BOARD OF DIRECTORS MEETING

AGENDA

Board of Supervisors Chambers 700 H Street - Suite 1450 Sacramento, California Thursday, August 28, 2025 09:00 AM



DIRECTORS

Chair Sarah Aquino **Vice-Chair** Caity Maple

Rich Desmond	Patrick Kennedy	Rosario Rodriguez
Roger Dickinson	Porsche Middleton	Dr. David Sander
Eric Guerra	Mathew Pratton	Phil Serna
Patrick Hume	Sergio Robles	Mai Vang

ANNOUNCEMENTS

Members of the public may participate in the meeting in-person, by video conferencing via Zoom, conference line, and by submitting written comments electronically by email at boardclerk@airquality.org.

Comments submitted will be delivered to the Board of Directors by staff. Public comments regarding matters under the jurisdiction of the Board of Directors will be acknowledged by the Chairperson during the meeting. Public comments will be accepted live until the adjournment of the meeting, distributed by the Board of Directors, and included in the record.

Submit public comments via email to boardclerk@airquality.org

Zoom Meeting Link:

https://us06web.zoom.us/j/86884266153?pwd=bLKH9ZeoGHAKAOh1aUv0X3u6AzlbnS.1

Meeting ID: 868 8426 6153

Passcode: 500162

Call In Numbers: (408) 638-0968 (669) 444-9171

1. CALL TO ORDER/ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. BOARD CLERK ANNOUNCEMENTS

4. BROWN ACT

5. CONSENT CALENDAR

5.1 July 24, 2025 Board of Directors Meeting Minutes

Recommendation:

Approve the July 24, 2025 Board of Directors Meeting Minutes.

5.2 Contract Amendment with Fluxx Labs Inc. for Clean Cars 4 All Program and Charlene McGhee Memorial Lawn and Garden Program

Recommendation:

Authorize the Executive Director to amend the contract with Fluxx Labs, Inc. (Fluxx) to: 1) increase the contract amount by \$200,000 for a new not-to-exceed amount of \$550,000, 2) extend the contract until December 31, 2028, 3) update the scope,and 4) in consultation with the District Counsel, make minor revision so long as the action is consistent with the purpose of the contract and does not increase the maximum amount authorized by the Board.

6. DISCUSSION CALENDAR

6.1 Supplemental Environmental Projects Program Update

Recommendation:

Receive and file a presentation on the Supplemental Environmental Projects Program.

6.2 Community Air Protection – New Portable Lab Air Monitoring Campaign

Recommendation:

Receive an update on a new air monitoring campaign using our mobile laboratory starting soon in the South Sacramento-Florin community under AB 617 Community Air Protection Program.

6.3 2025 Legislative Priorities and Budget Update by Arc Strategies

Recommendation:

Receive and file a presentation on the California Governor's 2025-2026 Budget and the

District's legislative efforts for 2025.

7. AIR POLLUTION CONTROL OFFICER'S REPORT

7.1 August 28, 2025 Air Pollution Control Officer Presentation.

Recommendation:

Receive and file a presentation from the Air Pollution Control Officer.

- 8. BOARD IDEAS, COMMENTS, AND AB1234 REPORTS
- 9. PUBLIC COMMENT

10. ADJOURN

Agenda Revision: This agenda may be revised. A final agenda will be posted on the website (www.airquality.org) and at the meeting site 72 hours in advance of the meeting. Materials submitted within 72 hours of the meeting and after distribution of the agenda packets will be made available on the Sac Metro Air District website subject to staff's ability to post the documents prior to the meeting. The order of the agenda items are listed for reference and may be taken in any order deemed appropriate by the Board of Directors. The agenda provides a general description and staff recommendation; however, the Board of Directors may take action other than what is recommended.

<u>Testimony:</u> The Board of Directors welcomes and encourages participation in Board meetings. When it appears there are several members of the public wishing to address the Board on a specific item, at the outset of the item the Chair of the Board will announce the maximum amount of time that will be allowed for presentation of the testimony. Matters under the jurisdiction of the Board and not on the posted agenda may be addressed by the general public immediately prior to the close of the meeting. The Board limits testimony on matters not on the agenda to five minutes per person and not more than 15 minutes for a particular subject.

Meeting Broadcast: This meeting is LIVE and recorded with closed captioning. It is cablecast on Metro Cable Channel 14, the local Government Affairs Channel on Comcast and Direct TV U-Verse cable systems. It is also live streamed at metro14live.saccounty.gov. This morning's meeting will be rebroadcast on Saturday, August 30, 2025 at 1:30pm on Channel 14.

<u>Closed Captioning:</u> Metro Cable now provides closed captioning of the Sac Metro Air District Board meetings for the deaf and hard of hearing community. The captioning will be

available on both the live and playback broadcasts on the Metro Cable television channel (Channel 14).

<u>Assisted Listening:</u> Assisted listening devices are available for use by the public. Please see the Clerk of the Board for further information.

Board Action: The Board of Directors may take action on any of the items listed on the agenda.

<u>Information:</u> Full staff reports are available for public review on the District's website (www.airquality.org), including all attachments and exhibits, or for public inspection at the District's office at 777 12th Street, Suite 300, Sacramento, CA. Copies of items prepared by staff and distributed for the first time at the meeting will be available at the back of the meeting room or may be obtained from the Board Clerk. Copies of items that were not prepared by staff may be obtained after the meeting from the Clerk. Materials related to an item on this Agenda submitted to Sac Metro Air District after distribution of the agenda packet are available for public inspection in the Clerk of the Board's office during normal business hours. For information regarding this agenda, please contact Salina Martinez, Clerk of the Sac Metro Air District Board of Directors, at 279-207-1164.

Meeting Date: August 28, 2025 Report Type: CONSENT CALENDAR

Report ID: 2025-08-06



Title: July 24, 2025 Board of Directors Meeting Minutes

Recommendation: Approve the July 24, 2025 Board of Directors Meeting Minutes.

Rationale for Recommendation: Meeting minutes serve as the official record of the actions and decisions made during board or committee meetings. It is the Board of Directors' practice to approve the minutes at a subsequent Board meeting. The minutes from the July 24, 2025, Board meeting are provided as Attachment A for the Board's review and approval. All approved Board resolutions from that meeting are also attached.

Contact: Salina Martinez, Administrative Supervisor/Clerk of the Board, 279-207-1164

Presentation: No

Approvals/Acknowledgements

Executive Director or Designee: Alberto Ayala, Report Approved 8/21/2025

District Counsel or Designee: Kathrine Pittard, Approved as to Form 8/20/2025

BOARD OF DIRECTORS MINUTES

Sacramento Metropolitan Air Quality Management District 700 H Street - Suite 1450 Sacramento, California Thursday, July 24, 2025 09:00 AM



DIRECTORS

Chair Sarah Aquino Vice-Chair Caity Maple

Rich Desmond	Patrick Kennedy	Rosario Rodriguez
Roger Dickinson	Porsche Middleton	Dr. David Sander
Eric Guerra	Mathew Pratton	Phil Serna
Patrick Hume	Sergio Robles	Mai Vang

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Call In Numbers: (408) 638-0968 (669) 444-9171

Board Meeting Video

Teleconference Locations:

Citrus Heights City Hall: 6360 Fountain Square Dr, Citrus Heights, CA 95621

Cosumnes CSD: 8820 Elk Grove Blvd, Archer Conference Room, Elk Grove, CA 95624

Folsom City Hall: 50 Natoma St, Folsom, CA 95630

1. CALL TO ORDER/ROLL CALL

Meeting was called to order.

Directors present: Rich Desmond, Roger Dickinson, Patrick Hume, Caity Maple, Porsche Middleton, Mathew Pratton, Rosario Rodriguez, Anna Rohrbough, Phil Serna, Darren Suen, and Mai Vang.

Directors absent: Sarah Aquino, Eric Guerra, Patrick Kennedy, Sergio Robles, and David Sander.

Director Rohrbough attended the meeting as an alternate and voted on behalf of Sarah Aquino.

Director Suen attended the meeting as an alternate and voted on behalf of Sergio Robles.

2. PLEDGE OF ALLEGIANCE

3. BOARD CLERK ANNOUNCEMENTS

4. BROWN ACT

5. CONSENT CALENDAR

Moved By Rosario Rodriguez Seconded By Rich Desmond

Ayes (8): Sarah Aquino, Rich Desmond, Patrick Hume, Caity Maple, Sergio Robles,

Rosario Rodriguez, Mathew Pratton, and Porsche Middleton

Absent (6): Eric Guerra, Patrick Kennedy, Phil Serna, Mai Vang, Roger Dickinson, and

Dr. David Sander

Approved

Director Serna stepped out of the meeting and was absent during the Consent Calendar.

5.1 April 24, 2025 Board of Directors Meeting Minutes- Postponed from the May 22, 2025 Agenda

Approve the April 24, 2025 Board of Director Meeting Minutes.

Approved

5.2 Fiscal year 2025-2026 Public Pay Schedule-Postponed from May 22, 2025 Agenda

Adopt a resolution approving a publicly available pay schedule for Fiscal Year 2025-2026 as required by California Code of Regulations, Title 2, Section 570.5.

Resolution No 2025-003

Approved

5.3 Fiscal Year 2024-2025 Financial Audit Engagement Letter-Postponed from the May 22,2025 Agenda

Receive and file the engagement letter from Richardson & Company for the financial audit of the District's fiscal year ending June 30, 2025.

Received and Filed

5.4 May 22, 2025 Board of Directors Meeting MinutesApprove the May 22, 2025 Board of Directors Meeting Minutes.

Approved

5.5 Quarterly Contracts Report (April 2025 – June 2025)

Receive and file a report on certain contracts executed by the Air Pollution Control Officer under the Non-Incentive Purchasing Authority for the quarter April 2025—June 2025.

Received and Filed

6. PUBLIC HEARINGS

6.1 Vacancies and Recruitment and Retention Efforts per Assembly Bill 2561

Moved By Rosario Rodriguez

Seconded By Sergio Robles

Conduct a public hearing regarding District vacancies and recruitment and retention efforts per Assembly Bill 2561 (AB 2561).

Ayes (9): Sarah Aguino, Rich Desmond, Patrick Hume, Caity Maple, Sergio

Robles, Rosario Rodriguez, Roger Dickinson, Mathew Pratton, and

Porsche Middleton

Absent (5): Eric Guerra, Patrick Kennedy, Phil Serna, Mai Vang, and Dr. David

Sander

Approved

Denise Booth, Administrative Services Division, gave a presentation on the District Vacancies and Recruitment and Retention Efforts per Assembly Bill 2561.

Public Hearing was opened and closed with no public comment.

6.2 Fiscal Year 2025-2026 Proposed Budget and Fee Schedule-Postponed from May 22, 2025 Agenda

Moved By Roger Dickinson

Seconded By Rosario Rodriguez

Conduct a public hearing on the Fiscal Year 2025/2026 (FY25/26) Proposed Budget and upon closing the hearing, adopt a resolution approving the FY25/26 Sacramento Metropolitan Air Quality Management District Budget and Fee Schedule effective July 1, 2025.

Ayes (11): Sarah Aquino, Rich Desmond, Patrick Hume, Caity Maple, Sergio

Robles, Phil Serna, Mai Vang, Rosario Rodriguez, Roger Dickinson,

Mathew Pratton, and Porsche Middleton

Absent (3): Eric Guerra, Patrick Kennedy, and Dr. David Sander

Approved

Patty Kepner, Administrative Services Division, gave a presentation on the Fiscal Year 2025-2026 Proposed Budget and Fee Schedule.

Public Hearing was opened and closed with no public comment.

Resolution No. 2025-004

6.3 Adopt Amendments to Rule 207 - Title V Federal Operating Permit Program

Moved By Rosario Rodriguez

Seconded By Rich Desmond

Conduct a public hearing for the adoption of amendments to Rule 207 – Title V Federal Operating Permit Program and: 1) determine that the adoption of amendments to Rule 207 is exempt from the California Environmental Quality Act (CEQA); 2) adopt a resolution approving amendments to Rule 207, 3) direct Staff to submit Rule 207 and all necessary supporting documents to the California Air Resources Board (CARB) for submittal to the U.S. Environmental Protection Agency (EPA).

Ayes (11): Sarah Aquino, Rich Desmond, Patrick Hume, Caity Maple, Sergio

Robles, Phil Serna, Mai Vang, Rosario Rodriguez, Roger Dickinson,

Mathew Pratton, and Porsche Middleton

Absent (3): Eric Guerra, Patrick Kennedy, and Dr. David Sander

Approved

Marc Cooley, Monitoring, Planning and Rules, gave a presentation on Amendments to Rule 207 - Title V Federal Operating Permit Program.

Public Hearing was opened and closed with no public comment.

Resolution No. 2025-005

7. DISCUSSION CALENDAR

7.1 Memorandum of Understanding with Sacramento Transit Authority-Postponed from May 22, 2025 Agenda

Moved By Roger Dickinson

Seconded By Mai Vang

Authorize the Executive Director to enter into a Memorandum of Understanding (MOU) with the Sacramento Transportation Authority regarding the coordination of State Transportation Improvement Program (STIP) funding applications and make minor revisions to the MOU, in consultation with District Counsel, that may be necessary to fully implement its intent.

Ayes (11): Sarah Aquino, Rich Desmond, Patrick Hume, Caity Maple, Sergio

Robles, Phil Serna, Mai Vang, Rosario Rodriguez, Roger Dickinson,

Mathew Pratton, and Porsche Middleton

Absent (3): Eric Guerra, Patrick Kennedy, and Dr. David Sander

Approved

Paul Philley, Transportation and Climate Change, gave a presentation on the Memorandum of Understanding with Sacramento Transit Authority.

7.2 Sacramento Valley Basinwide Air Pollution Control Council New Alternate Member Appointment- Postponed from May 22, 2025 Agenda

Moved By Patrick Hume

Seconded By Sergio Robles

Designate a member of the Sac Metro Air District Board of Directors to serve as the Board of Directors Regular Meeting - Thursday, August 28, 2025 - 10

alternate council member to the Sacramento Valley Basinwide Air Pollution Control Council (BCC).

Ayes (11): Sarah Aquino, Rich Desmond, Patrick Hume, Caity Maple, Sergio

Robles, Phil Serna, Mai Vang, Rosario Rodriguez, Roger Dickinson,

Mathew Pratton, and Porsche Middleton

Absent (3): Eric Guerra, Patrick Kennedy, and Dr. David Sander

Approved

The Board designated Director Mathew Pratton as alternate to the Sacramento Basinwide Air Pollution Control Council.

8. AIR POLLUTION CONTROL OFFICER'S REPORT

8.1 July 24, 2025 Air Pollution Control Officer PresentationReceive and file a presentation from the Air Pollution Control Officer.

Received and Filed

Alberto Ayala, Air Pollution Control Officer gave a presentation.

- 9. BOARD IDEAS, COMMENTS, AND AB1234 REPORTS
- **10. PUBLIC COMMENT**
- 11. ADJOURN

RESOLUTION NO. 2025 - 003

Adopted by the Sacramento Metropolitan Air Quality Management District **Board of Directors**

FISCAL YEAR 2025-26 DISTRICT PAY SCHEDULE

BACKGROUND:

- A. The California Code of Regulations (CCR), Title 2, Section 570.5, requires that the Board adopt the District's pay schedule at a public meeting.
- B. The attached pay schedule meets the criteria established in the CCR.

