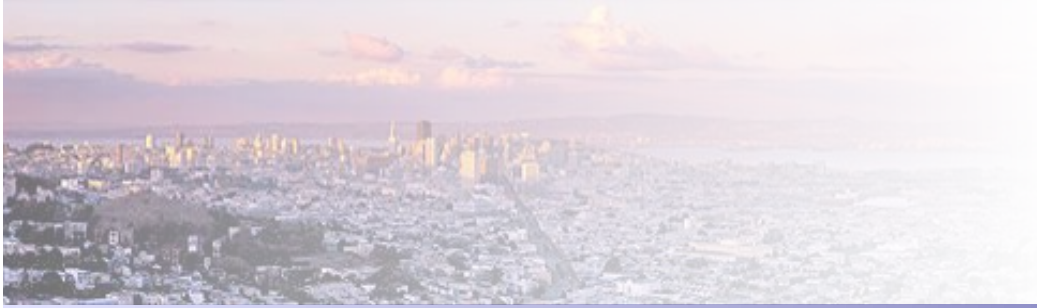




BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT



AGENDA: 4

# **Discussion of Projects and Funding Priorities Relevant to the Fiscal Year Ending (FYE) 2018 Budget**

**Budget and Finance Committee  
February 22, 2017**

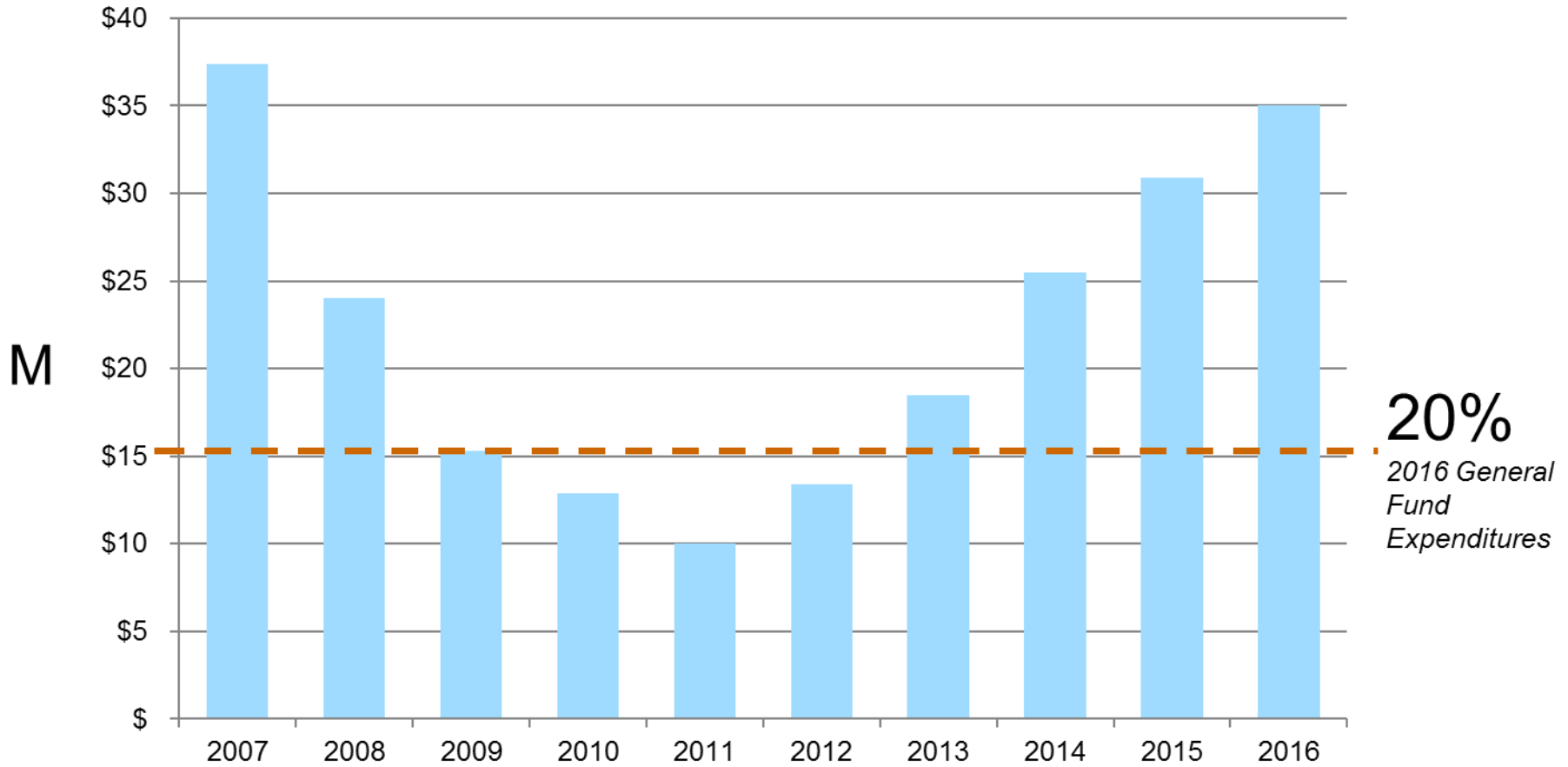
**Jack P. Broadbent  
Executive Officer / Air Pollution Control Officer**



