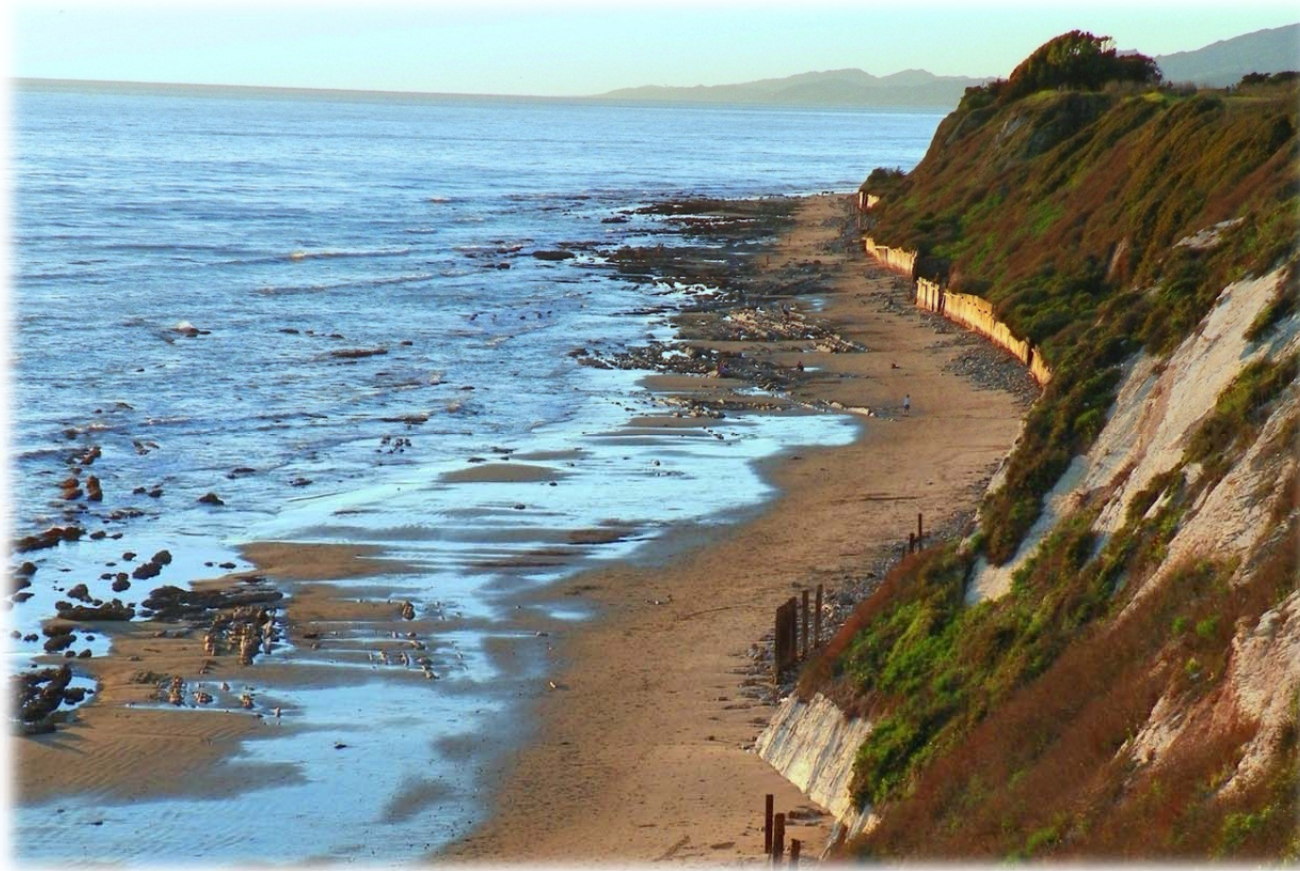




Our Vision  Clean Air

Santa Barbara County Air Pollution Control District

Fiscal Year 2012-13 Adopted Budget



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www.sbcapcd.org

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

Front Cover:
FACING NORTH FROM SANTA BARBARA SHORES COUNTY PARK (COURTESY OF DONALD KENDIG)

Santa Barbara County Air Pollution Control District Board of Directors

Supervisor Salud Carbajal

First District

Santa Barbara County Board of Supervisors

Supervisor Janet Wolf

Second District

Santa Barbara County Board of Supervisors

Supervisor Doreen Farr

Third District

Santa Barbara County Board of Supervisors

Supervisor Joni Gray

Fourth District

Santa Barbara County Board of Supervisors

Supervisor Steve Lavagnino, Chair

Fifth District

Santa Barbara County Board of Supervisors

Mayor Holly Sierra

Alternate – Mayor Pro Tem Dave King

City of Buellton

Councilmember Kathleen Reddington

Alternate – Mayor Al Clark

City of Carpinteria

Mayor Pro Tem Roger Aceves

Alternate – Mayor Edward Easton

City of Goleta

Mayor Lupe Alvarez

Alternate – Councilmember John Sabedra

City of Guadalupe

Councilmember Cecilia Martner

Alternate – Councilmember Ashley Costa

City of Lompoc

Mayor Helene Schneider

Alternate – Councilmember Grant House

City of Santa Barbara

Mayor Larry Lavagnino

Alternate – Mayor Pro Tem Alice Patino

City of Santa Maria

Mayor Jim Richardson, Vice-Chair

Alternate – Councilmember Joan Jamieson

City of Solvang

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Air Pollution Control Officer's Budget Memorandum

May 25, 2012

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

Dear Chairman Lavagnino and Board Members:

The Fiscal Year (FY) 2012-13 Proposed Budget was prepared according to the policy framework and direction provided by the Board and the Air Pollution Control District Strategic Plan.

The APCD's mission is to *protect the people and environment of Santa Barbara County from the effects of air pollution*. The FY 2012-13 budget was built to ensure continued mission success.

Budget Overview

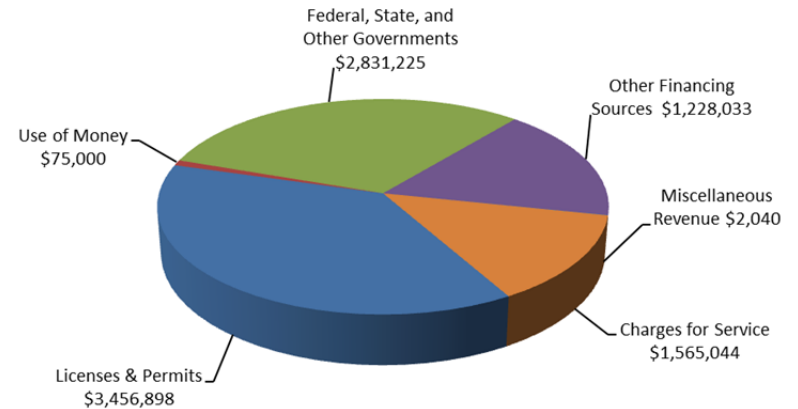
This budget is planned for FY 2012-13, which runs from July 1, 2012 through June 30, 2013. The budget adoption process is specified in Health and Safety Code Section 40131 and includes requirements for two public hearings and notification to all fee payers. In addition, the APCD conforms to the provisions of the Budget Act starting with Government Code Section 29000.

Revenues for FY 2012-13 will be earned by "operational" employees (predominately engineers, scientists, and technicians) who are paid by our regulated sources through fees for work products produced such as permits, inspections, evaluations, and reviews. Other revenues come from federal and state grants and their uses are prescribed by the agency providing these funds. The work products generated by grant funding are air quality monitoring, data acquisition, clean air plans, environmental planning documents, innovative technology grants, and public outreach. These revenue streams make the District unique as compared to tax based agencies.

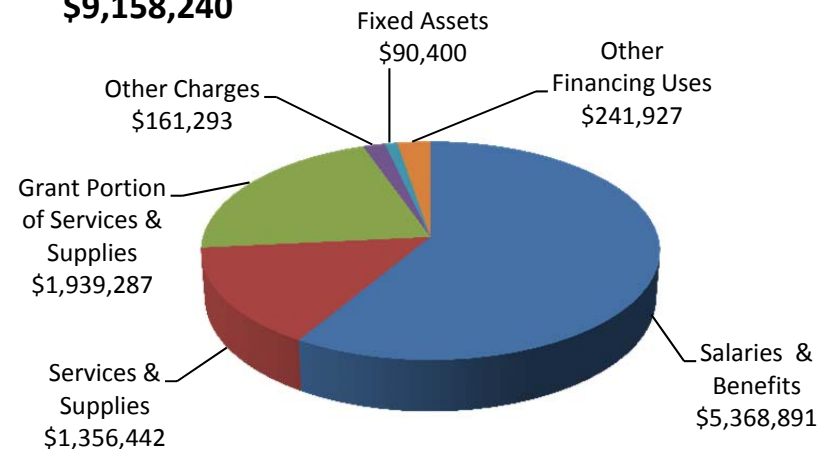
Every year our budget process begins with the programming of revenues. The District projects total revenue from the previous year's actual revenues after making any known or anticipated adjustments. After revenues are forecasted, expenses are programmed to equal revenues, thus making a balanced budget.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

FY 2012-13 Budget at a Glance

Total Revenue
\$9,158,240



Total Expenditures
\$9,158,240



The two figures above depict proposed District Revenues and Expenses; both totaling \$9,158,240, our balanced budget for FY 2012-13. As in previous years, our major two sources of revenue are generated from: 1) vehicle licenses and permits; and 2) federal, state, and other governments mostly in the form of grants. Expenditures are dominated by salaries and benefits. It is important to note that of the \$5,368,891 in salaries and benefits (23.6%) go towards the District's contribution to retirements.