BASED ON THE FACTS OUTLINED IN THE BACKGROUND, THE BOARD OF DIRECTORS **RESOLVES AS FOLLOWS:**

Section 1. The District Pay Schedule attached to this Resolution as Exhibit A is hereby approved and effective July 1, 2025.

Section 2. Exhibit A is part of this resolution.

ON A MOTION by Director Rosario Rodriguez, seconded by Director Rich Desmond the foregoing resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan Air Quality Management District on July 24, 2025, by the following vote:

Ayes: Rich Desmond, Patrick Hume, Caity Maple, Porsche Middleton, Mathew Pratton,

Rosario Rodriguez, Anna Rohrbough as alternate for Sarah Aquino, and Darren

Suen as alternate for Sergio Robles.

Noes:

Abstain:

Absent: Roger Dickinson, Eric Guerra, Patrick Kennedy, David Sander, Phil Serna, and

Mai Vang

Salina Martinez Digitally signed by: Salina Martinez Date: 2025.07.25 14:13:26 -07'00'

Clerk, Board of Directors

Sacramento Metropolitan Air Quality Management District

Sacramento Metropolitan Air Quality Management District Pay Schedule Effective July 1, 2025

Monthly		thly
Classification	Minimum	Maximum
Accountant	7,579.91	9,213.43
Admninistrative Assistant	5,438.28	6,610.26
Administrative Specialist I	6,996.93	8,504.81
Administrative Specialist II	7,579.91	9,213.43
Administrative Supervisor/Clerk of the Board	8,491.29	11,359.31
Air Pollution Control Officer (contract by Board of Directors)	24,362.03	24,362.03
Air Quality Engineer (Assistant)	8,045.24	9,779.04
Air Quality Engineer (Associate)	9,344.12	11,357.84
Air Quality Instrument Specialist I	6,662.77	8,098.64
Air Quality Instrument Specialist II	7,662.47	9,313.78
Air Quality Planner/Analyst (Assistant)	8,045.24	9,779.04
Air Quality Planner/Analyst (Associate)	9,344.12	11,357.84
Air Quality Specialist (Assistant)	8,045.24	9,779.04
Air Quality Specialist (Associate)	9,344.12	11,357.84
Communications & Marketing Specialist (Assistant)	8,045.24	9,779.04
Communications & Marketing Specialist (Associate)	9,344.12	11,357.84
Controller	11,219.98	15,035.36
District Counsel (contract by Board of Directors)	23,580.33	23,580.33
Director	12,896.73	17,282.35
Financial Analyst	8,188.48	9,953.15
Human Resources Officer	8,491.29	11,359.31
Human Resources Technician I	5,438.28	6,610.26
Human Resources Technician II	6,254.61	7,602.52
Information Systems Analyst (Assistant)	7,518.39	9,138.65
Information Systems Analyst (Associate)	8,645.77	10,508.99
Information Systems Manager	11,219.98	15,035.36
Legal Assistant I	5,671.81	6,894.12
Legal Assistant II	6,238.43	7,582.85
Office Assistant I	3,770.69	4,583.30
Office Assistant II	4,228.48	5,139.74
Program Manager	11,219.98	15,035.36
Program Supervisor	9,759.94	13,079.60
Senior Accountant	8,188.48	9,953.15
Statistician	9,344.12	11,357.84

In addition to the wages listed above, the District provides special compensation as follows:

Directors receive a board approved 5% management pay differential. Employees may receive incentive pay equal to 5% of their base pay if they have earned professional certifications or licenses relevant to their job, such as Professional Engineer or Certified Public Accountant or job relevant doctorate degrees per board approved Memorandum of Understanding.

RESOLUTION NO. 2025 - 004

Adopted by the Sacramento Metropolitan Air Quality Management District

FISCAL YEAR 2025/2026 APPROVED BUDGET AND FEE SCHEDULE

BACKGROUND:

- A. California Health and Safety Code Section 40131 requires two public hearings for the purpose of reviewing and providing the public an opportunity to comment on the proposed budget.
- B. On April 24, 2025, the Sacramento Metropolitan Air Quality Management District Board of Directors (Board) conducted a public hearing on the Proposed Fiscal Year 2025/2026 (FY25/26) Budget, and the second public hearing, for further review and consideration of the budget, was conducted on May 22, 2025.
- C. The FY25/26 Approved Budget shows appropriations, revenues, methods of financing, and total annual appropriations subject to limitations.
- D. District rules state that certain fees may be adjusted on an annual basis provided that the rate adjustments meet the requirements of specific California Health and Safety Codes and do not exceed the annual California Consumer Price Index (CPI).
- E. The District may adjust fees by up to the maximum rate approved by the Board, and the FY25/26 CPI increase of 3.84% (indexed to the California Division of Labor Statistics and Research, All Urban Consumers, April 2023 April 2024) to all eligible fees, is needed for the District to carry out its objectives and responsibilities related to stationary source programs.
- F. The FY25/26 Approved Budget includes 105.8 full-time equivalents (FTE) positions, unchanged from the FY24/25 Amended Position Budget.
- G. On March 27, 2025, a public notice was sent to fee payers; legal notices were posted in the Sacramento Bee, and the FY25/26 budget and fee schedules were made available for public review on the District website.
- H. The District's Financial Management Policies are incorporated in Appendix A of the Budget document.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE BOARD OF DIRECTORS RESOLVES AS FOLLOWS:

Section 1. The FY25/26 Approved Budget set forth in Exhibit 1 is effective July 1, 2025, and is hereby approved as follows:

		FUND		
LEVEL	CLASSIFICATION	100 General	400 Proprietary	500 Special Revenue
51	Employee Services	\$ 20,796,556	\$ -	\$ -
52	Services & Supplies	8,928,262	538,236	34,581,976
53	Debt Service	-	408,500	=
60	Capital Projects	558,000	155,000	-
70	Interfund Charges	(1,532,500)	-	1,532,500
Tota	al Requirements	\$ 28,750,318	\$ 1,101,736	\$ 36,114,476

- Section 2. The Air Pollution Control Officer, in consultation with the District Counsel, is authorized to incorporate the Board's final decisions and refine/add content, as may be needed to meet Government Finance Officers Association award application requirements, into the FY25/26 Approved Budget.
- Section 3. The FY25/26 Approved Fee Schedule, which reflects the Consumer Price Index adjustment of 3.84% for authorized fees, set forth in Exhibit 2, is hereby approved effective July 1, 2025.
- Section 4. The Air Pollution Control Officer, in consultation with the District Counsel, is authorized to revise any appropriation made in the Approved Budget and Fee Schedule where the revision is of a technical nature and is consistent with Board intent.
- Section 5. Exhibits 1 and 2 are attached to and incorporated into this Resolution.

TABLE OF CONTENTS:

Exhibit 1 – FY25/26 Approved Budget

Exhibit 2 – FY25/26 Approved Fee Schedule

ON A MOTION by Director <u>Roger Dickinson</u>, seconded by Director <u>Rosario Rodriguez</u>, the foregoing resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan Air Quality Management District on July 24, 2025, by the following vote:

Ayes: Rich Desmond, Roger Dickinson, Patrick Hume, Caity Maple, Porsche Middleton,

Mathew Pratton, Rosario Rodriguez, Anna Rohrbough as alternate for Sarah Aquino, Phil Serna, Darren Suen as alternate for Sergio Robles, and Mai Vang.

Salina Martinez Digitally signed by: Salina Martinez Date: 2025.07.25 14:15:32 -07'00'

Noes:

Abstain:

Absent: Eric Guerra, Patrick Kennedy, and David Sander.

Clerk, Board of Directors

Sacramento Metropolitan Air Quality Management District

APPROVED BUDGET FISCAL YEAR 2025/2026





SACRAMENTO, CALIFORNIA



APPROVED BUDGET

SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT FISCAL YEAR 2025/2026 BUDGET

Board of Directors

Sarah Aquino, Chair

Mayor City of Folsom

Caity Maple, Vice-Chair

Council Member City of Sacramento

Rich Desmond

Supervisor
Sacramento County Board of Supervisors

Roger Dickinson

Council Member City of Sacramento

Eric Guerra

Mayor Pro Tem City of Sacramento

Patrick Hume

Supervisor

Sacramento County Board of Supervisors

Patrick Kennedy

Supervisor

Sacramento County Board of Supervisors

Porsche Middleton

Council Member City of Citrus Heights

Mathew Pratton

Council Member City of Galt

Sergio Robles

Vice Mayor City of Elk Grove

Rosario Rodriguez

Vice Chair

Sacramento County Board of Supervisors

Dr. David Sander

Council Member City of Rancho Cordova

Phil Serna

Chair

Sacramento County Board of Supervisors

Mai Vang

Council Member City of Sacramento

Executive Director / Air Pollution Control Officer

Alberto Ayala, Ph.D., M.S.E.

District Counsel

Kathrine Pittard

777 12th Street, Ste. 300 Sacramento, CA 95814



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Sacramento Metropolitan Air Quality Management District California

For the Fiscal Year Beginning

July 01, 2024

Christophu P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Sacramento Metropolitan Air Quality Management District for its annual budget for the fiscal year beginning July 1, 2024. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for one year only. The District believes its current budget continues to conform to program requirements and will submit it to GFOA to determine its eligibility for another award.

The Fiscal Year 2025/2026 Budget was prepared by the Administrative Services Division, Finance section in conjunction with District Staff

Division Director Megan Shepard

The electronic version of the Approved Budget is available on the Sacramento Metropolitan Air Quality Management District website at www.airquality.org

(HYPERLINKS ARE ACTIVE)

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FY 2025/26 Approved Budget

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SECTION 1 - Executive Director/APCO Letter

May 22, 2025

Dear Chair Aquino, Vice-Chair Maple, Board of Directors, and Sacramento County residents:

We are pleased to present the Fiscal Year 2025/2026 (FY25/26) Approved Budget for the Sacramento Metropolitan Air Quality Management District (Air District). The Approved Budget is balanced and reflects total expenditures for FY25/26 of \$66.0 million, including \$28.8 million for the General Fund, \$1.1 million for the Proprietary Fund, and \$36.1 million for the Special Revenue Fund, which supports the clean energy transition by investing in zero-emission projects in the greater Sacramento region. The FY25/26 Approved Air District Budget is a net decrease of \$1.6 million from the FY24/25 Approved Budget, with a \$1.2 million decrease in the General Fund, a \$26,000 increase in the Proprietary Fund, and a \$387,000 decrease in the Special Revenue Fund. Board approval of this budget creates a clear path for the Air District to continue its work to protect residents of the Sacramento region from the harmful effects of air and climate pollution through the next fiscal year.

Despite significant progress over the last few decades due to the multifaceted investments and initiatives of this agency, the greater Sacramento region still suffers from too much air pollution. And we are not alone. The World Health Organization attributes approximately seven million premature deaths annually around the globe to industrialization and our reliance on fossil fuel energy. In a recent report by the Asthma and Allergy Foundation of America, Sacramento was ranked 42nd, right behind Stockton, in the top 100 "most challenging places to live with asthma in 2023."

In the Sacramento region, like most urban settings in the country and around the world, the transportation sector – cars, trucks, buses, trains, and equipment – is a large source of air and climate pollution. For this reason, the Air District prioritizes the transition to cleaner, electric, and zero-emission vehicles under our ground-breaking clean air incentive programs funded primarily by local and state dollars. The Air District invests approximately \$20 million annually in these cleaner emission technologies, including the necessary charging and fueling infrastructure to support the transition to sustainable transportation. The funding goes directly to local businesses, agencies, and individuals who voluntarily choose to work with the Air District by adopting cleaner technologies. Thus, our programs are also an economic development engine for the region.



However, we cannot do the necessary work to clean up the air alone. Many of the sources of pollution impacting the region fall under the jurisdiction and authority of the state or federal government. We applaud the state's multiple actions to reduce emissions from future cars, heavy-duty trucks, fleets, lawn and garden equipment, and other sources of pollution. Similarly, we recognize the many important federal actions to tackle pollution from the transportation and energy sectors. Emission reductions from all sectors are needed to meet National Ambient Air Quality Standards (NAAQS). To inform the development of approvable air quality management plans, the Air District will continue to work closely with its 150 state and local air agency partners from across the country to advocate, influence, and inform federal actions.

The clean energy transition will take time and resources, but at this moment in time, we have a unique opportunity to expand and accelerate actions for cleaning the air while enhancing our energy security. We can achieve the desired outcome in a way that uplifts and benefits all of our neighborhoods, ensuring that every resident can fully partake in the clean energy future.

The Air District continues to lead the state in investing funds allocated to the AB 617 Community Air Protection Program (AB 617). We have invested heavily in electric vehicles (EVs) and infrastructure. The Air District's state-designated priority AB 617 community is South Sacramento-Florin – an area of approximately 153,000 Sacramento residents occupying 22 square miles. Multimillion-dollar investments have led to significant pollution reductions and other community benefits in South Sacramento-Florin, thanks to AB 617.



Air District staff celebrate six new electric school buses for the San Juan Unified School District.

The Air District's school bus electrification efforts have been extremely successful. Air District grants have facilitated the early adoption of all-electric school buses throughout Sacramento County, with every school district in the county participating, making Sacramento County home to one of the largest all-electric school bus deployments in California. This is made possible due to local and state funding.

The Air District is ready and equipped to continue the essential core functions of air pollution monitoring, air quality planning, business permitting, compliance, and field inspections of permitted emission sources and clean technology projects. Our top priority is to ensure "transportation conformity" by developing an air quality plan that meets the NAAQS and allows the Sacramento region to remain eligible for state and federal highway funds.

The Air District is funded primarily by permit fees, vehicle registration fees, a local tax measure, and state and federal grants. These funds are critically important to support our mission and vision but are under significant strain given the rising costs of doing business, the growing demands imposed on the Air District by inadequately funded state mandates, the need for local match funding, and the lack of full cost-recovery or inflation adjustments in many of our programs. Some of our most important initiatives lack continuous appropriation from the state or other sources. For example, the Sacramento Emergency Clean Air Transportation (SECAT) program has been one of our most important local tools for helping participating municipalities and businesses achieve cost-effective emission reductions. The Air District appreciates funding from the Sacramento Area Council of Governments (SACOG), but the program is expected to sunset as no continuous funding source for it has been identified.



Air District staff discuss expansion of the AB 617 South Sacramento-Florin boundaries with local residents.

A second example is AB 617. This state-mandated program is a paradigm shift in air quality management. It calls for new targeted efforts to address the uneven health burdens imposed on our communities by exposure to highly localized air pollution. AB 617 also launched several new requirements for air districts, including community-level air quality monitoring, development of emission reduction plans, accelerated review of pollution controls on industrial facilities, and enhanced reporting requirements and penalties. While Governor Newsom has included continuous, partial funding for AB 617 implementation and incentives, the amount of funding is not sufficient to meet the needs of the AB 617 communities or the local agencies implementing this statemandated program. The current state budget deficit will likely make a difficult situation even more challenging.

The Air District's financial forecast still shows a persistent funding gap between revenues and expenditures, and staff

will continue to work closely with the Board's Budget and Personnel Committee to identify viable funding solutions and strategies. Invariably, an increase in existing fees and/or new fees applicable to permitted businesses to cover the myriad newly mandated programs will be necessary. In the meantime, we remain laser-focused on our commitment to carry out our mission of achieving state and federal clean air and climate goals while envisioning a clean air and low-carbon future for all.