# CURRENT RESERVES

- General Fund Reserves = \$35 M
- Minimum Reserve: 20% of Budget = \$17 M
- Additional \$4.7 M from Ellis Street Sale

# USE OF RESERVES DURING DOWNTURN



# USE OF RESERVES FYE 2018

*(reserves may be expended over a period of years)*

Clean Air Plan Implementation	(\$K) 4,500
Technology Implementation Office	4,000
Subsequent Additional Purchase at Beale Street	4,000
Lab & Community Monitoring Equipment	1,500
Woodsmoke Grants	1,000
Permit Processing and Health Risk Assessment	1,000
Litigation	500
Technology Implementation Conference	150
Woodchipping	150
Workforce Development and Diversity	100
East Bay Real Estate	*
<b>TOTAL</b>	<b>16,900</b>

*These funds are not encumbered, and could be changed at the Board's discretion.*



# CLEAN AIR PLAN IMPLEMENTATION

- Implement Clean Air Plan control measures through grant program supporting local GHG reduction strategies
- Build on prior climate grant programs:
  - Planning & innovation grants to local governments & non-profits (2007)
  - Renewable energy/energy efficiency deployment on public buildings near Conoco Phillips refinery (2009)
- Focus on innovation, replicability, co-benefits and leadership
- Desired outcomes include:
  - Accelerated implementation of local climate action plans
  - Investments in disproportionately impacted communities
  - Leveraging efforts of key partners (business, community groups, regional agencies, etc.)
- Seek \$4.5 M from reserves to establish the grant program



# TECHNOLOGY IMPLEMENTATION OFFICE

- Establish the Air District as a catalyst for innovation in the field of greenhouse gas emissions reduction:
  - ***zero emissions vehicles and smart/connected*** technologies; and
  - ***zero emissions energy generation and efficiency*** technologies
- Requesting \$4 M from reserves to establish five year revolving loan fund
- Seek matching funding from private industry



# LAB and COMMUNITY MONITORING EQUIPMENT

- Supply equipment for community monitoring sites around the five Bay Area refineries including:
  - Mobile trailers to serve as relocatable monitoring stations
  - Ambient air monitoring and meteorological equipment necessary to assess impacts in the represented communities
- Replace and update laboratory equipment needed to meet increasing commitments for Enforcement and Source Test sample analysis.



# WOODSMOKE GRANTS

- \$2.5 M Awarded to 1,300 applicants – 70% to Highly Impacted Residents (HIR)
- 362 applications withdrawn/rejected - Funds not fully awarded
- 1,519 waitlisted now in process – HIR prioritized
- Requesting \$1 M from reserves to extend the program in High Wood Smoke areas
- Additional funds will be sought from Cap and Trade program





# PERMIT PROCESSING and HEALTH RISK ASSESSMENT

- Efforts regarding regulations 11-18, 12-15, 12-16 and 13-1 are diverting staff from core engineering functions
- Regulatory workload expected to peak over the next two years and then decline
- Requesting \$1 M from reserves for contractors to augment staffing for this limited period

# CURRENT RESERVES

<b>FUND BALANCES</b>	<b>6/30/2014</b> <b>Audited</b>	<b>6/30/2015</b> <b>Audited</b>	<b>6/30/2016</b> <b>Audited</b>
Reserve for Capital Equipment Contingency	1,000,000	1,000,000	1,360,000
Reserve for Economic Contingency	10,114,309	10,114,309	15,159,959
Reserve for IT-Desktop Equipment	500,000	500,000	-
Reserve for IT- Event Response	500,000	500,000	500,000
Reserve for JD Edwards Software Upgrade	1,000,000	-	-
Reserve for Pension & Post Employment Liability	1,800,000	1,800,000	1,600,000
Reserve for Tech- GHG Monitoring Equipment	360,900	-	-
Reserve for Tech- Meterological Network Equipment	417,100	417,100	417,100
Reserve for Tech- Mobile Monitoring Instruments	450,000	450,000	450,000
Reserve for GHG Abatement Technology Study	-	-	1,500,000
Reserve for Worker's Comp Self -Funding	1,000,000	1,000,000	1,000,000
Total Designated Reserves	\$ 17,642,309	\$ 15,781,409	\$ 21,987,059
Undesignated Fund Balance	7,404,751	15,122,475	13,000,000
<b>TOTAL RESERVES</b>	<b>\$ 25,047,060</b>	<b>\$ 30,903,884</b>	<b>\$ 34,987,059</b>
Building Proceeds	14,668,200	14,168,200	4,668,200
<b>TOTAL FUND BALANCE</b>	<b>\$ 39,715,260</b>	<b>\$ 45,072,084</b>	<b>\$ 39,655,259</b>
<b>UNFUNDED LIABILITIES (Based on 2015 Actuarial Valuation Report)</b>			
CalPERS Pension Retirement			59,242,771
Other Post Employment Benefits			32,954,000
<b>TOTAL UNFUNDED LIABILITIES</b>			<b>\$ 92,196,771</b>