A comparison of the adopted FY 2011-12 budget (\$9,606,464) with the proposed FY 2012-13 budget reveals a year-to-year decline of 4.7% equating to an overall budget reduction of \$448,224 from last FY.

Revenue Changes

As the District continues to successfully accomplish its mission and makes progress toward its vision, *Clean Air*, it is logical that both staffing levels and revenue totals may decline over time. During the recession and the past general decline in our economy, revenue generation reduced even further. For FY 2012-13 budget planning, the following revenue changes warrant consideration.

- ***Reevaluation Fees:***

The cyclical nature of reevaluation fees is making its predicted downturn this FY. The cycle has a high, mid, and low budget year. Having entered the mid-year of the cycle, reevaluation fee generation will be less than FY 2011-12 (the high-year). On a year-to-year comparison, this understandably equates to a revenue reduction. For FY 2012-13 reevaluation fees will be approximately 15% lower (\$158,000 less). Within the three-year cycle, we deposit a portion of revenue into savings during the high-year and withdraw during the low-year. This FY (the mid-year) we will not make a deposit or withdraw to or from our reevaluation cycle fund balance.

- ***Interest Earnings:***

Historically, prior to 2008, the District achieved good interest earnings on money in its savings accounts. Today, we continue to see a decline in interest earned. For FY 2012-13, interest earnings are down 42% from last FY. This equates to a revenue reduction of approximately \$55,000.

- ***Federal and State Grant Funding:***

The APCD has enjoyed U.S. Environmental Protection Agency (EPA) 105 Grant allocations since 1975. However, numerous California districts are not enrolled in the program and should be. The EPA notified the District to expect a 5% decrease in our 105 Grant allocation until such time that other Districts are funded. Predicted Department of Motor Vehicles (DMV)

license funding also fell by nearly 2% due to a continued drop in new/used vehicle sales. This equates to a revenue reduction from federal and state grant funds of approximately \$60,000.

- ***Fee Revenues:***

No fee increases are proposed for FY 2012-13 other than a Consumer Price Index (CPI) adjustment. The CPI fee adjustment is authorized by APCD Rule 210, which provides for an annual adjustment based on the CPI for the preceding year (April-to-April). The CPI for the preceding year, ending in April 2011, is 3.1%.

Expenditure Cuts

A line-by-line review of expenditures was conducted to bring costs down to meet the forecasted \$448,224 reduction in revenues. After the first and second budget cuts, a deficit still remained necessitating further, more determined action. It is important to note, as in the past three years, District employees will not receive a cost of living adjustment (COLA) even though California's CPI continues to increase. The expenditures proposed below result in the majority of costs avoided or cut.

- ***Staffing Levels:***

Staffing levels have declined since a 1993 peak of 113 full time equivalent employee (FTE) positions. Further reductions were necessary for FY 2012-13. In an effort to decrease salary costs, the District reduced staffing levels from last year's total of 50.25 FTE to a proposed FY 2012-13 total of 48.0 FTE. This equates to a drop in salary expenses of approximately 4.5%.

- ***Retirement Costs:***

Over the last five years the District's contribution to retirement planning has increased by more than 60%. For FY 2012-13 we predict another sizable increase of 4.3%, which equates to approximately \$55,000. Our current retirement system is unsustainable and strategic action became necessary. The District, in line with other county and state agencies, proposes to construct a new retirement tier (Tier III) for employees coming onboard in FY 2012-13 and beyond. Savings will increase incrementally with each new employee until all employees are enrolled. For FY 2012-13 costs will be reduced by a relatively small amount, estimated to be \$7,000.

Fund Balances

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

- *Restricted Funds:*

Restricted fund balances are those where use is prescribed by law. These savings accounts are generated through grant allocations received from federal and state agencies. Monies in these accounts are managed by our Innovative Technologies Group (ITG) and pass through the APCD to qualified projects benefitting clean air. An example of a restricted fund balance is the State's Carl Moyer grant program. For FY 2012-13 restricted fund balances total \$653,867.

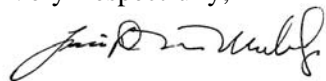
- *Committed Funds:*

Committed fund balances are savings set aside for specific categorized expenditures, such as capital replacement, retiree health subsidy, and the data acquisition system. Additionally, within committed fund balances there are discretionary savings available for spending at planned intervals or when unforeseen circumstances arise requiring a withdrawal. Discretionary fund balances consist of our strategic reserve, reevaluation cycle, and an account for unforeseen operational requirements. For FY 2012-13 committed fund balances total \$5,166,885 with \$1,874,008 designated as discretionary.

Conclusion:

The FY 2012-13 proposed budget represents thoughtful consideration of impacts, consequences, alternatives, and difficult choices based on our current economic challenges. I was optimistically cautious in generating a revenue forecast and balanced total expenses by carefully deliberating the need for each outlay. The significant reductions proposed in this budget will better align spending with available resources allowing for future fiscal stability. It is my belief that the District can execute this proposed budget with the confidence that our mission requirements will continue to be met throughout the year.

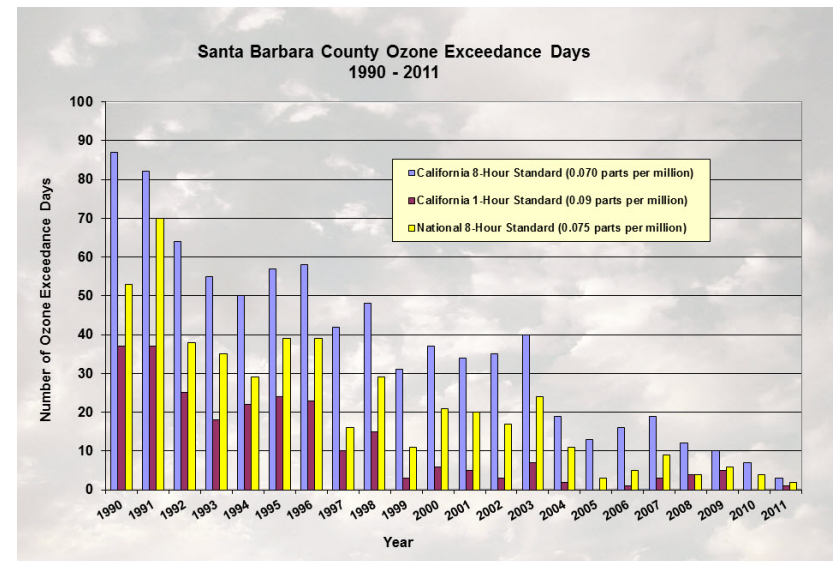
Very Respectfully,



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

Santa Barbara County Historical Air Quality

Santa Barbara County's air quality has historically violated both the state and federal ozone standards. Ozone concentrations above these standards adversely affect public health, diminish the production and quality of many agricultural crops, reduce visibility, and damage native and ornamental vegetation. In 1970, when the APCD was formed, the air in Santa Barbara did not meet the federal one-hour ozone standard. For 40 years our efforts focused on attaining that standard. On August 8, 2003, Santa Barbara County was officially designated an attainment area for the federal one-hour ozone standard. USEPA has designated Santa Barbara County as "attainment" for the federal eight-hour ozone standard (0.075 parts per million). The eight hour standard replaced the previous federal one-hour standard. In addition, we attained the state one-hour ozone standard for the first time during 2004-2006. The California eight-hour ozone standard was implemented in June, 2006. The County violates the state eight-hour ozone standard and the state standards for PM₁₀.



About the APCD

What is the APCD?

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

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

APCD's Mission

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

Our goal is to provide consistent, high-quality, cost effective professional services to the public and regulated community. In striving towards our goal, the APCD embraces the attributes of accessibility, accountability, and transparency.

Organizational Chart



Strategic Plan

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

Priority 1: Protection of Public Health Through Air Quality Improvement

Goal: Continue to implement programs that directly reduce emissions.

Objectives:

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

Objectives: (cont'd)

- Involve the community in pollution reduction efforts through grant programs, public education, and recognition of outstanding pollution reduction efforts.
- Maintain a fair and rigorous enforcement program.
- Ensure a contribution by all emission sources towards emission reductions.
- Use penalties to act as a deterrent, and to emphasis compliance.