As we help the region chart a path toward a clean and just transition to sustainability, livability, and prosperity, we will continue to implement our leading programs – Clean Cars 4 All and Our Community Car Share. We will also continue the deployment of cleaner vehicles, especially electric school buses, battery-electric and fuel-cell electric trucks, and hydrogen fueling and electric charging infrastructure.

We cannot forget our regional partners. The Air District is fortunate to enjoy strong bonds with many government and non-government entities in the region that are aligned in the common belief that the Sacramento region can

achieve a clean energy, zero-carbon, and sustainable future for all if we continue to work together. The Air District is ready to continue to do its part. This budget is a practical step forward.

Respectfully,

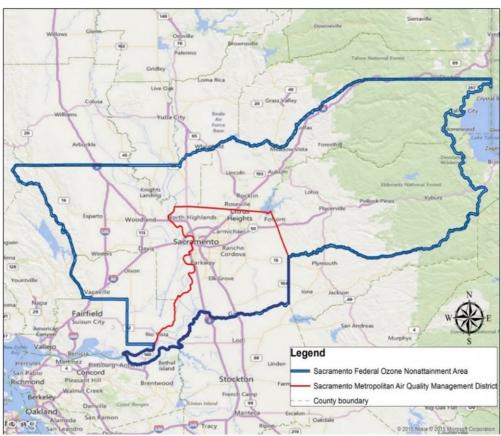
Alberto Ayala, PhD, MSE

Executive Director and Air Pollution Control Officer

SECTION 2 – About the District

DISTRICT PROFILE

The Sacramento Air Pollution Control District was formed by the Sacramento County Board of Supervisors in December 1959. In July of 1996, the Sacramento Metropolitan Air Quality Management District (District) was created under Health and Safety Code Sections 40960 et. seq. to monitor, promote, and improve air quality in the County of Sacramento. It is one of 35 local or regional air quality districts in California. The District is designated by the United States Environmental Protection Agency (EPA) as part of the Sacramento Federal Ozone Nonattainment Area (SFNA), which is comprised of all of Sacramento and Yolo Counties, the eastern portion of Solano County, the southern portion of Sutter County, the western slopes of El Dorado and Placer Counties up to the Sierra crest and includes four other local air districts. Below is a map of the SFNA and the District's boundaries in relation to the SFNA.



Map of the Sacramento Federal Ozone Nonattainment Area

The District's Governing Board is composed of 14 members, including all five Sacramento County Supervisors, four members of the Sacramento City Council, one member each from the cities of Citrus Heights, Elk Grove, Folsom, and Rancho Cordova, and one member representing the cities of Galt and Isleton. The Board appoints the agency's Executive Director/APCO and District Counsel. The District's organizational structure is comprised of the offices of the Executive Director and District Counsel and four operating divisions. The District's organizational chart and additional information can be found in Section 7 – Organizational Overview.

The District is responsible for monitoring air pollution within Sacramento County and for developing and administering programs to reduce air pollution levels below the health-based standards established by the state and federal governments.

While air quality in the SFNA currently does not meet the federal health standards for ground-level ozone, or the more stringent California standards for ground-level ozone and particulate matter (PM₁₀ and PM_{2.5}), progress has been made even as standards have tightened. Despite a huge increase in population over the last two decades, the Sacramento region's air quality has continued to improve.

Sacramento County's population was approximately 1.6 million as of the 2024 California Department of Finance Population Estimates. This population represents roughly 63% of the SFNA's population of approximately 2.5 million. The table below identifies the counties that are part of the SFNA, the portion of each county that falls within the SFNA, and the makeup of the SFNA (by percent) by county.

Population in Sacramento Federal Ozone Nonattainment Area

		Population		
County	SFNA portion of the County	County ¹	SFNA/County ²	County in SFNA/Total SFNA ³
El Dorado	158,826	189,079	84%	6.3%
Placer	407,694	416,014	98%	16.2%
Sacramento	1,583,935	1,583,935	100%	63.0%
Solano	138,579	447,028	31%	5.5%
Sutter	3,002	100,071	3%	0.1%
Yolo	222,326	222,326	100%	8.8%
Total	2,514,362	2,958,453	-	100.0%

¹ The county population data is based on the 2024 California Department of Finance Population Estimates and Components of Change by County (Table E-6) https://dof.ca.gov/Forecasting/Demographics/Estimates/E-6/. It represents the population estimate as of July 2024.

A combination of poor atmospheric ventilation, a capping temperature inversion, bordering mountains, and plenty of sunny days acts to enhance smog formation and effectively trap pollutants in the Sacramento Valley Basin. The Sacramento region has relatively few "smokestack" industries (stationary sources) compared to the Bay Area and Southern California. Therefore, even if all these stationary sources were to shut down, without further mobile source reductions, it is unlikely that the region could meet stricter air quality standards, particularly California's stricter state standards.

Air and climate emissions in the Sacramento region come from mobile, stationary, and area-wide sources. The largest contributor is from the transportation sector, such as motor vehicles, airplanes, locomotives, and other fossil fuel combustion engines and portable equipment. The category also includes "off-road" sources, such as construction, mining, and agricultural equipment. State and federal regulations, coupled with local programs to modernize the vehicle fleet, will help to reduce the impact of motor vehicle fuel and engine emissions on our air quality in the future. However, as general activity and expected growth in our region bring more people and vehicles, mobile sources will continue to be the dominant factor in the region's ongoing air pollution problem.

² The SFNA/County population percentages are based on the 2020 Census Data, which was downloaded from: https://www.census.gov/programs-surveys/decennial-census/decade/2020/2020-census-results.html on 3/19/2025.

³ Percentage values are rounded to one decimal point.

STRATEGIC DIRECTION

The District's Strategic Direction is the roadmap for programs and activities focused on accomplishing its principal functions.

DISTRICT STRATEGIC DIRECTION			
Vision	Vision Clean air and a low-carbon future for all		
Mission	Achieve state and federal clean air and climate goals		
Core Values	IntegrityTeamworkLeadershipInnovation		
Strategic Goals	 ✓ Maximize program effectiveness while balancing environmental and economic considerations ✓ Provide regional leadership in protecting public health and the environment ✓ Integrate equity and environmental justice in decision-making for all air quality and climate change considerations ✓ Develop and enhance diverse partnerships ✓ Recruit, develop, and retain excellent diverse staff ✓ Influence, develop, and implement innovative programs, and promote resilience and sustainability throughout the region ✓ Increase the public's role in improving air quality and reducing carbon ✓ Ensure fiscal responsibility and viability 		

DISTRICT ACTIVITIES

The District's core activities are listed in the table below, followed by brief descriptions of the main functions of each activity.

DISTRICT ACTIVITIES		
Air Monitoring	Sustainable Land Use	
Community Health Protection	Permitting and Business Compliance	
Clean Transportation and Future Mobility	Public Outreach and Notification	

Air Monitoring

- Comply with federal and local air quality planning requirements and develop and maintain federally approvable State Implementation Plans
- Measure air quality to inform planning decisions to meet federal health-based standards
- Provide real-time air quality data for the community summer ozone pollution forecasts, winter Check Before You Burn program, particle pollution forecasts for leaf blower use restrictions in the City of Sacramento
- Measure, report, and communicate impacts from wildfire and other events
- Comply with state and federal air monitoring quality assurance and quality control requirements to produce valid and defensible air quality data

Community Health Protection

- Prompt investigation of and response to air quality complaints
- Targeted review of operating businesses in disadvantaged communities to ensure compliance with all applicable permit requirements
- Protect the public against exposure to asbestos with oversight activities of renovation, demolition, and abatement projects
- Reduce exposure to toxic smoke by investigating illegal burns and enforcing the Check Before You Burn program
- Assess emissions and exposure risks to toxic air contaminants with the Air Toxics "Hot Spots" program
- Develop and coordinate the execution of measures to reduce exposure to toxic air contaminants such as wildfire smoke, diesel particulate matter, and road dust
- Fund projects for underserved communities using air quality penalties revenue and other funding sources
- Build climate resilience, especially for underserved communities, through innovative policies, solutions, and regional partnerships
- Coordinate with and guide local jurisdictions and school districts during air pollution emergency events
- Publicly notice projects and agency determinations related to permitted businesses

Clean Transportation and Future Mobility

- Work with local communities to invest in regional clean-air transportation projects
- Target heavy, medium, and light-duty vehicles, school buses, increased mobility, and charging and fueling infrastructure as priority projects
- Reduce annual Greenhouse Gas (GHG), Nitrogen Oxide (NOx), and Particulate Matter (PM) emissions through innovative programs
- Drive innovation in mobility and connected, autonomous, electric, and shared vehicles
- Support micro-mobility shareable options such as electric bicycles and scooters



Local leaders celebrated the grand opening of the Twin Rivers Electric Bus Charging Depot.

• Transition transportation toward zero-emission electrification

Sustainable Land Use

- Provide local jurisdictions with technical assistance and best practices in the areas of air quality, climate change, and resiliency
- Review and comment on land use, transportation, and construction projects to reduce criteria and greenhouse gas emissions
- Ensure compliance with air quality and climate provisions of the California Environmental Quality Act

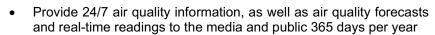
Monitor operational and construction air quality and climate change mitigation

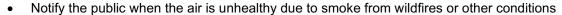
Permitting and Business Compliance

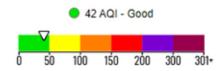
- Develop plans and implement regulations to meet legally binding national ambient air quality standards
- Issue air quality permits to ensure local businesses comply with air quality rules and regulations
- Perform inspections of permitted businesses to make sure they are operating in compliance with all applicable requirements
- Perform surveillance activities to verify that businesses required to have permits have obtained them
- Assure a fair playing field for all businesses by enforcing clean air rules

Public Outreach and Notification

- Distribute health and air quality information
- Promote notable projects and initiatives for air quality and climate action







STRATEGIC PRIORITIES

Outlined below are the District's priorities, which serve as guiding principles for decision-making and resource allocation in pursuit of its mission to achieve state and federal clean air and climate goals.

Attainment and Maintenance of Ambient Air Quality Standards

To fulfill the District's responsibility of protecting public health, the District prioritizes work toward the attainment and maintenance of the National Ambient Air Quality Standards (NAAQS). The Clean Air Act (CAA) requires the EPA to set NAAQS for pollutants that are considered harmful to the public and the environment. These pollutants come from numerous and diverse sources. The District works toward the attainment of a NAAQS, and once EPA formally

deems the region in attainment, the region is required to show maintenance of that standard for the next 20 years.



In the Sacramento region, ambient ozone pollution has improved since the early 2000s, leading to a decrease in the number of exceedances of the 8-hour ozone NAAQS and a gradual decline in ambient ozone pollution concentrations. The continuation of this progress in the capital region remains one of the most daunting challenges for the District and for the agencies whose programs depend on air quality progress. The EPA determined the Sacramento region met the federal 1979 1-hour ozone NAAQS in October of 2012.

For the 1997 ozone NAAQS (84 parts per billion [ppb]), the Sacramento region was designated nonattainment and was given an attainment deadline of June 2019.

However, due to wildfires in 2018, the region was unable to attain this standard. Thus, the District is continuing to work collaboratively with the other four air districts in the Sacramento Federal Nonattainment Area (SFNA), California Air Resources Board (CARB), and the EPA on demonstrating regional attainment. The Districts of the SFNA have submitted for a Determination of Attainment demonstrating that the region has attained the 1997 ozone NAAQS.

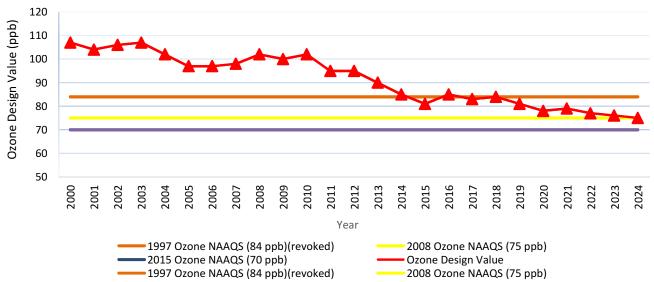
In 2017, the Sacramento region adopted the Sacramento Regional 2008 8-hour Ozone Attainment and Reasonable Further Progress Plan (Plan) to address the 2008 ozone NAAQS (75 ppb). This Plan was approved by CARB and submitted to the EPA on December 18, 2017. The Plan is a significant achievement for the region. It shows further progress on air quality primarily through the implementation of existing District rules and policies. It also serves as an example of sensible air quality management by balancing the needs of the environment and local businesses. In October 2021, the EPA published a final rule in the Federal Register approving all applicable ozone nonattainment area requirements in the SFNA, except for contingency measures (requirements per 86 FR 58582). A court ruling on contingency measures precluded full approval of the Plan. In 2024, the Districts of the SFNA submitted a revision to the EPA addressing contingency measures and await action by the EPA. In addition, the region has the air quality data demonstrating attainment of the 2008 ozone NAAQS and has requested a

Determination of Attainment by the Attainment Deadline. The air districts in the SFNA will continue to work with CARB and the EPA to streamline this determination.

Although much progress has been made in the region, challenging work remains ahead for the District. Next is the attainment of the most current 2015 ozone NAAQS of 70 ppb. In 2023, the District adopted the 2015 NAAQS 8-hour Ozone Attainment Plan that provides a pathway for the Sacramento region to attain the 2015 standard by the attainment date of August 2033. The region will rely on continued reductions of ozone precursor emissions, namely NOX and volatile organic compounds (VOCs), from familiar sources. The transportation sector is the single largest source of NOX emissions in the SFNA. Investments toward cleaner vehicles and engines, including zero-emission electric vehicles and equipment, will yield multiple co-benefits and reduce other pollutants like GHGs. VOC pollution sources are ubiquitous, they include consumer products and combustion from various types of vehicles and equipment.

As the figure below illustrates, ambient concentrations of ozone pollution in the region (indicated as design values) have seen a gradual decline since the early 2000s. The chart shows the peak annual ozone design values for the designated ambient air monitoring site in the SFNA from 2000 to 2024. The 25-year trend line indicates stubbornly stable concentrations for the first 10 years and an encouraging decline over the next 15 years. In these periods, ozone pollution measured at 107 ppb (well above the three standards indicated) decreased to 75 ppb. This level is above the most recent and stringent 2015 standard. In 2018 and 2020, the Sacramento region was impacted by numerous wildfires, and they caused unusually high ozone concentrations in the region. EPA has a process in place to exclude days that are proven to be affected by wildfires from the data used to make the attainment demonstration.

8-hour Ozone Design Value: SFNA (2000-2024)



Note: A design value is a 3-year average of the 4th highest ambient ozone concentration at an ambient air monitoring station. The design value is used to determine attainment status.

Data Source: EPA AQS data downloaded on February 21, 2025 (AMP480 and AMP350MX). The SFNA was impacted by wildfires in 2018, 2020, 2021, and 2022, which caused unusually high 8-hour average ozone concentrations. The peak design value calculation in this chart excluded the high ozone readings due to wildfires.

For fine particulate matter ($PM_{2.5}$), EPA determined that the Sacramento $PM_{2.5}$ Nonattainment Area attained the 2006 24-hour $PM_{2.5}$ NAAQS of 35 μ g/m³ by the attainment date of December 31, 2015 (82 FR 21711). Ambient daily $PM_{2.5}$ concentrations from 2011 to 2017 have fluctuated very closely around the standard. In 2018, 2020, and 2021, $PM_{2.5}$ concentrations exceeded the standard because of unusually high $PM_{2.5}$ concentrations in days impacted by smoke from wildfires. If the EPA finds the region did not attain due to these high $PM_{2.5}$ days, then the District will need to demonstrate that these days were influenced by an exceptional event – namely, the wildfires. If the EPA agrees, the impacted data may be excluded from the attainment determination.

