \$252,370 to develop the PAMS network in addition to an annual award of \$122,500 to operate the network.

The additional funding of \$252,370 will enable the Air Monitoring Section, with guidance from the Air Quality Modeling and Research Section, to develop appropriate monitoring locations and capabilities to participate in the PAMS program. The annual award of \$122,500 will enable operation and maintenance of the developed monitoring sites. As a result, the budget of the Air Monitoring Section will be increased by \$374,870 this fiscal year to recognize this new revenue, purchase the required equipment, and fund the associated activities.

BUDGET CONSIDERATION/FINANCIAL IMPACT

This Budget Amendment is funded by an increase in the EPA Section 105 Grant. There will be no financial impact on the District's general revenue resources.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Eric Stevenson
Approved by: Gary Kendall