Goal: Maintain a strong, science-based program.

Objectives:

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

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

Objectives:

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

Goal: Ensure adequacy of resources.

Objectives:

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

**Priority 2:
Community Involvement**

Goal: Involve the community in air quality protection.

Objectives:

- Support a broad-based Community Advisory Council to provide input on rules and clean air plans and to foster open communication and a collaborative approach to air pollution control planning.
- Conduct workshops on new rules, plans, and the budget to obtain community input.
- Inform the public on air quality issues through a periodic newsletter, a web site, explanatory pamphlets and other educational matter.
- Keep the media informed.
- Participate in community events.
- Enlighten students about the importance of air quality and promote their interest in the environment through our support of teachers providing energy and environmental conservation education.

**Priority 3:
Continuously Improve Service**

Goal: Maintain and improve relationships with all constituents.

Objectives:

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

Fiscal Year 2012-13 District Budget

REVENUE PLAN

	Actual FY 2010-11	Adopted FY 2011-12	Est. Act. FY 2011-12	Proposed FY 2012-13
<i>Licenses & Permits</i>				
Evaluation Fees	\$ 272,870	\$ 227,989	\$ 225,130	\$ 209,840
Asbestos Notification Fees	106,281	104,030	74,038	82,400
Reevaluation Fees	562,193	1,027,164	1,004,000	868,795
Air Toxics (AB 2588)	5,949	6,553	5,882	5,461
Application Fees	109,489	98,344	113,712	113,300
Annual Emission Fees	906,927	919,622	906,927	933,180
Notice of Violation	285,638	175,000	503,666	175,000
Inspection Fees	13,221	19,615	17,998	19,615
Source Test Fees	55,020	61,800	61,800	87,515
DAS	357,483	368,207	368,207	379,204
Monitoring	554,606	565,732	565,700	582,588
<i>Use of Money</i>				
Interest	69,379	130,000	50,000	75,000
<i>Federal, State, and Other Governments</i>				
Federal - EPA Grant	497,519	500,000	529,000	475,000
Motor Vehicle \$4	1,342,619	1,383,333	1,342,512	1,360,000
Motor Vehicle \$2	691,560	691,667	691,667	679,999
State-PERP	72,383	46,230	54,353	54,165
State-ARB	103,206	100,000	100,000	100,000
Other Governments	161,505	175,209	164,526	162,061
<i>Charges for Services</i>				
Environmental Review	7,661	7,000	9,000	9,000
AQAP Fees	343,001	349,335	343,001	369,149
Carl Moyer Program	735,416	516,283	513,649	500,126
Reimbursable Charges	746,008	663,520	697,324	686,769
<i>Miscellaneous Revenue</i>				
	8,629	4,044	2,100	2,040
Revenue Total	8,008,563	8,140,677	8,344,192	7,930,207
<i>Other Financing Sources</i>				
Release of Designations	574,490	1,465,787	1,052,532	1,228,033
Revenue Plan Total	<u>\$ 8,583,053</u>	<u>\$ 9,606,464</u>	<u>\$ 9,396,724</u>	<u>\$ 9,158,240</u>

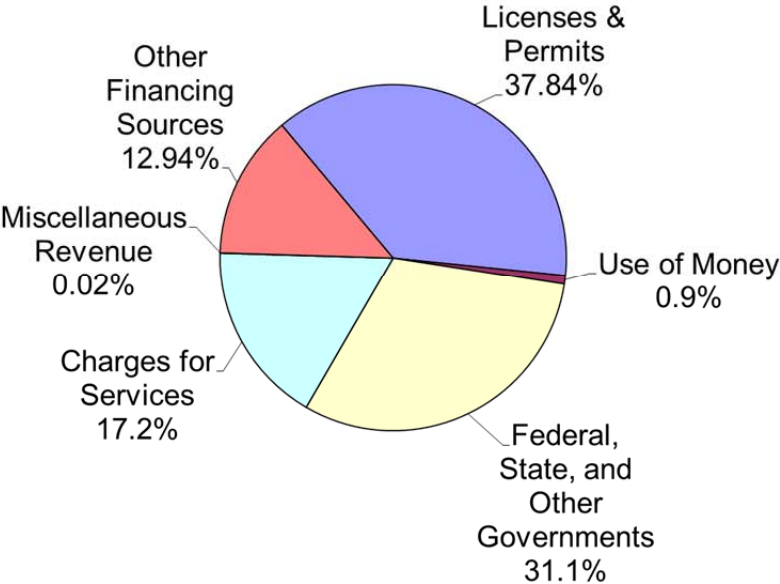
EXPENDITURE PLAN

	Actual FY 2010-11	Adopted FY 2011-12	Est. Act. FY 2011-12	Proposed FY 2012-13
<i>Operating Expenditures</i>				
Administration	\$ 3,495,809	3,755,293	\$ 3,713,608	3,318,852
Engineering & Compliance	\$ 2,264,750	2,252,380	2,271,140	2,262,271
Technology &				
Environmental Assessment	\$ 2,745,222	3,565,271	2,814,680	3,335,190
Operating Total	\$ 8,505,781	9,572,944	8,799,428	8,916,313
<i>Other Financing Uses</i>				
Designated for Future Uses	\$ 77,272	33,520	597,296	241,927
Expenditure Plan Total	<u>\$ 8,583,053</u>	<u>9,606,464</u>	<u>\$ 9,396,724</u>	<u>9,158,240</u>

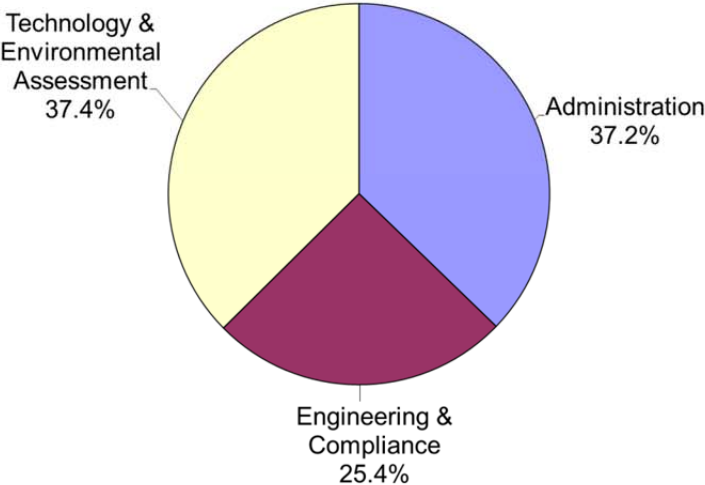
CHARACTER OF EXPENDITURES

	Actual FY 2010-11	Adopted FY 2011-12	Est. Act. FY 2011-12	Proposed FY 2012-13
<i>Operating Expenditures</i>				
Regular Salaries	\$ 3,891,113	3,839,151	\$ 3,977,536	3,606,801
Extra Help	\$ -	11,222	-	2,588
Benefits	\$ 1,677,877	1,780,709	1,826,795	1,759,502
Salaries & Benefits Total	\$ 5,568,990	5,631,082	5,804,331	5,368,891
Services & Supplies	\$ 2,652,335	3,594,167	2,692,242	3,295,729
Other Charges	\$ 165,563	163,195	144,855	161,293
Fixed Assets	\$ 118,893	184,500	158,000	90,400
Operating Total	<u>\$ 8,505,781</u>	<u>9,572,944</u>	<u>\$ 8,799,428</u>	<u>8,916,313</u>

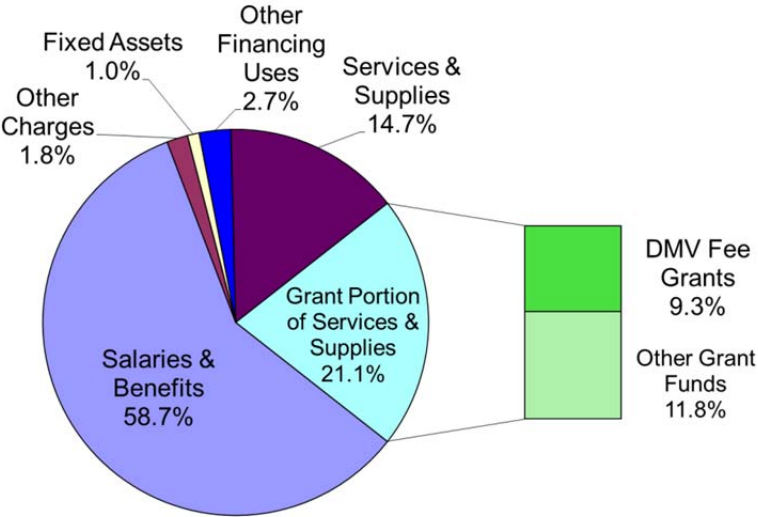
Fiscal Year 2012-13 Budget Charts



Revenue Plan



Expenditure Plan



Character of Expenditures

Projects Funded with Motor Vehicle Registration Fees:

Fiscal Year 2012-13 Programs Funded with \$2 DMV	Funding
School bus replacement and Prop 1b school bus cost share	\$360,000
Old Car Buy Back Program	500,000
Total \$2 DMV FY 2012-13 Program Funds	\$860,000

Projects Funded with Other Grant Funds:

Fiscal Year 2012-13 Innovative Technologies Program Expenditures	Funding
Moyer Year 13 and 14 projects	\$912,397
Marine Shipping Retrofit Program (Innovative Technology Group and other agency funds)	44,000
Electric Vehicle Charging Station Program*	113,270
ITG Programs Funded in FY 2012-13	\$1,069,667

*From funds remaining in the Guadalupe Oil Field Air Quality Mitigation Program (\$50,000), the Red Lion Mitigation Program (\$57,000) and the Exxon Cable Laying Mitigation Fund Program (\$6,270).