While a significant challenge and a strain on District resources, controlling pollution from wood-burning smoke on key days in the late fall and winter is essential to meeting the daily PM_{2.5} standard. Consequently, the District's Wood Smoke Program, including the Check Before You Burn law, continues to be a priority.

From November through February, District staff regularly share Check Before You Burn information with the public through media interviews, social media, advertising, newsletters, videos, and other District communications.

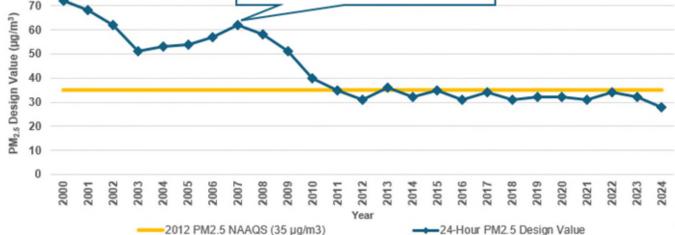
Key messages focus on educating residents and businesses about:

- The negative health impacts of wood smoke pollution, particularly for sensitive populations like children and the elderly
- Tips for reducing wood smoke and protecting public health
- Burn day status categories and the requirement to check the daily burn status before using indoor or outdoor fireplaces, wood stoves, fire pits, or chimineas that burn wood, pellets, manufactured fire logs, or any other solid fuel during the Check Before You Burn season.

The 24-hour PM_{2.5} Design Value trend chart below shows the District is expected to remain in attainment of the PM_{2.5} 24-hour standard of 35 µg/m³, provided EPA accepts an exceptional event demonstration for excluding days when PM_{2.5} pollution values were above the standard due to wildfires. Future efforts will focus on staying in attainment and securing additional PM emission reductions whenever possible so that particle pollution concentrations trend down. Key sources of particle pollution include the transportation sector and wood burning.

24-hour PM_{2.5} Design Value: SFNA (PM_{2.5}) (2000-2024)

炒 80 Implementation of the Wood Burning Control 70 60 50

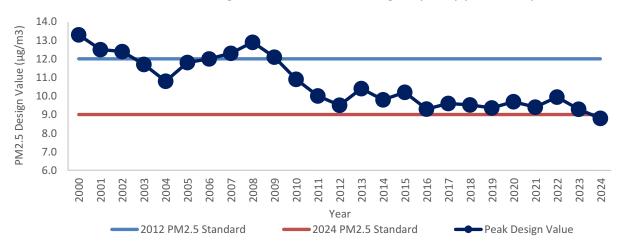


Data Source: EPA AQS data downloaded on February 21, 2025 (AMP480 and AMP350MX). Preliminary 2024 AQMIS data downloaded on February 21, 2025.

Note: The Sacramento region was impacted by several major wildfires in 2018, 2020, 2021, and 2022, which caused unusually high PM2.5 concentrations. The peak design value calculation in this chart excluded the wildfire-impacted days with the high ambient concentrations in 2018, 2020, 2021, and 2022

Additional emission reductions will be necessary and critically important in the future, given that the EPA is currently proposing a more stringent air quality standard for PM_{2.5}. On February 7, 2024, the EPA officially lowered the annual PM_{2.5} standard by 25% from 12 μg/m³ to 9 μg/m³. In the next year, the District will be working with other local air districts, CARB, and the EPA to determine the attainment status for the Sacramento region. Based on the preliminary 2024 air quality data, Sacramento will be in attainment of the new annual standard, as shown in the graph below. EPA's final attainment determination will be based on certified air quality data between 2022 to 2024 and is expected in early 2026.

Annual PM_{2.5} Design Value: Sacramento Region (PM_{2.5}) (2000-2024)



Data Source: EPA AQS data downloaded on February 21, 2025 (AMP480 and AMP350MX). Preliminary 2024 AQMIS data downloaded on February 21, 2025.

Note: The Sacramento region was impacted by several major wildfires in 2018, 2020, 2021, and 2022, which caused unusually high PM2.5 concentrations. The peak design value calculation in this chart excluded the wildfire-impacted days with the high ambient concentrations in 2018, 2020, 2021, and 2022.

Accelerate and Expand Climate Action in the Greater Sacramento Region

As a leader in the Sacramento region and beyond, the District advances climate resilience strategies, clean air solutions, and enhancements to the quality of life for residents in Sacramento County — all while promoting the growth of the green economy. Whether developing comprehensive local or regional plans, securing local, state, and federal funding to implement new projects, or creating innovative programs to mitigate the harmful impacts of air and climate pollution, the District remains strongly committed to creating an ecologically resilient future.

With a focus on mitigating emissions from the transportation sector, the District continues to promote electric mobility through investments in cleaner, zero- and near-zero-emission vehicles and equipment and infrastructure. Future projects include support for Watt EV's project to build the nation's largest solar-powered electric truck charging depot in Sacramento County, administering \$16.1 million in new funding for four new hydrogen locomotives, providing \$1.5 million to EcoMotive for converting agricultural biomass to hydrogen infrastructure and \$4.2 million to First Element for hydrogen infrastructure. Additionally, in 2024, the District awarded grants totaling nearly \$13 million for 56 EV school buses. The District is also actively engaged in a comprehensive and coordinated regional climate strategy focused on air quality, climate change, public health, zero- and near-zero-emission technologies development, and mobility. The Clean Cars 4 All Program expanded in August of 2024 to all incomequalified residents of Sacramento County. The program expansion welcomed the addition of e-Bikes and increased the base grant amount from \$9,500 to \$12,000. The CC4A team has facilitated the investment of over \$12M in electric vehicles since the program began in 2019. The District partnered with the City of Davis and Elk Grove to acquire MaRTy, a new mobile tool that identifies how residents "feel" heat and where the heat is coming from through measuring Mean Radiant Temperature. MaRTy enables the District to measure thermal comfort, which is determined by air temperature, radiation, wind speed, and many other factors. We are strategically partnering to deploy MaRTy to measure heat impacts and help develop cooling solutions around the region.

The District anticipates having about \$12 million available for 2025 Community Air Protection (CAP) funding for three categories of projects: zero-emission cars and trucks, infrastructure support for clean advanced technologies, and community greening. Community greening is a new program that will focus on tree and shrub planting in disadvantaged communities (DAC) and AB 1390 areas. The District is also working with community partners such as the Sacramento Tree Foundation to find funding opportunities to plant trees and shrubs in low-income communities.

Our Community Car Share (OCCS) is a community cost-sharing transportation program, partnered with Zipcar, which aims to provide accessible, clean transportation to low-income communities. This program helps provide transportation services to reach essential goods and services such as work, school, healthcare, and groceries. Sites are located throughout Sacramento, including specially designated sites at housing facilities.

The District is also actively engaged in a comprehensive and coordinated regional climate strategy focused on air quality, climate change, public health, zero and near-zero emission technologies development, and mobility hubs. Examples include:

- The Sacramento Metropolitan Chamber of Commerce Capital to Capitol Program
- The Capital Region Climate Priorities Plan (see Federal Grants and Funding Opportunities section)
- The Sacramento Area Zero Emission Vehicle Deployment Strategy
- The Sacramento Municipal Utility District's (SMUD) 2030 zero-carbon plan
- The Cal EPIC [California Energy, Power, and Innovation Collaborative], formerly the California Mobility Center
- the ongoing implementation efforts of the Sacramento and West Sacramento Mayors' Climate Commission,



Sacramento region's first Zero-Emission Mobility Hub in Del Paso Heights in 2023.

- SACOG's Green Means Go
- Other emerging programs, and local jurisdictions' General Plans and Climate Action Plans.

Community Air Protection

The statewide Community Air Protection Program (Assembly Bill 617, C. Garcia, 2017) represents a significant shift in air quality management in California. The law required new state and local programs to address disparities and the health burdens from exposure to highly localized air pollution among the low-income communities that have been most disproportionately impacted. The program launched several new requirements for air districts, including community-level air quality monitoring, development of emission reduction plans, accelerated review of pollution controls on industrial facilities, and enhanced reporting requirements and penalties.

Perhaps most importantly, AB 617 designates state funds for financial incentives (i.e., subsidies for cleaner technology) that can be targeted to reduce, specifically, the emissions affecting AB 617 communities. The state continues to allocate hundreds of millions of public dollars for incentives for FY24/25. These incentives are intended primarily for achieving sorely needed emission reductions toward NAAQS attainment, but they can also help the region advance its broader economic and social goals.

In September 2018, the state identified the South Sacramento-Florin community as the District's inaugural AB 617

community, and work began on the development of a Community Air Monitoring Plan (CAMP) in partnership with the Community Steering Committee. During its three-phase CAMP implementation, the Air District expanded its air monitoring network by installing portable sensors throughout the South Sacramento-Florin community, measured PM_{2.5}, black carbon, toxic metals, and toxic gases, and launched a portable air monitoring laboratory to provide additional hourly monitoring data. The portable lab is currently located at Fern Bacon Middle School near the intersection of Franklin and 47th Avenue, but will be relocated in 2025 as the school will be undergoing extensive renovation. Air quality data from these efforts are posted on the District's website.

Following the successful implementation of the CAMP, the Air District's AB 617 community transitioned to a Community Emission Reduction Program (CERP) beginning in 2024. The Air District received funding from CARB to develop and implement a CERP in partnership with the



Local leaders and members of the Community Steering Committee celebrate the launch of a new portable air monitoring lab.

Community Steering Committee and with input from the community. The CERP will include air quality strategies to target local air pollution. The CERP process is expected to take about two years.

As the South Sacramento-Florin community transitions to a CERP, community input will be needed to better understand priorities on the types of strategies desired. Future implementation may include funding for expanding infrastructure, electric charging, working with local jurisdictions on improving land use air quality projects, ensuring compliance with permits, mitigating exposure like air filtration for schools and day cares, and increasing green

space, among other projects. The District continues to work closely with its Steering Committee, community members, and local stakeholders as part of its commitment to foster lasting partnerships with residents, business owners, and community-based organizations interested in advancing AB 617 protections in the region. As part of the CERP process, numerous community meetings will offer opportunities for public engagement.

Continuing its focus on making information available to the public, in 2019, CARB adopted a new regulation that requires businesses to annually report additional information about criteria and toxic emissions from their operations to provide the public with this information through state online tools. To comply with the regulation, the District began collecting data annually from all permitted businesses in 2022. The regulation requires significant District time and resources, but without any dedicated state funding to support the workload required to collect, assess, and submit the data to the state and provide extensive compliance assistance. The regulation also impacts businesses, especially small businesses that are not used to reporting at this level. District staff have developed policies and procedures, reporting forms, and online resources, and provide extensive customer service to assist permit holders with their reporting requirements. In addition, the District has invested significantly in improved technology to develop an online reporting system that allows for a more efficient way for businesses to report and for the District to collect and analyze emission information. The District launched the new online software system in September 2024 and, through tremendous effort from District staff, launched the inaugural online Annual Reporting system in February 2025. The District worked closely with local partners, like the County's Business Environmental Resource Center (BERC), to develop valuable resources and tools to assist businesses with the new online reporting requirements and improve submittal rates.

Federal Grants and Funding Opportunities

Through strategic planning and cooperation, the Air District is driving positive change and helping to shape the future of the Sacramento region and foster further resiliency in the region. The District is continuing the cooperation and collaboration in developing and evaluating climate resiliency measures to create substantial greenhouse gas reductions. The Climate Pollution Reduction Grant (CPRG) process is a multi-year process to reduce greenhouse gas emissions and toxic air pollution, address disproportionate pollution exposure, and create green jobs. On March 1, 2024, the Air District, on behalf of the seven-county Sacramento region, submitted its Capital Region Climate Priorities Plan under the EPA's Climate Pollution Reduction Grants (CPRG) program. The District did not receive funding to implement this plan, but was able to get funding to pursue energy measures to develop solar and energy battery storage measures through the Sacramento Municipal Utility District (SMUD) partnership. The District is also moving forward in submitting a Comprehensive Climate Action Plan (contingent upon continued funding available through CPRG) by December 2025. This includes the continuation of working groups to meet in the three key measure categories of Built Environment, Transportation, and Natural and Working Lands.



The Capital Region Climate Priorities Plan contains 24 GHG reduction measures.

Another key piece of funding for District programs is the percentage of incentive funds that can be used to cover outreach, administration, and direct costs to deliver clean transportation, infrastructure, equipment, and stationary source projects in the region. The District worked with CAPCOA and CARB to increase the amount of administration funds the District could use to deliver critical projects in the region from 6.25% to 12.5%. This increase provides much-needed resources to the District to work with local agencies, non-profits, community-based organizations, fleet operators, and others to deliver projects that will remove emissions from our region.

Partnership Expansion and Support

The District benefits from existing public-private partnerships with deep roots in the business community, health and environmental advocates, and the community it serves. These partnerships help convey the importance of District programs for the region, and the District plans to expand these efforts, continuing to work with and support the growing partnerships with entities like Civic Well, Breathe California - Sacramento Region, and the Cleaner Air Partnership (CAP). The CAP, administered by Valley Vision, is a long-standing regional collaboration including the Sacramento Metro Chamber of Commerce and leading industry entities like Teichert, Granite Construction, Union Pacific, Sutter Health, and SMUD.

Through a four-agency collaboration between the District, SMUD, SACOG, and SacRT, the District is also advancing broader regional strategies to accomplish shared clean air and climate goals. The Sacramento Area ZEV

Deployment strategy, a key initiative of the group, is part of a larger mission to deliver clean energy, health, housing, transportation, education, workforce, and economic development solutions to sustainable communities. The plan prioritizes electrification of personal vehicles, shared-ride vehicles, public and private transit, micro-transit and shuttles, and medium- and heavy-duty fleets in alignment with the six-county Green Means Go regional pilot, the City of Sacramento's Transportation Priorities Plan, SMUD's 2030 Carbon Plan, and SacRT's Zero Emission Bus Transition Rollout Plan, which addresses the region's transition to zero-emission transit. Transportation, mobility, and regional economic prosperity are mutual goals of the four agencies, creating the impetus and a genuine desire for coordination, collaboration, and mutual support.

The District, SACOG, SacRT, and SMUD have continued their fouragency collaboration to address crucial issues related to land use, transportation, air quality, and climate. This year, the four-agency group was able to lay the groundwork for hydrogen production and use within the region, with SacRT winning a federal grant for hydrogen-fueled buses, the Sacramento Area Sewer District planning hydrogen into its water treatment facilities, and the District awarding incentive contracts for hydrogen-dispensing facilities within the region. For statewide coordination with its peers, the District is an active member of the California Air Pollution Control Officers



Members of the Boards of Directors for the four-agency group pass a joint resolution.

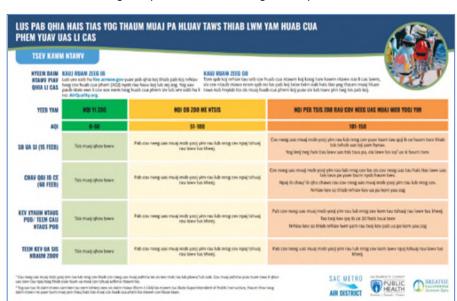
Association (CAPCOA), which advocates for the general interests of all of California's 35 local air districts before the legislature, the state administration, and various other agencies at the state and federal levels.