Fiscal Year 2012-13 Job Class Table (Effective June 25, 2012)

Position Number	Classification Title	Adopted FY 2011-12	Additions / Deletions	Proposed FY 2012-13	Range Number	Monthly Equivalent Salary Range (A-E)	Representation Unit
Funded Positions							
157	ACCOUNTING TECHNICIAN I/II	2.00		2.00	4946/5246	2850-4025	24
158	ACCOUNTING TECHNICIAN III	1.00		1.00	5546	3847-4677	24
447	AIR MONITORING SUPERVISOR	1.00	-1.00	0.00	6502	6203-7540	29
390	AIR POLLUTION CONTROL OFFICER	1.00		1.00	n/a	12,501	41
435/436	AIR QUALITY ENGINEER I/II	3.50	-0.50	3.00	5962/6162	4736-6362	28
437	AIR QUALITY ENGINEER III	5.00		5.00	6362	5784-7030	28
438	AIR QUALITY ENGINEERING SUPERVISOR	3.00		3.00	6662	6719-8167	29
442	AIR QUALITY SPECIALIST III	2.00		2.00	6212	5366-6522	28
1362	BUSINESS MANAGER	1.00		1.00	6800	7199-8750	43
448	COMMUNITY PROGRAMS SUPERVISOR	1.00		1.00	6502	6203-7540	29
2149	INFORMATION TECHNOLOGY & MONITORING SUPERVISOR	1.00		1.00	6700	6849-8325	29
2175	NETWORK TECHNICIAN I/II	1.75	-0.75	1.00	6164	5239-6368	24
490	DIVISION MANAGER	2.00		2.00	6950	7759-9432	43
2553	EDP SYS. & PROG. ANALYST I/II	1.00		1.00	6236/6386	5431-7115	24
2555	EDP SYS. & PROG. ANALYST III	1.00		1.00	6536	6309-7669	24
442	EMISSIONS INVENTORY/PLANNING SPECIALIST III	2.00		2.00	6212	5366-6522	28
3421	EXECUTIVE SECRETARY/BOARD CLERK	1.00		1.00	5922	4642-5642	32
5730	HUMAN RESOURCES TECHNICIAN I/II	0.00	1.00	1.00	5328/5528	3450-4634	32
5740	HUMAN RESOURCES OFFICER	1.00		1.00	6700	6849-8325	43
417/418	INSPECTION SPECIALIST I/II	2.00		2.00	5652/5852	4056-5449	28
419	INSPECTION SPECIALIST III	5.00		5.00	6052	4954-6021	28
440/441	MONITORING SPECIALIST I/II	1.00		1.00	5782/5962	4328-5756	28
442	MONITORING SPECIALIST III	2.00		2.00	6212	5366-6522	28
1706	OFFICE TECHNICIAN - CONFIDENTIAL	1.00	-1.00	0.00	5150	3157-3837	32
1702	OFFICE TECHNICIAN	3.00		3.00	5052	3005-3653	23
439	PERMIT TECHNICIAN I/II	1.00		1.00	5328/5528	3450-4634	23
431	PLANNING & TECHNOLOGY SUPERVISOR	1.00		1.00	6672	6753-8208	29
421	PRINCIPAL INSPECTION SPECIALIST	1.00		1.00	6312	5641-6857	28
444	PUBLIC INFORMATION AND EDUCATION SPECIALIST	1.00		1.00	6208	5356-6510	28
16	SUPERVISING ACCOUNTANT	1.00		1.00	6290	5579-6782	32
TOTAL NUMBER OF FUNDED POSITIONS		50.25	-2.25	48.00			
TOTAL NUMBER OF UNFUNDED POSITIONS		5.25	0.00	5.25			
TOTAL NUMBER OF POSITIONS		55.50	-2.25	53.25			

District Division Summaries

The Air Pollution Control District operates with 48.00 positions, from two locations, one in the South County and one in the North County, and is organized into three divisions, the Administration Division (ADM), the Engineering & Compliance Division (ECD), and the Technology & Environmental Assessment Division (TEA).

Administration

Administration includes administrative overhead, fiscal and executive services, human resources, and information technology Section.

Administrative Overhead

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

Fiscal and Executive Services

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

Human Resources

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

Information Technology Section

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

The Information Technology Section also includes Air Monitoring, which is responsible for measuring and reporting air pollution levels throughout the county. This is done via two networks of air quality monitoring stations. The urban network is funded and operated by the APCD and the California Air

Resources Board to monitor air quality in urban or populated areas throughout the county. The regional and facility-specific network is funded and/or operated by certain large sources to monitor background and regional pollutant levels and the air quality in the vicinity of those major facilities. The monitoring staff maintains the air monitoring network, performs quality assurance reviews on data, analyzes air quality levels, and submits required reports to the California Air Resources Board and the federal EPA. If any monitoring station shows pollution levels above certain thresholds, staff will notify schools, hospitals, convalescent homes, radio and TV stations, and alert people to curb their outdoor activities.

Engineering & Compliance

The Engineering and Compliance Division provides initial and ongoing permitting, compliance, and enforcement services to applicants and operators of stationary sources of air pollution. Permits are required for a broad range of activities, from small businesses such as dry cleaners to large petroleum production and mining operations. The division manages permits and inspections for approximately 1,000 permitted or registered stationary facilities of small, medium, and large size, with a broad range of air pollution emitting activities.

The APCD ensures that operators of such activities abide by federal, state, and local air pollution laws and regulations. Larger facilities also require federal (Part 70) operating permits in accordance with the federal Clean Air Act. In addition to permitting, compliance, and enforcement, the division also handles the air toxics program and emissions source testing.

Permitting, Compliance, Enforcement, and Air Toxics

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

Once the permit to operate is issued, on-going tracking is provided of data submittals, source test and continuous emissions monitoring reports, and field inspections. The source testing and emissions modeling functions are

associated with compliance and permitting. Source testing is the physical measurement of pollutants from emission points; it is used to determine compliance with APCD rules and permit conditions. Modeling analyzes potential air quality impacts of proposed projects using computer programs, which simulate the movement and dispersion of air pollutants, including the preparation of health risk analyses in certain cases. The enforcement function verifies compliance by conducting and documenting site inspections, reviewing records, accessing on-site monitoring data, and monitoring pollution levels. Enforcement staff also responds to citizen complaints, prepare reports for variances and abatement orders heard before the APCD Hearing Board, manage the APCD's mutual settlement program, manage the asbestos demolition and renovation compliance program, and manage the open fires and agricultural/prescribed burning programs, including direct coordination with the County Fire Department.

The air toxics function includes the Air Toxics "Hot Spots" (AB 2588) Program, the review of applications to ensure no sources of significant toxic risk are permitted, and tracking and implementing requirements of state and federal air toxic control measures. The "Hot Spots" Program requires businesses to develop and update an emission inventory of toxic air pollutants and some businesses are required to perform a health risk assessment. The state of California develops Air Toxic Control Measures for categories of sources that emit toxic air contaminants, and these measures are implemented locally by the APCD. The Federal EPA also develops air toxic control requirements, known as Maximum Achievable Control Technology standards and these measures are implemented locally by the APCD as well.

Technology & Environmental Assessment

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

Planning

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

Rule Development

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

Community Programs

The Community Programs Section implements the Public Outreach, Business Assistance, and Land Use review programs.

Public Outreach and Business Assistance:

The APCD's public outreach program includes production of newsletters, brochures, and other educational materials; presentations at schools and at business, education, and other community events, development of partnerships around common interests with a range of organization and agencies, implementation of special outreach and initiatives and development and maintenance of the APCD web site. Our staff manages the Santa Barbara Car Free Program, maintains media relations and serves as the APCD Public Information Officer. Staff also coordinates the APCD Business Assistance Program and Information Line, and assists businesses and the public. Staff also monitors and evaluates proposed legislation and makes recommendations when appropriate.

Land Use:

APCD staff ensures that all permits, plans, rules, and programs of the District are in compliance with the California Environmental Quality Act. Our personnel reviews the larger land development and planning policy documents and provides comments and suggests mitigation measures on the air quality analyses in other agencies' environmental documents and participates in statewide efforts to develop refinements to tools for calculating project air quality, health, and climate change impacts and mitigation measure benefits. In addition, staff coordinates with the Santa Barbara County Association of Governments on the development and implementation of transportation control measures and participates with SBCAG in regional transportation planning efforts and committees to evaluate transportation plans, projects, and funding proposals.

Innovative Technologies Group

The Innovative Technologies Group promotes the development, demonstration, and implementation of clean fuels and clean energy technologies to reduce air pollution through incentives to local businesses and industry. The group initiates projects through government-industry partnerships and through leveraged funding. APCD's portion of the funding comes primarily from the state Carl

Moyer Program and funds from the clean air surcharge on motor vehicle registration fees. Permit fees are not used to fund these programs.

Impact Measures

<u>Measure</u>	<u>Actual CY 2011</u>	<u>Goal CY 2012</u>	<u>Est. Act. CY 2012</u>	<u>Goal CY 2013</u>
Number of days on which the state one-hour ozone standard is not met somewhere in Santa Barbara County	1	≤ 2	1	≤ 2
Number of days on which the federal eight-hour ozone standard is not met somewhere in Santa Barbara County	2	≤ 3	2	≤ 3
Number of days on which the state eight-hour ozone standard is not met somewhere in Santa Barbara County	3	≤ 10	5	≤ 10
Number of days on which either the state/federal PM ₁₀ standards are not met somewhere in Santa Barbara County	8/0	≤ 15/0	8/0	≤ 15/0
Number of days on which either the federal PM _{2.5} standard is not met somewhere in Santa Barbara County	0	0	0	0
Number of people in Santa Barbara County exposed to cancer risk of 10 in a million or greater from toxic air pollutants emitted by permitted sources	21	0	21	0

CY = Calendar Year

Impact Measures (cont'd)

<u>Measure</u>	<u>Actual FY 2010-11</u>	<u>Goal FY 2011-12</u>	<u>Est. Act. FY 2011-12</u>	<u>Goal FY 2012-13</u>
Number of properties (parcels) in Santa Barbara County exposed to cancer risk of 10 in a million or greater from toxic air pollutants emitted by permitted sources	9	≤ 4	9	≤ 3

Fiscal Year 2011-12 Significant Accomplishments

- Only two exceedances of the federal 8-hour ozone standard in CY 2011*.
- Only one exceedance of the state one-hour ozone standard in CY 2011.
- Only three exceedances of the state 8-hour ozone standard in CY 2011.
- Continuous reporting real-time particulate data on the APCD website.
- Performed 1,273 inspections and 660 permitting actions in calendar year 2011.
- Responded to 201 air pollution complaints in calendar year 2011.
- Issued \$606,615 in clean air grants.

* In September 2011 the Environmental Protection Agency announced it would implement the 2008 ozone standard of 0.075 ppm. In December 2011 EPA recommended Santa Barbara County be designated attainment. Designations are expected to be finalized by July 2012.

Air Quality

Santa Barbara County air quality continues to meet all but two ambient air quality standards. With the exception of the State eight-hour ozone standard and the State particulate matter (PM₁₀) standards, the county meets all federal and state standards. The ozone standards were exceeded two days in May 2011 and one day in September 2011. No other months in 2011 exceeded the ozone standards. The State 24-hour PM₁₀ standard was exceeded eight days in 2011. Three of those days were in April 2011 and three were in December 2011. The other two days occurred in October and November 2011.

Marine Shipping

Marine shipping is the number one source of ozone-forming pollution in our County, and a major source of air toxics, particle pollution, and greenhouse gases. In order to maintain our hard-won accomplishment of attaining the federal ozone standard and to make progress toward attaining the state eight-hour ozone standard, we are continuing to look for ways to reduce emissions from this large mobile source. Ocean-going vessels passing along our County's 140 miles of coastline are predominantly internationally flagged vessels, and have been largely unregulated in the past. However, new EPA regulations took effect in 2011, phasing in emission standards on the new large "Category 3" engines used in marine vessels.

In addition, in 2010, the International Maritime Organization (IMO) amended the International Convention for the Prevention of Pollution from Ships (MARPOL) designating specific portions of U.S., Canadian and French waters as an Emission Control Area (ECA). The North American ECA becomes enforceable in August 2012. The ECA requirements include engine emission standards and fuel sulfur content limits that apply to internationally flagged ships. The California Air Resources Board (CARB) also recently revised "Fuel Sulfur and Other Operation Requirements for Ocean-Going Vessels within California", by extending the compliance zone out to 48 nautical miles out from the coast. This regulation phased in fuel sulfur content limits more restrictive than the current ECA standards.

Our latest Clean Air Plan adopted by the APCD Board in January 2011 shows continued progress towards attainment of the state ozone standard, and marine shipping control measures should help keep us on track over the long term. Nevertheless, we estimate that by 2020, marine vessel traffic in the Santa Barbara Channel will still be a major source of ozone - forming emissions in the County. We will be closely monitoring developments associated with a 2011 US Coast Guard study that recommended changes to the designated shipping lanes in the Santa Barbara Channel. We will also be monitoring overall trends in marine traffic and collaborating with agencies and industry to seek further opportunities to reduce emissions from this major sector. Our primary area of focus will be on vessel speed reduction.

Reduction of Toxic Risk

Only 2 of the original 51 businesses presenting significant risk to the public continue to be considered significant risk facilities, a 96% reduction since 1991.

Innovative Emission Reductions

The Innovative Technologies Group (ITG), through its efforts to establish cooperative government-industry partnerships, has continued promoting the application of clean air technologies. During FY 2011-12, ITG activities have resulted in reducing over 26 tons of smog forming and particulate pollutants.

Emission Reduction activities included:

- Purchasing four new school buses,
- Purchasing six off-road agricultural and construction vehicles, obtaining additional funding for Clean Air Projects under the Carl Moyer Program,
- Restarting the Old Car Buyback Program and purchasing over 400 vehicles; and
- Tracking the implementation of emission reduction projects funded through Carl Moyer and DMV grants.

Fiscal Year 2012-13 Operating Budgets by Division

Administration Division

EXPENDITURE PLAN

	Actual FY 2010-11	Adopted FY 2011-12	Est. Act. FY 2011-12	Proposed FY 2012-13
<i>Operating Expenditures</i>				
Administrative Overhead	\$ 1,211,971	\$ 1,222,599	\$ 1,177,729	\$ 1,079,898
Fiscal and Executive	745,251	806,279	912,792	730,180
Human Resources	231,318	292,785	231,468	251,509
Air Monitoring	642,459	656,239	663,016	583,564
Information Technology	664,810	777,391	728,603	673,701
Operating Total	3,495,809	3,755,293	3,713,608	3,318,852
<i>Other Financing Uses</i>				
Designated Future Uses	29,652	33,520	331,400	216,741
Expenditure Plan Total	<u>\$ 3,525,461</u>	<u>\$ 3,788,813</u>	<u>\$ 4,045,008</u>	<u>\$ 3,535,593</u>

CHARACTER OF EXPENDITURES

	Actual FY 2010-11	Adopted FY 2011-12	Est. Act. FY 2011-12	Proposed FY 2012-13
<i>Operating Expenditures</i>				
Regular Salaries	\$ 1,328,008	\$ 1,435,590	\$ 1,461,099	\$ 1,229,499
Benefits	754,271	822,216	828,658	765,222
Salaries & Benefits Total	2,082,279	2,257,806	2,289,757	1,994,721
Services & Supplies	\$ 1,199,005	\$ 1,254,732	\$ 1,214,436	\$ 1,099,878
Other Charges	\$ 125,284	\$ 135,755	\$ 122,415	\$ 133,853
Fixed Assets	\$ 89,241	\$ 107,000	\$ 87,000	\$ 90,400
Operating Total	<u>\$ 3,495,809</u>	<u>\$ 3,755,293</u>	<u>\$ 3,713,608</u>	<u>\$ 3,318,852</u>

Division Overview

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

Significant Changes (FY 2011-12 Adopted to FY 2012-13 Proposed)

The Proposed FY 2012-13 Operating Total for the Administration Division will decrease by \$253,220 from the Adopted 2011-12 budget to \$3,535,593.

Salaries and benefits decreased \$263,085 primarily due to the reduction of staffing levels, this included a Monitoring Supervisor (1.00 FTE) and a Network Technician I/II (.75 FTE). Also, there were a number of new employees hired due to turnover in this division that started at a lower pay rate than their predecessors which also created a salary savings.