The District is also expanding its work with many community-based organizations (CBOs). These groups share similar goals to the District for finding solutions for cleaner air, improved health, and mobility. CBOs are on the ground working with residents and businesses and providing the District access to harder-to-reach and often overlooked populations of the region. In addition, the District is working with the CBOs to prioritize transportation incentive projects, helping to ensure that projects are important, impactful, reduce emissions, and are accepted by the community. The District also provides technical and financial support to CBOs as they transition their fleets to zero-emission vehicles. CBOs have also been recipients of District funding through the District's Supplemental Environmental Projects program, which has helped support clean air and climate goals. Partnerships with CBOs will continue to be critical as the District accelerates actions to address its most marginalized communities, who bear a disproportionate burden of lingering pollution.

Wildfire Smoke Air Pollution Emergency Plan Coordination and Education

As an ongoing priority, the District is dedicated to educating the public and reducing the impacts of wildfire smoke

through the Wildfire Smoke Air Pollution Emergency Plan Coordination and Training initiative. In collaboration with key public and private partners in Sacramento County, an emergency plan was developed and adopted in September 2022 to enhance coordination and access to information for responding to future wildfire air pollution events. The District remains committed to public education through online, social media, and in-person outreach efforts, aiming to mitigate exposure to wildfire smoke. The District provides key tools, such as the Air Quality Action Charts, in multiple languages. The charts can be used to help schools, businesses, public agencies, and the general public make decisions based on the AQI to help protect their health.



Action Chart translated into Hmong, one of the multiple languages the document is available in to expand access of this decision-making tool to different communities.

Ambient Air Quality Monitoring Network Improvements

The health of our ambient air monitoring stations is critical. These stations are used to collect air quality data for criteria pollutants to determine compliance with the NAAQS and to support regional air quality forecasting. Infrastructure improvements are planned for various monitoring stations. The District recently replaced the Folsom air monitoring station and is in the process of replacing the Arden-Del Paso station. Replacing the district's oldest station will meet the newest federal monitoring requirements and eliminate downtime due to water intrusion, roof damage, and other ailments, putting at risk monitoring equipment and the ability to collect data per federal requirements. The replacement of Del Paso Manor station is anticipated to be completed at the end of FY24/25, followed by replacements of the Sloughhouse station with an expected completion date in FY25/26, and the North Highlands



District employees celebrate the renovation of the Folsom Air Monitoring Station.

station completed by FY27/28. Each station replacement project is anticipated to take two years to complete. The District anticipates that the replacement of these structures will help reduce ongoing maintenance costs associated with these aging facilities.

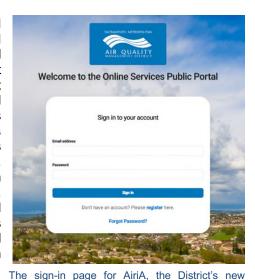
KEY INITIATIVES

Key initiatives are undertaken in direct support of the agency's mission and are developed, reviewed, and updated annually to ensure that the work of the District evolves as conditions change, adapting to new opportunities and challenges. Major FY25/26 District initiatives are described below. In addition, important initiatives for the upcoming fiscal year by operational area are highlighted in Section 7 – Organizational Overview.

AiriA – Permitting and Transportation Software Solution Implementation

The District has undertaken a major project to continue improving and upgrading its information systems. A new cloud-based solution, named AiriA, is being implemented in a phased approach to replace almost all operational applications across the District. In September 2024, the first phase of this major initiative was launched. The antiquated databases that previously managed the work of permitting, compliance, and associated financial transactions that represent approximately 50% of the District's operating budget have now been replaced and upgraded with AiriA. This first release was a significant undertaking for District staff and represents their collective efforts spanning multiple years of intense development. Shedding the shortcomings of the older databases, AiriA now provides an automated and online permit process, streamlines review processes, improves reporting and analytical ability, manages project documents and public records, enhances online customer service tools, and integrates with GIS and other enterprise systems. The next phase of this initiative will replace the Mobile Sources application that supports the transportation incentive contract and compliance processes, followed shortly thereafter with the replacement and integration of the current online public complaint system and public records request solution.

The AiriA software solution was selected through a competitive process, and the project kicked off in the spring of 2022 and is expected to continue through the end of FY25/26.



software solution serving as the work portal for District staff and the Online Services Portal for our customers to submit applications, reports, and make payments.

This District-wide project brings significant benefits to the agency and its customers, including:

- 1. <u>Improved Efficiency:</u> streamline business processes, eliminate redundant tasks, integrate mapping and other software solutions, automate manual tasks, and reduce data entry errors, resulting in increased efficiency and productivity.
- 2. <u>Enhanced Data Accuracy</u>: provide a centralized database, ensuring that all data is accurate and up to date, which eliminates discrepancies and improves decision-making.

- Increased Mobility: Cloud technology allows staff to access mission-critical data and software from anywhere, anytime, and from multiple devices, supporting remote work, field inspections, and other related field work.
- 4. <u>Improved Internal Controls</u>: automate workflows to allow for real-time visibility into a process and ensure compliance with policies and procedures, as well as safeguard against financial risk and losses.
- 5. <u>Increased Collaboration</u>: provide a platform for better communication and collaboration between departments, resulting in more effective teamwork, reduced duplication of effort, and improved customer service.
- 6. Scalability: grow and evolve with the District, adding new modules and expanding functionality as needed.
- Enhanced Customer Service: automating customer applications, improving tracking of customer requests
 and complaints, and providing self-service for District and customer information will contribute to a better
 overall experience for customers.
- 8. <u>Better Decision-making</u>: accurate, real-time data (queries, reports, dashboards, work lists, etc.) will enable better decision-making by providing insights into District activities and other key metrics.

Headquarters Building Relocation and Teleworking

The District adopted a hybrid workplace model in April 2022, after following an almost 100% telework model during the COVID-19 pandemic. This model has been overwhelmingly successful, and employees have maintained productivity, collaboration, and strong working relationships.

Recognizing that the hybrid model has fundamentally changed the District's office space needs, an evaluation was conducted to explore options, including consolidating within the existing headquarters or relocating to a smaller, more suitable space. As a result, the District placed its headquarters on the market for sale. However, demand for office space has been limited, particularly for facilities of this size, and the District has not yet identified a suitable buyer.

Downsizing to a smaller space remains a strategic goal that aligns with the District's commitment to telework, financial stewardship, and sustainability. Staff will continue working with the District's broker to monitor market conditions and explore viable options for relocation. While the timing of a sale remains uncertain, the District remains committed to securing a space that best meets operational needs while optimizing efficiency and cost savings.

PERFORMANCE MEASURES

The District tracks select performance measures that indicate the District's progress toward strategic priorities. These metrics provide broad measures of the District's effectiveness, efficiency, timeliness, and productivity in critical activities. While key initiatives may change from year to year, performance measures generally reflect progress in core business operations over multiple years. Most performance measures require multi-divisional participation, and in many cases, one performance measure supports multiple strategic goals. The table below lists key performance measures.

FY25/26 Performance Measures

Performance Measures	FY23/24 Actual	FY24/25 Projected	FY25/26 Target
Update 33% of Area Source Methodologies	No	No	Yes
100% of Emission Statement/185 Fee Sources Surveyed	Yes	Yes	Yes
Board Adoption of Rulemaking Activities	2	4	4
>90% of Audited Parameters Passed (Monitoring Sites)	Yes	Yes	Yes
>75% Data Completeness for Each Parameter at 6 Air Monitoring Sites	1 yes 5 no ¹²³⁴⁵	5 yes 1 no ⁶	5 yes 1 no ⁷
Percentage of Permit Applications (Authority to Construct) Processed within 180 Days	86%	>56.4%8	>75%
Percentage of Permits to Operate Issued within Two Years of Obtaining an Authority to Construct (excluding extended and reinstated ATCs)	100%	>99%	>99%
Percentage of Violations Successfully Resolved Under the Mutual Settlement Process (Calendar Year)	98%	>98%	>98%
Percentage of Annual Inspections Completed (Calendar year)	71%	90%	100%
Provide a Confirmation Letter for Construction Mitigation Plans Within Four Business Days of a Complete Submittal or Before the Applicant Receives Jurisdictional Permit Approval	100%	100%	100%
Notify the Media and Public the Day Before Every Declared Spare The Air Day	100%	100%	100%
Provide a Daily Air Quality Forecast to the Public Every Day by Noon	100%	100%	100%
Create and Distribute a Quarterly Newsletter with an Above-average Open Rate	100%	100%	100%
Encumber 100% of the Current Allocation-Year Moyer Funds by June 30 of the Allocation Year	100%	100%	100%
Liquidate 100% of the Allocation-Year Moyer Funds by June 30 of the Fourth Year After the Allocation Year	100%	100%	100%
Perform a 5% On-Site Random Annual Audit of All Operational Incentive Projects	100%	100%	100%
Non-Retirement Employee Annual Turnover Rate	≤5%	5.1%	≤5%
Percent of Planned Training Completed for All Staff	100%	100%	100%
Receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes
Receive an Unmodified Audit Opinion for the Annual Comprehensive Financial Report	Yes	Yes	Yes
Receive the GFOA Distinguished. Budget Presentation Award	Yes	Yes	Yes
Manage Actual Financial Results Within the Authorized Budget	Yes	Yes	Yes
Number of Significant Deficiencies or Material Weaknesses in Report on Internal Control over Financial Reporting	0	0	0

FY 23/24 Footnotes:

[†] At Sacramento-Bercut Dr., the CO monitor did not pass the audit for the lowest concentration level

² At Elk Grove-Bruceville, the NO2 monitor needed repair due to failing precision checks; the NO2 monitor was also offline later in the year to facilitate a replacement; the rain sensor did not operate correctly

3 At Sacramento-Del Paso Manor, the CO monitors needed factory service; the NOY monitor is malfunctioning

4 At Folsom-Natoma St., the NO2 monitor failed precision checks and needed troubleshooting; the problem with the HVAC also contributed to the NO2 monitor's low capture rate; the solar

radiation and temperature sensors malfunctioned and needed a replacement

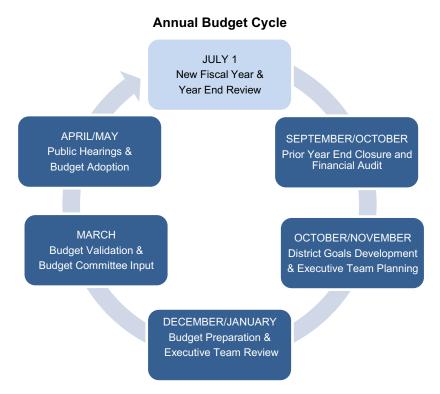
radiation and temperature sensors mainunctioned and needed a replacement
s At Sloughhouse, an error in the instrument manual caused installation issues with the O3 monitor and led to a failed audit
FY 24/25 Footnotes:
The NOY monitor at Sacramento-Del Paso Manor continues to be inoperable while it waits for the station replacement
FY 25/26 Footnotes:
Sacramento-Del Paso Manor is expected to undergo major renovation and requires a temporary shutdown
New applications have been processed at a slower rate in FY24/25 because of substantial effort by District permitting staff to develop and transition to our new online reporting system (AiriA) and the first year of online submittal requirement for the Annual Reporting program.

SECTION 3 - Budget Overview

The Budget Overview section provides information on the District's budget process, budget practices, and strategies, the basis of budgeting, a summary of the FY25/26 Approved Budget, and the factors affecting the District's financial condition.

BUDGET PROCESS

State law requires that the District adopt its budgets in an open process to educate the public about the costs and benefits of air quality improvement. In addition to the budget process, the District establishes and follows Board-adopted Financial Management Policies, now consolidated, and included in this budget document as Appendix A. There are also common terms used throughout the budget document that can be found in Appendix C – Glossary.



The District operates on a fiscal year that runs from July 1 through June 30 of the following year. Budget development begins with a mid-year review of the current budget in November/December. In December, each of the District divisions, with guidance from the Executive Director/APCO, Administrative Services Division Director, and District Controller, begin to prepare the budget which typically includes revenue projections, requests for outside professional services, a staffing distribution, a budget narrative demonstrating accomplishments for the current budget year, and strategic priorities and key initiatives for the upcoming budget year. Divisions may also submit requests for capital projects, staffing additions, or other items that may differ from typical operating expenditures in nature or cost.

The Administrative Services Division reviews and refines the information and integrates it into the draft budget. The Executive Team, along with several Program Managers, reviews and finalizes the draft budget. The Executive Director/APCO, Division Directors, and District Controller meet during budget development with the District Board of Directors' Budget and Personnel Committee to receive direction for addressing District priorities and developing a balanced budget.

The budget is publicly noticed 30 days in advance and is presented at each of two public hearings, consistent with California Health and Safety Code Section 40131, typically taking place during the Board meetings in April and May. At the first public hearing, generally in April, the Proposed Budget is presented, and the Board may ask questions, make comments, provide direction, and receive requests from members of the public to speak. The second public hearing, typically in May, follows a similar process as the first hearing, and District staff comments

on material differences, should they exist, from the previously presented Proposed Budget and reports back on Board requests, if any. The Board may provide direction and vote to approve the budget at the second public hearing. Approval of the budget requires a quorum of Board members and a majority of the voting quorum. Once the budget is approved, staff posts the Approved Budget on the District website.

The Board may vote to adopt a resolution allowing the District to continue normal operations under the Proposed Budget if an Approved Budget is not adopted by June 30. Such a resolution must specifically authorize Proposed Budget expenditures for capital assets, filling new positions, and equity transfers. Without that authorization, state law requires deferring those expenditures until an Approved Budget is adopted.

FY25/26 Budget Development Schedule

Completion of the audited Annual Comprehensive Financial Report (Annual Report) for the prior fiscal year	November
Mid-year review of the current fiscal year budget	December
Budget submissions from Division Directors for the upcoming fiscal year	January
Budget Notices are posted on the District website and sent to regulated sources	March
Meetings with the Board of Directors' Budget and Personnel Committee	March
First public hearing/presentation of Proposed Budget to Board of Directors	April
Second public hearing/vote of the Board to approve the Budget	May
Approved Budget document posted on the District website	June
New fiscal year in accordance with the Approved Budget	July 1

BUDGET PRACTICES & STRATEGIES

In addition to budget-related Financial Management Policies found in Appendix A, the District follows the budget practices and strategies below:

Practices

- Management presents a "balanced" budget to the Board annually, where funding sources (including use of reserves) match expenditures and include revenues and expenditures for the prior year (actual), current year (approved budget), and upcoming year (proposed budget)
- One-time funding sources are not typically applied to ongoing commitments
- The Board authorizes a schedule of all regular and limited-term positions for the upcoming (budget) year
- Requests for additional positions or an increase in regular work hours of part-time positions must be
 presented for Board approval and may be made anytime during the fiscal year, though usually included as
 part of the budget process
- Board approval is obtained for all capital expenditures
- Budgets are adopted on a basis that includes encumbrances and expenditures, and annual appropriations lapse at the fiscal year-end if they have not been expended or encumbered
- Board approval is required to amend the budget once it is adopted if there is a need to increase the
 expenditure budget
- The budget is prepared by fund, division, and program
- Transfers of appropriations within a classification (e.g., employee services, services, and supplies, capital
 expense, and transfers) or across classifications within the same fund may be made without Board approval
- Transfers of appropriations between funds require Board approval, as the legal level of budgetary control
 is the fund level
- The Executive Director/APCO has the authority and an approved budget to fund events/collaborations with partner organizations throughout the year, enabling the District to respond promptly to requests

Strategies

 Ensure the budget reflects the mission of the District, is fiscally sound, and provides resources that realistically fund operations

- Work with the Board to establish major goals in support of the District's mission, which provide short-term and long-term direction to staff, determine the allocation of resources, and establish priorities
- Monitor and maintain sufficient unencumbered fund balance to allow for cash flow requirements, contingencies for unforeseen operational or capital needs, economic uncertainties, local disasters, and other financial hardships or downturns in the economy
- Perform multi-year projections of funding sources and ongoing expenditures to promote long-term planning of resource uses
- Proactively oversee revenues and cost-effectively control ongoing operating costs

BASIS OF BUDGETING

The District's basis of budgeting is modified accrual, which is recognized as the generally accepted method of accounting for state and local government. Using this method of budgeting, revenues are recognized when (1) they are measurable, and (2) all applicable eligibility requirements are met. Expenditures are recorded when the related fund liability is incurred. Modified accrual accounting can also divide available funds into separate entities within the organization to ensure the money is spent where it was anticipated.