Services and supplies decrease by \$154,854 primarily due to miscellaneous services & supplies cost reductions from eliminating specialized testing for new-hires, the APCD's membership in the Coastal Housing Partnership, as well as reducing the budgeted appropriation for the APCD office machine lease, new hire publication printing, landscaping & janitorial fees, legal fees, and travel and training.

Other charges decrease by \$1,902 primarily due to an anticipated decrease in vehicle maintenance performed by the County.

Fixed assets increase by \$16,600 reflecting the difference in the cost of a data logger from the previous fiscal year.

Fiscal and Executive Services

Purpose Statement

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

Fiscal Year 2011-12 Significant Accomplishments

- Formed a 457(b) Deferred Compensation Committee of at least one representative from each bargaining unit, adopt a 457(b) deferred compensation plan investment policy statement, and obtain fiduciary assurance services from Hartford, the plan's administrator.
- Update our internal monthly financial reports and annual budget reports to be more in line with industry standards and easier to read.
- Renewed the North County lease in November 2011 after a study was done on different leasing options.
- Converted our online training/travel expense software to the new Concur platform to provide staff with an improved system that is more user friendly.
- Implemented randomly occurring, quarterly, petty cash audits.
- Hired a Supervising Accountant to supervise the fiscal section activities and provide an additional level of quality assurance enhancing the timeliness and accuracy of financial information to internal and external stakeholders.

Fiscal Year 2012-13 Goals and Objectives

1. Look into updating our budget process and streamline to be more efficient.
2. Pursue the conversion of APCD Fixed Asset, Trust Fund, Budget, and Interest apportionment spreadsheets into automated applications.
3. Continue to study financial information system options for improved reporting.
4. Continue to submit and track State and Federal Grants, ensuring the District meets Federal Maintenance of Effort (MOE) requirements for expenditures.
5. Continue improvement of fiscal staff knowledge of ever evolving financial reporting requirements, as well as quality control procedures, ensuring accuracy of information.
6. Maintain the District's employee safety program.
7. Continue coordination of Casa Nueva building maintenance requests with co-tenants and sustaining a desirable work environment.

Recurring Performance Measures

Measure	Actual FY 2010-11	Goal FY 2011-12	Est Act FY 2011-12	Goal FY 2012-13
Percent of actual revenue received to revenue budgeted	100.7%	100%	97.9%	100%
Percent of actual expenditures to expenditures budgeted	95.2%	100%	92.0%	100%
Total federal maintenance of effort (MOE) above/(below) previous year MOE + \$1	\$104,761	\$1	\$1	\$1

Human Resources

Purpose Statement

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

Fiscal Year 2011-12 Significant Accomplishments

- Conducted ten recruitments.
- Updated three position descriptions.
- Implemented new health benefit plan in compliance with health care reform mandates.
- Administered District safety training program in compliance with OSHA regulations.
- Managed District workers' compensation program.
- Managed and provided comprehensive Human Resource programs and services for the District and its employees.
- Negotiated one-year labor agreements with all three District bargaining groups.
- Conducted ongoing monthly safety training for all staff.
- No recordable workplace injuries for FY 2011-12.

Fiscal Year 2012-13 Goals and Objectives

1. Organize, direct, control, and review the day-to-day operations of the APCD's personnel program.
2. Analyze and make recommendations to APCD management regarding personnel policies and practices.
3. Participate in collaborative discussions and negotiations with employee organizations.
4. Meet with employees and employee organizations to discuss and resolve grievances and other workplace issues.
5. Review management and employee requests for classification and pay changes, initiate studies, and make recommendations as necessary.
6. Plan and conduct recruitments and develop job related examinations.
7. Coordinate training and development programs for staff.
8. Administer employee benefit plans.
9. Review proposed legislation and new regulations and make appropriate recommendations for compliance.
10. Continue to evaluate Human Resources programs, identify needs, and implement programs and services in support of the agency's mission.

Information Technology Section

Purpose Statement

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

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

Fiscal Year 2011-12 Significant Accomplishments

Automated Data Acquisition (DAS) Program

- The Information Systems staff provided reliable operation of the Data Acquisition System in support of program goals.
- The DAS system uptime exceeded 97%, Backups were 100%, Data Acquisition exceeded 90%.
- Ongoing improvements of function and efficiencies of the DAS system and the support of the monitoring sites.

Local Area Network (LAN)

- The Information Systems section provided a highly reliable computing system for the APCD in support of the District's business.
- Hardware and software systems were upgraded or replaced as necessary keeping in line with our goal of providing reliable and cost effective information systems.
- APCD's web sites were supported and enhanced.
- Ongoing support and enhancements for the payroll, human resources software, accounting, Integrated Database System, and the telecommuting program were provided.
- Provided IT services to meet the needs of Santa Barbara County Association of Governments staff.

Fiscal Year 2012-13 Goals and Objectives

Automated Data Acquisition (DAS) Program

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

Local Area Network (LAN)

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

Recurring Performance Measures

	Actual	Goal	Est. Actual	Goal
<u>Measure</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>
Network uptime	>97%	97%	>97%	97%
APCD website uptime	>99%	100%	>99%	100%
Data Acquisition System (DAS) valid data acquisition rate	>97%	97%	>97%	97%

Air Monitoring

Purpose Statement

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

Fiscal Year 2011-12 Significant Accomplishments

- Operated or provided oversight for the collection of high quality ambient air monitoring data from 18 stations throughout the county.
- Published the 2010 Annual Air Quality Report on the APCD's web page.
- Continued equipment and parts replacement according to schedule.
- Purchased real-time PM samplers and converted three existing manual PM collection sites to real-time collection.
- Submitted and received EPA approval of our 2011 Annual Air Monitoring Network Plan.

Fiscal Year 2012-13 Goals and Objectives

1. On-going operation of the APCD's State and Local Air Monitoring Stations (SLAMS) network and selected Prevention of Significant Deterioration (PSD) monitoring stations, and oversight of the remaining PSD monitoring network in accordance with federal and state requirements. Continue to review cost-effective advances in monitoring technology and daily monitoring procedures for incorporation into the monitoring program to increase program efficiencies.
2. Provide technical support to the California Air Resources Board in their operation of ambient air quality monitoring stations.
3. Publish the Annual Air Quality Report on the APCD's web page.
4. Continue to update and produce new charts and graphs to provide new and historical air quality data on the internet.
5. Respond to ambient air quality data requests from the general public, outside agencies, and APCD staff. Continue daily Air Quality Index reporting to the APCD website.
6. Provide technical support to APCD project managers for major source continuous emissions monitoring programs.
7. Provide data to EPA's AirNow program to provide real-time ozone and particulate matter mapping on the internet.
8. Deploy portable PM monitor for deployment during smoke episodes.
9. Submit for EPA approval of our 2012 Annual Air Monitoring Network Plan.

Recurring Performance Measures

	Actual	Goal	Est. Act.	Goal
Measure	FY 2010-11	FY 2011-12	FY 2011-12	FY 2012-13
Collect 80%/90% valid data for air quality/meteorological measurements.	100%/100%	100%/100%	100%/100%	100%/100%

Engineering & Compliance Division

EXPENDITURE PLAN

	Actual FY 2010-11	Adopted FY 2011-12	Est Act FY 2011-12	Proposed FY 2012-13
<i>Operating Expenditures</i>				
Administrative Overhead	\$ 389,609	\$ 435,697	\$ 432,869	\$ 395,861
Permitting, Compliance, Enforcement, and Air Toxics	1,875,141	1,816,683	1,838,271	1,866,410
Operating Total	2,264,750	2,252,380	2,271,140	2,262,271
<i>Other Financing Uses</i>				
Designated Future Uses	-	-	77,500	25,186
Expenditure Plan Total	<u>\$ 2,264,750</u>	<u>\$ 2,252,380</u>	<u>\$ 2,348,640</u>	<u>\$ 2,287,457</u>

CHARACTER OF EXPENDITURES

	Actual FY 2010-11	Adopted FY 2011-12	Est Act FY 2011-12	Proposed FY 2012-13
<i>Operating Expenditures</i>				
Regular Salaries	\$ 1,568,585	\$ 1,461,770	\$ 1,515,953	\$ 1,514,014
Extra Help	-	9,750	-	-
Benefits	565,234	584,845	601,297	633,218
Salaries & Benefits Total	2,133,819	2,056,365	2,117,250	2,147,232
Services & Supplies	80,999	96,075	60,450	92,599
Other Charges	20,280	22,440	22,440	22,440
Fixed Assets	29,652	77,500	71,000	-
Operating Total	<u>\$ 2,264,750</u>	<u>\$ 2,252,380</u>	<u>\$ 2,271,140</u>	<u>\$ 2,262,271</u>

Division Overview

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

Significant Changes (FY 2011-12 Adopted to FY 2012-13 Proposed)

The proposed FY 2012-13 Operating Total for the Engineering & Compliance Division will increase by \$35,077 from the adopted 2011-12 budget to \$2,287,457.

Salaries and benefits increased \$90,867 primarily due to the shifting of Office Technician hours from Admin to ECD, merit increases for staff, increased budgeted extra help and increased retirement costs.

Services and supplies decreased \$3,476 primarily due to a general 6% reduction in all categories along with increases due to the shifting of safety related training costs from the Admin section.

Fixed assets costs decreased from the prior year by \$77,500 (two inspector vehicles and an H2S analyzer) down to zero. A scheduled inspector vehicle purchase was pushed back to future budgets.

Permitting, Compliance, Enforcement, and Air Toxics

Purpose Statement

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

Fiscal Year 2011-12 Significant Accomplishments

- The APCD conducted 660 permitting actions during calendar year 2011. Permit processing times are noticeably longer than prior years due to workload demands and lack of staffing.
- Issued 14 Part 70 federal operating permit renewals during calendar year 2011.
- During calendar year 2011, inspectors performed 1,273 inspections and responded to and documented 201 air pollution complaints.
- APCD staff continued to work with the remaining Significant Risk Sources (Greka Cat Canyon and SMRC Refinery) to revise modeled risk information and update emissions inventories to accurately reflect the emissions from the facilities and ensure risk reduction plans are enacted timely.

Fiscal Year 2012-13 Goals and Objectives

1. Process and issue permits meeting all applicable timelines (as available resources allow). Permit processing includes: application completeness review, meeting with applicants, written correspondence, permit drafting, engineering evaluation, site visits, public review (when applicable) and issuance.
2. Provide engineering oversight and ensure ongoing compliance with APCD permits and rules. Track and review compliance data and reports.
3. Provide engineering support to other APCD programs.
4. Oversee administrative tracking of permits. Report all Best Available Control Technologies (BACT) and offsets actions to ARB, as required by state law.
5. Process applications of emission reduction certificates and maintain the source register database.
6. Administer the agency's source-testing and CEMS programs; review source test plans and reports, and schedule and observe source tests.
7. Maintain a rigorous inspection and enforcement program, including mutual settlement of violations and assessment of economic benefits of non-compliance, when warranted. Collect and report inspection statistics to ARB and EPA.
8. Represent the agency in actions before the Hearing Board, and assist regulated facilities with the Hearing Board process.
9. Update and improve permit application forms, permitting and enforcement policies, and make available on the APCD's webpage.
10. Continue the automation of the permit process by updating and maintaining our permit data entry, permit system automation, and permit reports programs.
11. Redesign and update the Compliance database, webpage and breakdown reporting program.

Fiscal Year 2012-13 Goals and Objectives (cont'd)

12. Investigate methods of streamlining field inspection reporting process by implementing paperless systems.
13. Implement and administer the Air Toxic Hot Spots (ATHS) program, including risk notification and risk reduction requirements of significant risk sources, website maintenance, public meetings, preparation of updated risk assessments, and oversee implementation of risk reduction plans for significant risk facilities to confirm that the necessary reductions have occurred.
14. Undertake a major effort under ATHS program to screen the potential health risk from all agency-regulated stationary diesel engines. Require significant risk sources to perform refined HRAs.
15. Monitor Title III program developments to address requirements of federal law and applicable control requirements.
16. Consolidate the Division's reporting tools for tracking and reporting of permit and compliance data to address to multiple data requests from internal and external customers.
17. Implement new State and Federal climate control regulations.

Recurring Performance Measures

<u>Measure</u>	<u>Actual FY 2010-11</u>	<u>Goal FY 2011-12</u>	<u>Est. Actual FY 2011-12</u>	<u>Goal FY 2012-13</u>
Inspections				
Percent of citizen complaints about air pollution responded to				
- within 3 hours	80%	90%	77%	90%
- within 24 hours	91%	95%	86%	95%
Percent of scheduled Part 70 major source inspections completed	89%	80%	88%	80%
Percent of assigned inspection caseload completed.	92%	80%	87%	80%

Recurring Performance Measures (cont'd)

<u>Measure</u>	<u>Actual FY 2010-11</u>	<u>Goal FY 2011-12</u>	<u>Est. Actual FY 2011-12</u>	<u>Goal FY 2012-13</u>
Permit Processing				
Percent of Authority to construct permit applications reviewed for completeness within 30	87%	100%	85%	100%
Percent of authority to construct permits issued in compliance with rule 208 deadline stipulations:				
Small - Goal = 30 Days	25%	80%	100%	80%
Medium - Goal = 90 Days	66%	80%	32%	80%
Large - Goal = 180 Days	82%	100%	71%	100%
Percent of permit to annual scheduled reevaluation renewals completed within the year	80%	90%	81%	90%
Compliance				
Percent of complete of all Part 70 major source compliance verification reports within 120 days	47%	80%	50%	80%
Source Testing				
Percent of source test reports reviewed within 60 days	34%	80%	75%	80%
Public Records Act Information Request Response				
Percent of requests initially responded to within 10 days of receipt	94%	98%	98%	98%

Technology & Environmental Assessment Division

EXPENDITURE PLAN

	Actual FY 2010-11	Adopted FY 2011-12	Est. Act FY 2011-12	Proposed FY 2012-13
<i>Operating Expenditures</i>				
Administrative Overhead	\$ 202,446	\$ 246,928	\$ 234,340	\$ 207,243
Air Quality Planning	298,833	233,153	232,733	232,801
Rule Development	302,037	263,541	257,717	203,103
Community Programs	242,370	232,987	230,503	264,067
Land Use	246,184	246,194	279,777	250,544
Innovative Technologies	1,453,352	2,342,468	1,579,610	2,177,432
Operating Total	2,745,222	3,565,271	2,814,680	3,335,190
<i>Other Financing Uses</i>				
Designated Future Uses	47,620	-	188,396	-
Expenditure Plan Total	<u>\$ 2,792,842</u>	<u>\$ 3,565,271</u>	<u>\$ 3,003,076</u>	<u>\$ 3,335,190</u>

CHARACTER OF EXPENDITURES

	Actual FY 2010-11	Adopted FY 2011-12	Est. Act FY 2011-12	Proposed FY 2012-13
<i>Operating Expenditures</i>				
Regular Salaries	\$ 994,520	\$ 941,791	\$ 1,000,484	\$ 863,288
Extra Help	-	1,472	-	2,588
Benefits	358,372	373,648	396,840	361,062
Salaries & Benefits Total	1,352,892	1,316,911	1,397,324	1,226,938
Services & Supplies	1,372,330	2,243,360	1,417,356	2,103,252
Other Charges	20,000	5,000	-	5,000
Fixed Assets	-	-	-	-
Operating Total	<u>\$ 2,745,222</u>	<u>\$ 3,565,271</u>	<u>\$ 2,814,680</u>	<u>\$ 3,335,190</u>

Division Overview

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

Significant Changes (FY 2011-12 Adopted to FY 2012-13 Proposed)

The Proposed FY 2012-13 Operating Total for the Technology & Environmental Assessment Division will decrease by \$230,081 from the Adopted 2011-12 budget to \$3,335,190.

Salaries and benefits decreased \$89,973 primarily due to salary savings and a reduction in .50 FTE of a rule maker offset by an increase in retirement costs.

Services and supplies decreased by a net \$140,108 due primarily to a decrease in Carl Moyer & ITG grants and was offset by an increase in various contractor costs for database, web, and community outreach activities.

Other charges had no change in the contribution to Santa Barbara County Association of Governments for its work on the Clean Air Plan.

Fixed assets had no change from the previous year, there are no anticipated fixed asset purchases planned for FY 2012-13.

Air Quality Planning

Purpose Statement

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

Fiscal Year 2011-12 Significant Accomplishments

- Updated Point and Area source emissions for 2010 and submitted to the Air Resources Board.
- Issued all applicable emission-based fees for FY 2010-2011 including OCS sources.
- Modified emission inventory database to accommodate additional greenhouse gas pollutants.
- Improved emission inventory database to better forecast emissions.
- Fulfilled all public data requests for planning or emission inventory information.

Fiscal Year 2012-13 Goals and Objectives

1. Prepare a triennial update of the State 2010 Clean Air Plan.
2. Coordinate with EPA to determine the specific planning requirements for the federal 8 hour ozone standard, and if necessary, update the federal Clean Air Plan.
3. Refine the Integrated Data System emission inventory module including GHG data.

Fiscal Year 2012-13 Goals and Objectives (cont'd)

4. Track implementation of AB 32 and SB 375.
5. Submit information to EPA as required by EPA Section 105 Grant.
6. Prepare, distribute, collect, and analyze emission questionnaires and statements.
7. Compile, mail out, and respond to inquiries on annual emission, AQAP, and air toxic program fee invoices.
8. Monitor EPA guidance on new standards and determine appropriate actions to comply with all planning requirements.
9. Monitor ARB guidance on the state ozone standard and determine appropriate actions to comply with all planning requirements.
10. Continue to track regulatory developments on marine shipping. Update shipping emissions estimates and further assess impacts to County air quality. Work collaboratively towards speed reduction
11. Fulfill all public data requests for planning or emission inventory information.