BUDGET SUMMARY

The District has three funds: General, Proprietary, and Special Revenue. Each fund serves a specific purpose as noted below. A detailed description of funding sources can be found in the Appendices. (See Appendix B – Description of Funding Sources)

Fund	Name	Purpose	Primary Funding Source
100	General	Records all inflows and outflows, not associated with special-purpose funds, for core administrative and operational activities	Permit fees, DMV, Measure A, Federal and State Grants (EPA, CMAQ, CARB)
400	Proprietary	Internal Service Fund that accounts for District business-like activities (Covell Administrative Building)	Covell Building rental income
500	Special Revenue	Records the proceeds from certain revenue sources for which fund usage is restricted	DMV, Federal and State Grants (SECAT, Moyer, GMERP, FARMER, GHG-CarShare, CAPP, Clean Cars 4 All)

The annual budget serves as the foundation for the District's financial planning and control. The FY25/26 Approved Budget totals \$62.3 million in revenue and \$66.0 million in expenditures and includes 105.8 total authorized full-time equivalent (FTE) positions. The following table is a summary of the FY25/26 Approved District Budget by fund.

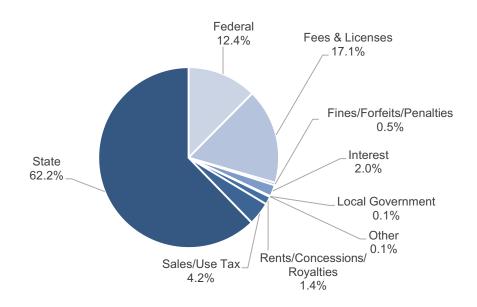
District Budget by Fund

Fund		FY24/25 Budget	FY25/26 Budget	Variance
General Fund (100)	\$	26,942,104	\$ 25,977,711	\$ (964,393)
Covell Proprietary Fund (400)		1,075,834	901,736	(174,098)
Special Revenue Fund (500)		31,022,194	35,386,685	4,364,491
Total Revenues	\$	59,040,132	\$ 62,266,132	\$ 3,226,000
General Fund (100)	\$	30,020,199	\$ 28,750,318	\$ (1,269,881)
Covell Proprietary Fund (400)		1,075,834	1,101,736	25,902
Special Revenue Fund (500)		36,501,422	36,114,476	(386,946)
Total Expendutires	\$	67,597,455	\$ 65,966,530	\$ (1,630,925)
Current Suplus/(Deficit)	\$	(8,557,323)	\$ (3,700,398)	

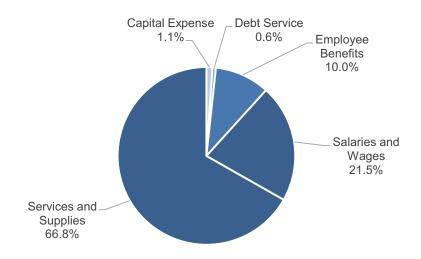
The Approved Budget reflects the District's mission, is fiscally sound, and provides resource allocation recommendations that adequately fund operations. To ensure performance within authorized budgets, District management proactively manages revenues and operating costs. In addition, multi-year projections of funding sources and ongoing expenditures analysis are completed to inform long-term planning of resource uses. These forecasts are presented in Section 3 – Financial Planning.

The following charts detail the revenues and expenditures by classification as a percentage of the total FY25/26 Approved District Budget.

District Budget – Revenues by Classification (\$62.3 million)



District Budget – Expenditures by Classification (\$66.0 million)



The notable changes in revenues and expenditures in the FY25/26 Approved Budget from the FY24/25 Approved Budget for the General, Proprietary (Covell Building), and Special Revenue funds are listed below.

General Fund

Revenues

- Federal grant revenue is decreasing by \$1.7 million, mainly due to EPA Targeted Air Shed grants (TAG) that the District administers on behalf of other air districts (sub-recipients) in the region. The TAG projects primarily fund Heavy Duty Electrification of school buses, the replacement of off-road agriculture equipment with newer, cleaner equipment, and the replacement of residential non-certified wood-burning appliances in our neighboring districts. The TAG revenues are planned to decrease by \$1.5 million, mainly due to normal variation in sub-recipient disbursements to grant participants.
- Stationary Sources fees are planned to increase by \$677,000, primarily due to an increase in Rule 301 revenues of \$700,000. Rule 301 revenues for FY24/25 are expected to exceed the adopted budget by \$500,000, and the FY25/26 Rule 301 revenues are based on the expected FY24/25 finish. In addition, there is an approved fee CPI increase of 3.84% effective July 1, 2025.

Expenses

- Employee Services (salaries/wages and benefits) expenditures are increasing by \$979,000 or 4.9% over
 the prior year's budget. This is mainly due to a 2.5% Cost of Living Adjustment (COLA) and a 7.2%
 increase in retirement and group insurance contributions for FY25/26. The full-time equivalent (FTE)
 funded positions for FY25/26 total 105.8 and are unchanged from the FY24/25 amended Positions by
 Classification. Over-time wages are planned at about 1% of total salaries and wages; the percentage used
 is based on a benchmarking analysis conducted by the District.
- Services and Supplies expenditures are decreasing by \$2.3 million from the FY24/25 budget, primarily due to lower program distributions of \$1.5 million for the federal TAG programs discussed in the Revenues section above. These are pass-through grants, so the reduction in revenues is directly offset by the decrease in distributions to the sub-recipients, with no effect on the District's General Fund balance. Professional services expenditures are expected to decrease by \$590,000. This reduction is due to the completion of grants in FY24/25, planned scope changes in FY25/26 for contracts that support grant activities, and a right-sizing of operational support contracts.
- Capital project expenditures are decreasing by \$610,000 due to reductions in outlays for air monitoring structures and replacement vehicles for the District's fleet. Capital expenditures for air monitoring structures will be less in FY25/26 since a major air monitoring station renovation is not planned, and no additional fleet vehicle replacements are expected.
- The inter-fund transfer credit (Interfund Charges) is an offset to expenditures and is budgeted to decrease by about \$614,000. The transfer credit is related to the Special Revenue Fund incentive grants. The decrease in the credit for FY25/26 is mainly attributable to the transfer credit being overstated in the FY24/25 Approved Budget.

Covell Building Proprietary Fund

- Rent Revenue is decreasing by \$174,000 due to a change in how rent is allocated to the District for FY25/26. The District listed the Covell Building for sale in a prior fiscal year, and plans to move to a smaller facility (either purchased or leased) that is right-sized to the District's operations. The District is also open to a third-party tenant for the current vacant office space; the prior tenant's lease ended in FY23/24. For FY25/26, the District will be charged rent for the space that it occupies, and the building costs for the vacant space will remain in the Building Fund. Due to current real estate market conditions, the FY25/26 budget does not assume any rent revenue for a new tenant.
- Given the decision to sell the building and relocate to a more efficient space, capital expenditures are budgeted minimally to cover unplanned repairs of building components that might arise (e.g., HVAC, electrical, plumbing, etc.).

Special Revenue Fund

- State grant special revenue is increasing by \$4.6 million, mainly related to additional revenues for the Clean Cars 4 All program and a CalSTA grant for hydrogen locomotives that the District is administering for a local railway. These increases are offset by a decrease in Moyer grant funds, mainly due to the timing of grant receipts.
- FY25/26 incentive payments are planned at \$34.5 million, up \$427,000 from the prior year's budget.
 Overall state grant expenditures are expected to increase slightly in FY25/26 by \$65,000. State grants
 expected to increase include Clean-Cars-for-All and CalSTA (hydrogen locomotives), while Moyer and
 CAP state grants are budgeted to decrease due to normal variation in grant revenues. The SECAT federal
 grant is planned to increase by \$362.000.

Note: The Special Revenue Fund tracks restricted revenue sources, primarily emission-reduction technology, and community air protection incentive grants. These grants are generally multi-year agreements with funds received in one year and incentive disbursements made to project participants over several years, resulting in significant fluctuations in year-over-year revenues and expenditures.

Staffing Plan

The FY25/26 Approved Budget for the General Fund includes a staffing plan of 105.8 FTE (as shown in the table below).

Approved Positions

Budget Status	Appointment	FY 24/25 Amended	FY 25/26 Approved	Change
Funded	Regular	105.8	105.8	0.0

FACTORS AFFECTING FINANCIAL CONDITION

Over the past several years, the District proactively managed expenses to ensure the fund balance in the General Fund was sufficient to support the District's expenditures in case of future revenue shortfalls. The District held numerous positions vacant and executed only essential professional services contracts. As a result, the fund balance of the General Fund increased by about \$5.1 million (excluding the AB617 CERP advance payment in FY23/24) over the last three years, providing a financial buffer for economic instability or unforeseen events.

The inflationary economic environment is expected to increase the cost of employee wages and benefits, and services and supplies; the full extent of the impact is still unknown. Fortunately, the healthy reserves, which the District has grown over recent years, will serve as a bridge to support these increased expenses until long-term fund stability is established.

The forecasted FY25/26 California State budget deficit is significant. The District proactively manages grant revenues to reduce the potential for funding gaps and ensure emission reductions are achieved as quickly as possible. While no significant reduction in State grant disbursements for District programs is anticipated in FY25/26, future reductions are possible.

Recent changes in federal funding priorities for EPA programs could also affect the District's revenues. However, the District expects this funding to be provided in FY25/26 and subsequent years.

The District's five-year forecast continues to show some significant funding gaps between revenues and expenditures, which will require District staff to work collaboratively with the Board of Directors in the upcoming years. The imbalance is due primarily to the rising costs of doing business, such as employee services and capital expenditures outpacing current revenue increases, new state mandates that are not adequately funded, and a history of not fully recovering costs for many of the District's programs. Staff will continue to work with the Board into FY25/26 and beyond on the funding strategies detailed in the General Fund Forecast section of this budget.

SECTION 4 – Financial Planning

To ensure the District can meet its immediate and long-term needs to support its mission of achieving clean air goals, the District develops annual budgets alongside multi-year financial plans.

FINANCIAL FORECAST AND PLANNING

The purpose of financial forecasting is to evaluate historical and current fiscal trends and conditions to help guide future policy and programmatic decisions. It also identifies long-term issues for stakeholders and provides the impetus to confront them. Long-term forecasts and analyses are used to identify potential long-term imbalances. Financial strategies are then developed to counteract these imbalances. The District annually reviews and updates a five-year financial projection using the following methods:

- Informed/expert judgment
- Trend analysis
- Anticipated operational changes

- Grant documentation and review
- Estimates from other governments

The District forecast shows a structural deficit over the next five years, primarily due to the rising cost of doing business and additional programmatic mandates. Given the lack of significant revenue growth above expected expenditures, the fiscal reality is that current expenditure commitments are unsustainable. Long-term sustainability requires that annual operating cost increases be held to a level at or below annual revenue growth, and/or additional revenues are secured.

The District's near-term financial plan is to conduct an in-depth program costing analysis, continue to identify and implement operational efficiencies, and evaluate and seek out potential revenue sources as described in the General Fund Forecast section below, including fee increases. The District's approach to annual fee changes is to adjust them based on the prescribed CPI index. This is to ensure that fee revenue keeps pace with District costs (mainly COLA adjustments) and to avoid large "catch-up" adjustments that could negatively impact permit holders in a single year. The FY25/26 Approved Fee Schedule reflects a CPI increase of 3.84% to maintain progress toward meeting air quality and climate goals while keeping reserves stable.

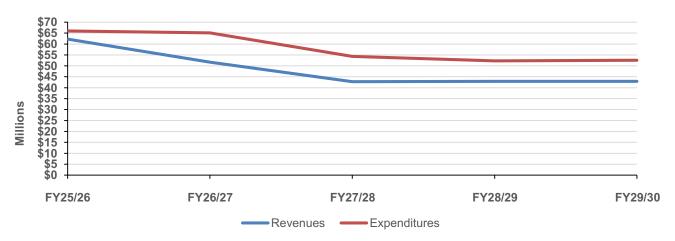
Revenues have been adjusted in the Approved Budget to reflect this change. It may be necessary to consider new and updated fees in the future to continue funding critical programs as the District moves towards full-cost recovery for its programs. Below are tables and charts that reflect the District's five-year forecast and fund balance projections, followed by the forecast assumptions.

BUDGET FORECAST

District Budget - Five-Year Forecast

Classification	FY 24/25 Approved	FY 24/25 Year-end Projection		FY25/26 Proposed		FY26/27 Forecast		FY27/28 Forecast		FY28/29 Forecast	FY29/30 Forecast
Beginning Fund Balance	\$ 110,482,227	\$ 110,482,227	\$	117,508,858	\$	113,808,460	\$	100,459,662	\$	88,854,254	\$ 79,503,017
Revenues											
Revenues	\$ 59,040,132	\$ 62,398,554	\$	62,266,132	\$	51,702,284	\$	42,750,746	\$	42,930,247	\$ 42,879,772
Revenues Total	\$ 59,040,132	\$ 62,398,554	\$	62,266,132	\$	51,702,284	\$	42,750,746	\$	42,930,247	\$ 42,879,772
Expenses											
Operating Expense	\$ 65,865,855	\$ 53,898,553	\$	64,845,030	\$	63,557,875	\$	53,246,477	\$	51,141,865	\$ 51,788,405
Capital Expense	1,323,000	1,064,770		713,000		1,090,307		1,109,677		1,139,620	781,591
Debt Service	408,600	408,600		408,500		402,900		-		-	-
Expenses Total	\$ 67,597,455	\$ 55,371,923	\$	65,966,530	\$	65,051,082	\$	54,356,154	\$	52,281,485	\$ 52,569,996
Surplus / (Deficit)	\$ (8,557,323)	\$ 7,026,631	\$	(3,700,398)	\$	(13,348,798)	\$	(11,605,408)	\$	(9,351,238)	\$ (9,690,224)
Ending Fund Balance	\$ 101,924,904	\$ 117,508,858	\$	113,808,460	\$	100,459,662	\$	88,854,254	\$	79,503,017	\$ 69,812,792





General Fund Forecast

The General Fund reflects financial activity that is non-proprietary and non-special revenues and expenditures. Primary revenue sources in this fund are State and Federal awards, Fees & Licenses, DMV Fees, Sales/Use Tax (Measure A), and Fines/Forfeits/Penalties. Major expenditure categories are Employee Services, Services and Supplies (Operating Expenses), and Capital Expenses.