Recurring Performance Measures

Measure	Actual FY 2010-11 11/1/2010	Goal FY 2011-12 11/1/2011	Est. Act. FY 2011-12 10/30/2011	Goal FY 2012-13 11/1/2012
Submit emissions inventory data to the California Air Resources Board each year by				
Process emissions inventory data submitted by sources for fee invoices each year by April 30 (deadline May 31)	5/31/2011	5/31/2012	5/30/2012	5/31/2012

Rule Development

Purpose Statement

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

Fiscal Year 2011-12 Significant Accomplishments

- Obtained Board of Directors adoption of amended Rule 352 (Natural Gas Fired Water Heaters).
- Continued work on revisions to Rule 330 (Surface Coating of Metal Parts and Products), Rule 337 (Surface Coating of Aircraft or Aerospace Parts and Products), Rule 349 (Polyester Resin Operations) and Rule 353 (Adhesives and Sealants), Rule 342 (Control of NOx Emissions from Boilers, Steam Generators and Process Heaters) and Rule 361 (Small Boilers, Steam Generators and Process Heaters).

Fiscal Year 2012-13 Goals and Objectives

1. Develop and maintain a rule development schedule. Modify priorities as necessary to comply with federal and state requirements, public input, and to implement improvements in technical rigor.
2. Develop and adopt new and revised rules as required by the Clean Air Plan. These rules include, but are not limited to, Rule 354 (Graphic Arts), Rule 323 (Architectural Coatings) and Rule 360 (Large Water Heaters and Boilers).
3. Develop and adopt rules as required by new state and federal mandates.
4. Develop and adopt rules to implement state air toxic control measures, federal New Source Performance Standards, National Emission Standards for Hazardous Air Pollutants, and federal Maximum Achievable Control Technology standards.
5. Present all rules to the APCD Community Advisory Council for their recommendation to the Board.

Recurring Performance Measures

	Actual	Goal	Est. Act.	Goal
<u>Measure</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>
Number of draft rules released for public review	5	4	6	4

Community Programs

Purpose Statement

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

Fiscal Year 2011-12 Significant Accomplishments

- Published four *On The Air* and *Business Focus* newsletters.
- Participated in 2012 Earth Day events and multiple community and school events, including Electric Vehicle workshop, Marian Medical Center Environmental Fair, Green Shorts Film Festival, Emergency Preparedness event, and more. Also made numerous classroom presentations throughout the County..
- Participated in the Green Business Santa Barbara County program.
- Informed the public about days with predicted high ozone and/or particulate matter concentrations.
- Issued news releases and promoted media coverage of District issues and news including: new District Director, federal ozone standard, cleaner fireplace burning (partnering with County Fire Department), Old Car Buy Back Program, funding program for tractor replacements, and more.
- Continued to lead the Santa Barbara Car Free project with Amtrak and more than 100 other partners.
- Operated Business Assistance Program and Business Assistance Line to help businesses comply with APCD requirements. Developed outreach materials for district programs including Old Car Buyback and Off-road Equipment Replacement Program
- Reviewed public notices, made presentations to the public and industry, continued to enhance the APCD website and provided webmaster support to all staff.
- Participated in the Emergency Public Information Communicators (EPIC) Committee, CAPCOA Public Outreach Committee and the National Association of Clean Air Agencies Outreach Committee.
- Participated in initiatives in a variety of areas, including marine

shipping, and provided support for Board presentations.

- Partnered with the County Education Office, the Gas Company, and PG&E on "Care for Our Earth" program to award mini-grants to 29 county teachers to do projects with their students to save energy or cut traffic and pollution at schools.

Fiscal Year 2012-13 Goals and Objectives

1. Publish *On The Air* and *Business Focus* newsletters.
2. Participate in the Santa Barbara County Green Business Program.
3. Administer the Business Assistance Program including managing the Business Assistance Line, providing information and direction to businesses, compliance and permit assistance, and incentive information.
4. Continue to coordinate outreach efforts to the media and to the public for all APCD programs.
5. Schedule and provide speakers at schools and other events and in response to community requests.
6. Maintain and improve APCD's Internet World Wide Web site.
7. Participate in CAPCOA Public Outreach Committee to promote statewide consistency in communicating air quality information, to share communication products, and to develop and implement joint outreach initiatives.
8. Participate in the National Association of Clean Air Agencies Public Outreach committee to maximize input on federal air quality communication programs, and to benefit from national communication initiatives.
9. Participate in the Emergency Public Information Communicators committee to share information and strategies.
10. Promote clean-air transportation choices through implementation of the Santa Barbara Car Free project and participation in community events and projects.

Recurring Performance Measures

Community Programs

	Actual	Goal	Est. Act.	Goal
Measure	FY 2010-11	FY 2011-12	FY 2011-12	FY 2012-13
Publish "On the Air" newsletter	4	4	4	4

Land Use

Purpose Statement

We review major environmental and planning documents to ensure that air quality impacts of land development projects are correctly assessed and all feasible measures to reduce air pollution from these projects are considered. We review all APCD activities such as Clean Air Plans, rules and regulations, and permits to ensure that our activities do not result in adverse impacts to the environment. We participate in the local transportation planning process and review transportation projects to ensure that transportation policies and projects do not weaken air quality improvements.

Fiscal Year 2011-12 Significant Accomplishments

- Prepared California Environmental Quality Act (CEQA) documentation for all rules and permits where the APCD was the lead agency, and assisted other agencies in the preparation of air quality analyses for CEQA documents for a variety of land use project types.
- As a responsible agency, reviewed environmental documentation for major projects, and as a concerned agency, reviewed documents from CEQA lead agencies such as Caltrans, California State Land Commission, UCSB, local cities, and the County.
- Collaborated with other air districts to revise land use emission calculation tools to enhance analysis capabilities for mitigation measures, greenhouse gases, and construction impacts. Co-sponsored a general training session in Ventura on the use of these tools.
- Participated in the Subdivision/Development Review Committees of Santa Barbara County and Goleta, and SBCAG's Technical Transportation Advisory Committee and Technical Planning Advisory Committee.
- Conducted an "Air Quality Overview and CalEEMod" training for representatives of Santa Barbara County planning agencies in both North and South Santa Barbara County.

Fiscal Year 2012-13 Goals and Objectives

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

Recurring Performance Measures

	Actual	Goal	Est. Act.	Goal
<u>Measure</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>
Percent of CEQA reviews completed within 30 days for all initial studies and minor projects	100% of 164	100% of 200	100% of 152	100% of 160

Innovative Technologies Group

Purpose Statement

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

Fiscal Year 2011-12 Significant Accomplishments

- Purchased two new school buses for the Lompoc Unified School District and two new school buses for the Santa Maria Joint Unified High School District.
- Replaced four agricultural vehicles (two forklifts and two tractors.)
- Replaced engines in three off-road vehicles (two tractors and one backhoe.)
- Continued implementation of the Carl Moyer Program, the agricultural water pump engine program, the marine re-power program, and the on- and off-road heavy-duty diesel re-power program.
- Applied for Carl Moyer Program Year 14 funding.
- Restarted the Old Car Buyback Program.

Fiscal Year 2012-13 Goals and Objectives

1. Evaluate grant applications submitted in response to APCD's "Call for Projects" and issue grants according to APCD Board, Carl Moyer Program and AB923 criteria.
2. Continue management of existing programs, e.g., the marine re-power program, agricultural water pump engine program, state Carl Moyer Program, off-road vehicle replacement program, and the school bus replacement/retrofit program
3. Administer and implement projects funded by AB 923 funds, Carl Moyer Program funds, and motor vehicle registration fees to reduce emissions from diesel engines (e.g., Agriculture Assistance Program, School Bus Replacement and Retrofit programs, etc.) and from the Old Car Buyback Program.
4. Continue efforts to "clean the fleet" by working with local fleet vehicle operators, transit and school districts to re-power, retrofit or replace diesel engines.
5. Identify and pursue partnerships to provide economic benefits to local industries through the demonstration of innovative technologies to reduce air pollution.
6. Track developments in EV fast charging technology and partner with the Community Environmental Council, UCSB, the Central Coast Clean Cities Coalition, SCE and PG&E to obtain funding for charging stations accessible to the public.

Recurring Performance Measures

	Actual	Goal	Est. Act.	Goal
Measure	FY 2010-11	FY 2011-12	FY 2011-12	FY 2012-13
NO _x , ROC, and PM emissions reduced from signed Moyer grant agreement projects (tons).	16.6	20.0	12.0	15.0
Average cost effectiveness for all Carl Moyer Program funded projects (\$/ton)	\$10,300	\$16,000	\$15,070	\$16,400