The five-year forecast indicates that the General Fund will operate at a deficit, with projected expenditures exceeding projected revenues without the influx of additional revenue. This is primarily due to labor costs outpacing revenue increases of major funding sources; insufficient administrative allocation from incentive grants to cover the cost of administering and implementing the programs; investment in aging infrastructure; and funding the pension/OPEB liability.

Staff identified several potential funding strategies to generate new revenue to address the forecasted gap to fund these important programs. Preliminary assessments of new funding amounts, as well as possible implementation timelines, have been performed and shared with the Board of Directors. Staff will continue working with the Board on each strategy described in detail in this section to further explore and develop the strategies.

The table and chart that follow provide the five-year forecast for the General Fund and an illustration of the five-year forecast of revenues to expenditures.

General Fund (100) Five-Year Forecast

Classification	FY 24/25 Approved	FY 24/25 Year-end Projection	FY25/26 Proposed	FY26/27 Forecast		FY27/28 Forecast		FY28/29 Forecast		FY29/30 Forecast
Beginning Fund Balance	\$ 27,733,607	\$ 27,733,607	\$ 27,243,236	\$	24,470,629	\$	21,575,414	\$	19,104,397	\$ 16,207,950
Revenues										
Revenues	\$ 26,942,104	\$ 28,057,373	\$ 25,977,711	\$	24,200,937	\$	23,907,627	\$	24,120,902	\$ 24,409,917
Revenues Total	\$ 26,942,104	\$ 28,057,373	\$ 25,977,711	\$	24,200,937	\$	23,907,627	\$	24,120,902	\$ 24,409,917
Expenses										
Operating Expense	\$ 30,998,840	\$ 28,822,024	\$ 29,724,818	\$	27,886,677	\$	27,593,723	\$	28,272,228	\$ 29,051,379
Capital Expense	1,168,000	1,025,720	558,000		787,950		798,250		818,850	607,700
Interfund Charges	(2,146,641)	(1,300,000)	(1,532,500)		(1,578,475)		(2,013,329)		(2,073,729)	(2,135,941)
Expenses Total	\$ 30,020,199	\$ 28,547,744	\$ 28,750,318	\$	27,096,152	\$	26,378,643	\$	27,017,349	\$ 27,523,138
Surplus / (Deficit)	\$ (3,078,095)	\$ (490,371)	\$ (2,772,607)	\$	(2,895,215)	\$	(2,471,017)	\$	(2,896,447)	\$ (3,113,221)
Ending Fund Balance	\$ 24,655,512	\$ 27,243,236	\$ 24,470,629	\$	21,575,414	\$	19,104,397	\$	16,207,950	\$ 13,094,729

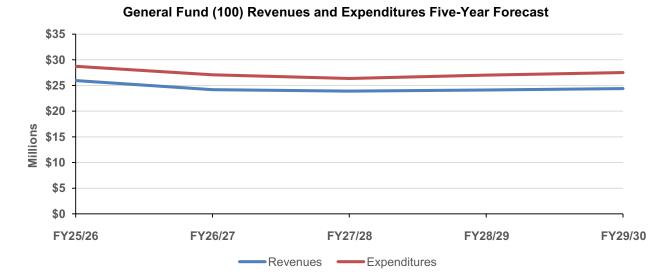
The preceding General Fund forecast assumes the following:

Revenues:

- Federal revenues for FY25/26 are assumed to decrease from the FY24/25 projected amounts, mainly due
 to the winddown of two grants (TAG). The District facilitates the multi-year federal TAG projects for
 neighboring air districts through the pass-through of grant funds. The TAG revenue declines again in
 FY26/27. One of the TAG projects ends in FY25/26 and the other in FY26/27. Federal revenues for
 FY27/28 through FY29/30 are relatively constant at about \$2.0 million per year for recurring EPA grants.
- State revenues peaked in FY23/24 due to the advance payment of about \$5.0 million of funding for the twoyear CERP grant that began July 1, 2024. The recurring state revenues (DMV, AB617 Monitoring, etc.) will be stable for FY25/26 through the end of the forecast period at approximately \$7.2 million per year.
- Sales/Use Tax (Measure A) amounts are per the most recent Sacramento Transportation Authority (STA) forecast. The cumulative annual growth rate for Measure A is about 1.75%.
- The annual CPI adjustment for Stationary Sources fees is forecasted at 3.0%.
- Interest revenue declines in proportion to the decrease in fund balance.
- No new revenue is included in the base five-year forecast.

Expenditures:

- Over the next four years, the FTE count is held constant at 105.8 with no additional positions included in the forecast.
- Employee Services increases an average of 3.0% per year for wages; benefits and retirement contributions grow at a slightly higher annual rate (4.1%) based on historical trends adjusted for expected increases in pension funding.
- After adjusting for one-time items included in the FY25/26 Approved Budget related to non-recurring grants (e.g., CERP, CC4A, and CPRG projects) and the AiriA software project, Services and Supplies increase by a projected CPI of 3.0% per year. Sub-recipient distributions under the TAG projects are included in Services and Supplies through the end of the grant term in FY26/27 and are offset by corresponding Federal revenues each year. Rent varies each year based on expected changes in the Proprietary (Building) Fund expenses.
- Capital expenditures include the replacement of elements of an aging air monitoring network, fleet vehicles, and Information Services infrastructure improvements.
- Interfund charges consist of grant administrative funds received in the Special Revenue Fund and transferred to the General Fund to offset the program implementation costs, mainly employee services expenditures. The interfund charge grows at 3% per year and is increased by the additional Moyer administrative revenue percentage expected in FY27/28.



District Priorities and Potential Funding Strategies

District staff work diligently to maintain core activities and identify priorities in pursuit of the District's goals. While the District has managed its resources efficiently, additional funds are required to eliminate the forecasted structural deficit associated with continuing programs necessary to achieve its mission.

Ongoing discussions of existing and potential new funding strategies to address the projected deficit regularly occur with the Board of Directors during budget deliberations and Board meetings. The overall objective is to generate funding from various sources to ensure sufficient resources for programs in each of the three main categories: stationary, mobile, and other.

The general restrictions for the use of the funds, given that revenue streams are frequently restricted to funding specific programs, and a summary of various programs that need funding from these sources are shown in the table below, followed by a description of each strategy.

Туре	Use Category	Programs in Need of Funding
Grant Administration Funding Increase – Legislation	Mobile	Moyer and Other Incentive Grant programs
Community Health Impact Fee	All	AB 617 Community Air Protection Program
Full Cost Recovery – Fee Adjustment	Stationary and Other	Permitting, Enforcement, Planning, Emission Inventory, Rule Development, and Air Monitoring
Per Capita Fee	All	Check Before You Burn, Land Use and Transportation Planning, Public Complaint Response, Community Air Protection, Air Monitoring

Potential Funding Strategies

Senate Bill 1158 (Archuleta), 2023-24 California State Legislative Session 2023-24. This bill aimed to simplify and update the funding and administrative processes for the Carl Moyer Program, which has been highly successful in reducing emissions. The program's effectiveness relies heavily on the resources invested by the District, particularly in staff. With the rapidly evolving regulations for mobile sources, District staff must constantly stay informed, leading to an increased workload in evaluating projects. Moreover, the number and complexity of project applications have risen significantly, demanding more thorough review before funding. Once funded, projects under the Moyer program are monitored for up to 15 years to ensure they achieve the expected emission reductions, resulting in numerous long-term contracts that require continuous reporting and adjustments. These factors have led to additional administrative costs for air districts.

To address these challenges, this bill increased the ceiling for indirect administrative costs for the largest air districts from 6.25% to 12.5%. The passage of this bill provides the necessary funds to implement the Moyer program effectively, support applicants, and select projects that offer the highest emission reductions for disproportionately impacted communities.

Community Health Impact Fee (All) – To recover District costs associated with the growing AB 617 Community Air Protection Program that exceed the direct funding provided by the State, a new "Community Health Impact" fee is being evaluated. Other air districts have implemented this fee, and it is necessary to implement programs at the levels mandated by State law. It is anticipated that this new fee would be assessed to each permitted facility proportional to their emission of pollutants that may impact public health in communities, which is a primary driver of the health risk that created the need for AB 617. Implementation of this fee is also intended to help the District secure additional funding in the State legislature by showing it has taken action to fund the AB 617 effort locally.

Full Cost Recovery – Rule 301, 304, etc. (Stationary and Other) – The District has the authority to assess fees to fully recover the costs of implementing its regulatory programs for stationary sources. In addition, it is the District's policy to set user fees at full cost recovery levels, except where a greater public benefit is demonstrated to the satisfaction of the Board, or when it is not cost-effective to do so. There is a significant number of staff assigned to implementing regulatory enforcement, permitting, monitoring, emission inventory, and rule development of these stationary sources, and the District collects various fees for related programs; however, not all fees fully recover the associated program costs. Therefore, the goal is to propose fee adjustments where needed to fully cover program expenses so that these regulatory programs are self-sustaining.

Per Capita Fee (All) – Under California Health and Safety Code (CHSC) §40701.5(b), the Board is authorized to assess an annual per capita fee on the county and on those cities within the District that have a member on the Board. Per capita fees mean that the cities and the county are charged a set amount for each person residing in their jurisdiction. While the Board of Directors' decision was to postpone the adoption of a Per Capita Fee in 2019, staff were instructed to explore alternative funding approaches and to reintroduce this matter for Board review at a later date.

Proprietary Fund Forecast

The Proprietary Fund's five-year forecast is shown in the following table. The main revenue source for this fund is rent income charged to the District; currently, there is no third-party tenant. The previous third-party lease agreements expired in FY22/23 and FY23/24, and the tenant did not renew the leases. The District evaluated several facility options and decided to sell the current building and relocate to a smaller footprint; the plan is to lease the new District headquarters facility to provide flexibility for the future. The building is currently on the market for sale, and the District is also open to leasing the vacant space. Since the District is not certain of the timing or terms for the sale of the building and relocation to a smaller facility, the five-year forecast was developed on a status-quo basis. A third-party tenant is assumed beginning in FY27/28.

In this projection, annual operating expenses for the building are increased annually by 3.0% for expected inflation. Capital expenses include the projected replacement of building systems/components. The debt associated with the building will be paid off in FY26/27.

Proprietary Fund (400) Five-Year Forecast

Classification	FY 24/25 Approved	FY 24/25 Year-end Projection	FY25/26 Proposed		FY26/27 Forecast		FY27/28 Forecast	FY28/29 Forecast			FY29/30 Forecast
Beginning Fund Balance	\$ 5,931,865	\$ 5,931,865	\$ 6,044,455	\$	5,844,455	\$	5,616,743	\$	5,616,743	\$	5,616,743
Revenues											
Revenues	\$ 1,075,834	\$ 1,072,036	\$ 901,736	\$	1,023,909	\$	874,181	\$	900,407	\$	770,917
Revenues Total	\$ 1,075,834	\$ 1,072,036	\$ 901,736	\$	1,023,909	\$	874,181	\$	900,407	\$	770,917
Expenses											
Operating Expense	\$ 512,234	\$ 511,796	\$ 538,236	\$	546,364	\$	562,754	\$	579,637	\$	597,026
Capital Expense	155,000	39,050	155,000		302,357		311,427		320,770		173,891
Debt Service	408,600	408,600	408,500		402,900		-		-		-
Expenses Total	\$ 1,075,834	\$ 959,446	\$ 1,101,736	\$	1,251,621	\$	874,181	\$	900,407	\$	770,917
Surplus / (Deficit)	\$ -	\$ 112,590	\$ (200,000)	\$	(227,712)	\$	-	\$	-	\$	-
Ending Fund Balance	\$ 5,931,865	\$ 6,044,455	\$ 5,844,455	\$	5,616,743	\$	5,616,743	\$	5,616,743	\$	5,616,743

The Proprietary Fund forecast assumes the following:

Revenues:

- Revenues include rent from the District for space on the second and third floors and parking fees; a lease
 for an external tenant for the vacant space on the second floor is assumed to start in FY27/28.
- The Building Fund is an Internal Service Fund since its revenue is primarily from the District, and as such, overall District rent revenue adjusts (in most years) to ensure that the net surplus/deficit in the building fund is zero. It is a break-even budget when there is a third-party tenant and there is no vacant space.

Expenses:

- Operating Expenses represent the day-to-day costs of operating the building and include utilities, custodial services, parking, property management fees, general repairs, maintenance, etc. These expenses are adjusted annually by 3.0% for normal inflation in the forecast.
- Due to the intent to sell the building, capital expenditures are projected at the minimum required to maintain the standard/aesthetic of the building and ensure all systems are functioning as intended.
- The debt service forecast reflects the principal and interest payments on Certificates of Participation (COPs) issued for the purchase of the building and will be fully paid off in FY26/27.

Special Revenue Fund Forecast

The Special Revenue Fund accounts for the proceeds of restricted revenue sources, predominantly low-emission incentive grants. The following five-year forecast is projected using historical grant amounts and anticipated grant amounts in the near term. There is growing uncertainty as to the sustainability of new potential funding to replace current one-time grants.

Special Revenue Fund (500) Five-Year Forecast

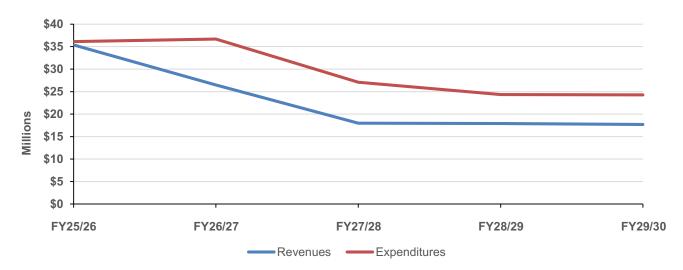
Classification	FY 24/25 Approved	FY 24/25 Year-end Projection	FY25/26 Proposed		FY26/27 Forecast		FY27/28 Forecast		FY28/29 Forecast			FY29/30 Forecast
Beginning Fund Balance	\$ 76,816,755	\$ 76,816,755	\$	84,221,167	\$	83,493,376	\$	73,267,505	\$	64,133,114	\$	57,678,322
Revenues												
Revenues	\$ 31,022,194	\$ 33,269,145	\$	35,386,685	\$	26,477,438	\$	17,968,938	\$	17,908,938	\$	17,698,938
Revenues Total	\$ 31,022,194	\$ 33,269,145	\$	35,386,685	\$	26,477,438	\$	17,968,938	\$	17,908,938	\$	17,698,938
Expenses												
Operating Expense	\$ 34,354,781	\$ 24,564,733	\$	34,581,976	\$	35,124,834	\$	25,090,000	\$	22,290,000	\$	22,140,000
Interfund Charges	2,146,641	1,300,000		1,532,500		1,578,475		2,013,329		2,073,729		2,135,941
Expenses Total	\$ 36,501,422	\$ 25,864,733	\$	36,114,476	\$	36,703,309	\$	27,103,329	\$	24,363,729	\$	24,275,941
Surplus / (Deficit)	\$ (5,479,228)	\$ 7,404,412	\$	(727,791)	\$	(10,225,871)	\$	(9,134,391)	\$	(6,454,791)	\$	(6,577,003)
Ending Fund Balance	\$ 71,337,527	\$ 84,221,167	\$	83,493,376	\$	73,267,505	\$	64,133,114	\$	57,678,322	\$	51,101,319

The Special Revenue Fund forecast assumes the following revenue for DMV \$2 and various grants:

Special Revenue Fund (500) Five-Year Forecast by Funding Source

Classification	FY 24/25 Approved	FY 24/25 Year-end Projection	FY25/26 Proposed	FY26/27 Forecast	FY27/28 Forecast	FY28/29 Forecast	FY29/30 Forecast
DMV \$2	\$ 2,600,000	\$ 2,600,0	900 \$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000
Moyer	12,725,249	13,210,4	6,500,000	6,200,000	6,200,000	6,200,000	6,200,000
SECAT	3,205,960	1,500,0	3,750,000	2,250,000	2,000,000	2,000,000	1,850,000
Community Car Share	700,000	150,0	284,000	-	-	-	-
Community Air Protection Program (CAPP)	6,521,247	6,688,4	6,521,247	6,500,000	6,500,000	6,500,000	6,500,000
Clean Cars 4 All	4,045,000	4,500,0	8,215,000	1,230,000	-	-	-
FARMER	408,300	1,803,7	'50 -	-	-	-	-
CalSTA Grant - H2 Locomotive	-	2,000,0	6,700,000	6,946,000	-	-	-
Other	816,438	816,4	38 816,438	751,438	668,938	608,938	548,938
Revenues Total	\$ 31,022,194	\$ 33,269,	45 \$ 35,386,685	\$ 26,477,438	\$ 17,968,938	\$ 17,908,938	\$ 17,698,938





Capital Expenditures Forecast

The District currently budgets capital expenses on an annual basis. District recurring and non-recurring projects are included in the five-year forecast and include capital expenses primarily related to the air monitoring network, fleet, information systems equipment, and improvements to the District's administrative building, as noted in the next table.

Capital Expenses Five-Year Forecast

Fund Program		24/25 udget	FY24/25 Projection		FY25/26 Budget		FY26/27 Forecast			Y27/28 orecast	FY28/29 Forecast		Y29/30 orecast
General Fund (100)													
Air Monitoring	\$	886,000	\$	785,000	\$	476,000	\$	515,000	\$	515,000	\$	515,000	\$ 515,000
Fleet		200,000		190,250		-		211,150		169,950		169,950	51,500
Information Systems		82,000		50,470		82,000		61,800		113,300		133,900	41,200
Subtotal	\$ 1,1	168,000	\$ 1	,025,720	\$	558,000	\$	787,950	\$	798,250	\$	818,850	\$ 607,700
Proprietary Fund (400)													
Building Improvements	\$	155,000	\$	39,050	\$	155,000	\$	302,357	\$	311,427	\$	320,770	\$ 173,891
Subtotal	\$	155,000	\$	39,050	\$	155,000	\$	302,357	\$	311,427	\$	320,770	\$ 173,891
Total Capital Expense		323,000	\$ 1	1,064,770	\$	713,000	\$	1,090,307	\$ 1	1,109,677	\$ 1	1,139,620	\$ 781,591

Significant Capital Expenses in the Forecast and Impacts on Operating Budgets

Air Monitoring Stations

Capital expenses for air monitoring are related to the District's regulatory network of six air monitoring stations and the monitoring network for the Community Air Protection Program AB 617. The District plans to replace the Del Paso Manor station in FY24/25 and the Sloughhouse, North Highlands, and Bruceville stations and equipment during the forecast period. The replacement of air monitoring stations is a non-recurring expense. The District anticipates that the replacement of these structures will help reduce ongoing maintenance costs associated with these aging facilities. Additionally, repair or replacement of air monitoring equipment will be needed. The replacement of equipment for the air monitoring stations is a recurring capital expense, as equipment will need to be replaced as it reaches the end of its lifecycle.

The District's ambient air monitoring stations are used to collect monitoring data for criteria pollutants to determine compliance with the NAAQS and to support regional air quality forecasting. These sites will also be an important

foundation for future monitoring approaches under the AB 617 Community Air Protection Program. A new portable air monitoring station was added to the existing air monitoring network as part of the District's AB 617 efforts.

In FY22/23, the District was contacted by KB Homes, the new property owner of the North Highlands – Blackfoot Way site, to immediately remove the District's air monitoring trailer and equipment from their property since they are developing 250 residential homes on the site. The District removed all equipment and demolished the air monitoring trailer to vacate the premises per the request of the new property owners; a plan to identify a location and construct a new station in North Highlands is underway.

The replacement of Del Paso Manor station (F) is anticipated to be completed at the end of FY24/25, followed by the Sloughhouse station (G) to be renovated in FY25/26, and the North Highlands station in FY26/27 and FY 27/28. The Bruceville station (B) will be replaced during FY27/28 and FY28/29. Each station replacement project is anticipated to take two years to complete. Below is a map of the existing air monitoring stations.

Legend Air Monitor Sacramento County Line Disadvantaged Communities under SB535 Label Site Name Α Bercut Drive - Near Road Site Burceville Road C Folsom-Natoma T Street - operated by CARB D E **Branch Center** F Del Paso Manor (Trailer replacement) G Sloughhouse H AB617 Portable Lab USGS The National Map: National Boundaries Dataset 3DEP Elevation Program, Geographic Names Information System: National Hydrography Dataset. National Land Cover Databaset National Structures Dataset, and National Transportation Dataset; USGS Clobal Ecosystems; US; Certains Eurepi TiceRithic data; USFS Road Data, Natural Earth Data U.S. Deardment of State Humanitanar Information Unit, and NOAA National Centers for Environmental Information; U.S. Coastal Reight Model Data fereShed June; 2022

Map of Air Monitoring Stations in Sacramento County

Rule 301 (Permitting and Enforcement) Fleet

The five-year forecast includes funds to replace aging fleet vehicles, which will be replaced with zero- and low-emission vehicles consistent with the District's goal of reducing vehicle emissions. Fleet replacements, averaging \$146,000 per year starting in FY26/27, are a recurring capital outlay due to vehicles having an estimated operational

life of 10-15 years. Incorporating new zero- and near-zero-emission vehicles into the fleet is anticipated to reduce operating expenses related to fuel and maintenance.

Information Systems

Information Systems' capital expenditures reflect existing systems' updates and investment into additional security and disaster recovery solutions. These are recurring capital expenses and have been projected in the five-year forecast. Increasing threats of cyber activity against government agencies require new tools and equipment to combat and deter service interruptions. The District is expanding security protection for remote devices and facilities and implementing solutions for secure backups to protect against cyber data attacks. The District continues to invest and develop strategies for work anywhere, anytime, and anyplace to ensure district activities continue without interruption.

Covell Building

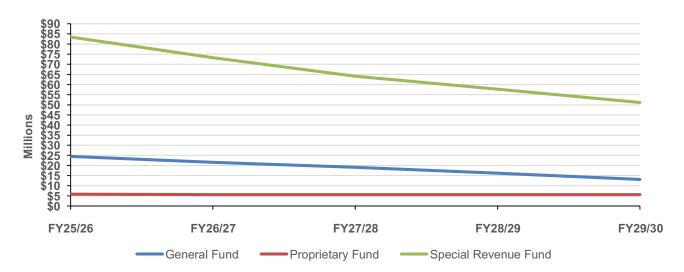
The capital forecast for the Covell Building includes expenditures for building systems (e.g., HVAC, etc.) and annual amounts to fund minor non-recurring building improvements. Funding for these capital expenses primarily comes from rent income.

FUND BALANCE FORECAST

In summary, based on the projected revenues and expenditures described in this section, the fund balance forecast line graph below indicates 1) annual decreases in the General Fund balance over the planning horizon, 2) stability with projected rent income sufficient to support projected expenditures for the Proprietary Fund, and 3) a decrease in the Special Revenue Fund indicating efficient deployment of incentive projects.

The General Fund projected fund balance through the end of the forecast period complies with the District's fund balance reserve policy of a minimum of 120 days, but no less than 60 days, of General Fund expenditures. However, without additional funding sources, the General Fund unencumbered fund balance is projected to decrease by over 50% in the five-year outlook, with the FY29/30 fund balance at only 41 days over the minimum fund balance level. When the target is not met, the policy requires that a plan be developed and implemented to replenish the funds used. The Proprietary Fund balance is compliant with policy and stable throughout the five years. The Special Revenue Fund accounts for various incentive grants that are intended to be fully expended. Therefore, no reserve targets are established for the Special Revenue Fund.

District Budget – Fund Balance Five-Year Forecast



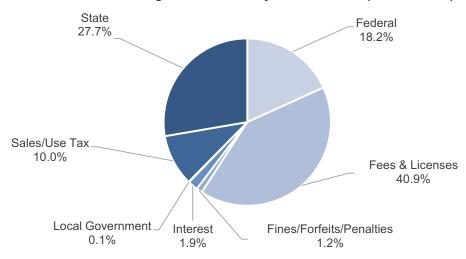
SECTION 5 - Fund Information

This section contains descriptions of District funds and associated approved budgets for FY25/26. It also includes information on fund budgets (revenues and expenditures by classification and activities, historical trends, and fund balances) to provide additional context for the approved budget.

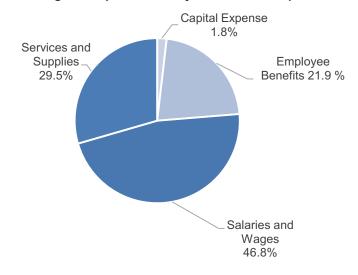
GENERAL FUND 100

The total FY25/26 Approved General Fund Budget is \$26.0 million in revenue and \$28.8 million in expenditures. Below are charts detailing the revenues and expenditures by classification as a percentage of the total General Fund Budget.

General Fund Budget – Revenues by Classification (\$26.0 million)



General Fund Budget – Expenditures by Classification (\$28.8 million)



The FY25/26 General Fund Budget includes revenues of \$26.0 million and expenditures of \$28.8 million, resulting in a \$2.8 million use of fund balance. Approximately \$2.5 million of this deficit is related to the AB 617 CERP grant. The CERP is a two-year program that began on July 1, 2024. Most of the funding for the state-funded program was received, and revenue was recognized in FY23/24. Accordingly, the grant funding is included in the ending fund balance on June 30, 2024. The FY25/26 expenditures related to the CERP project will be funded by the grant revenue included in the opening fund balance for FY25/26.

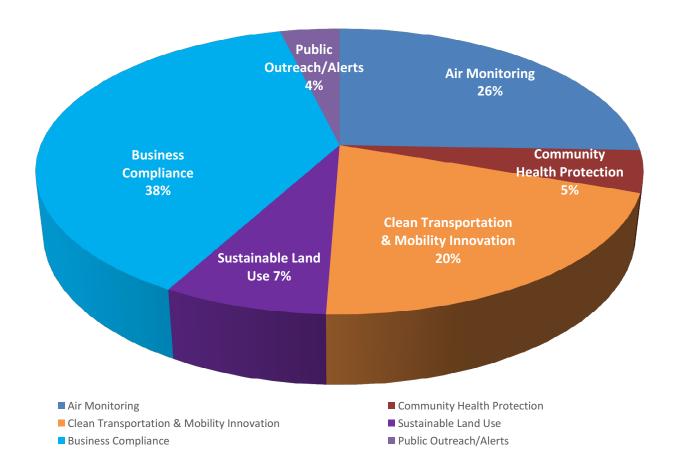
Historically, the District has performed under budget for expenditures due to savings in Employee Services and Professional Services, and therefore, has not fully expended the amount of budgeted expenditures. For the FY25/26 budget, the District continued the use of a vacancy credit in the Employee Services budget. The vacancy credit in Employee Services is to provide for open positions during the recruitment process. In addition, professional services contracts were stringently assessed against District priorities for the fiscal year, and critical contracts were included at their expected cost. The remaining services were evaluated to right-size the professional services budget to exclude lower-priority items and to ensure that the budget included a realistic amount for each contract.

The District expects to operate fully staffed in FY25/26 and to expend the "right-sized" Professional Services budget. The District has adequate operating reserves to fund the remaining (unrelated to the CERP) \$300,000 use of fund balance for FY25/26. The ending fund balance on June 30, 2026, in the Approved Budget will comply with the District's operating reserve policy.

Operating Expenses by District Activities

As described in Section 2 – About the District, under District Activities, the District's services and programs are grouped into categories. The chart below illustrates the percentage of the General Fund expenditure budget allocated to each of the District's activities.

Allocation of FY25/26 Operating Expenses by District Activity



General Fund Trends

The Five-Year Revenue Trend graph displays revenues by account type. The trend shows federal grant revenues fluctuating over time depending on changes in EPA 103, EPA 105, CPRG, and TAG project funding. The EPA has historically provided federal grants to the District to enforce federal air pollution rules and regulations; these grants are restricted to specific usage and may consist of one-time grants. The two-year CPRG program provides funding to develop a plan for reducing greenhouse gas emissions in the Sacramento region; the District is the lead agency for this grant. The District administers the multi-year TAG project funds for several neighboring air districts. Both the CPRG planning grant and the TAG projects are non-recurring grants.

Stationary Source fees are collected from businesses that have equipment that emits pollutants into the air; these fees are based on the type and size of the equipment and the amount of pollutants emitted. The District is proposing a 3.84% CPI increase in fees for FY25/26. This adjustment is based on the annual change in the California Consumer Price Index in accordance with the Health and Safety Code. In the FY24/25 projection, there is a significant one-time fee that is not expected to recur in FY25/26.

State revenues fluctuate over the period. Included in this category are the DMV registration fee surcharge (DMV) and state grants. DMV revenue is dependent on the number of vehicle registrations in the State of California, with the District receiving a set amount per registration. Community Air Protection Program state incentives related to AB 617 are included in this line item. State grant revenue may contain one-time grants that create year-to-year variability in this category, for example, the two-year CERP funding for AB617 was recognized as revenue in FY23/24 and will fund project activities for the next two fiscal years.

Sales and Use Tax revenue is based on a sales tax proposition (Measure A) that allocates a portion of the sales tax collected to the District for emission reduction activities and community education.

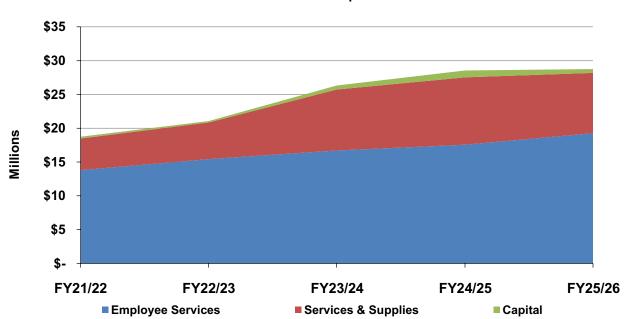
\$35 \$30 \$25 \$20 \$15 \$10 \$5 \$-FY21/22 FY22/23 FY23/24 FY24/25 FY25/26

General Fund - Five-Year Revenue Trend

The Five-Year Expenditures Trend of the General Fund graph shown below reflects an increase in Employee Services (Salaries, Wages, and Employee Benefits) over the last five years due to 1) an increase in staff Full Time Equivalents (FTE) to support expanding mandates and grant activity, 2) application of the annual Cost of Living Adjustment (COLA) to wages and 3) increasing health care and pension costs. FY25/26 headcount will remain stable with the prior year at 105.8 FTE, and the COLA, effective July 1, 2025, will be 2.5%. For FY25/26, Services and Supplies are expected to decrease mainly due to normal variation in program distributions related to federal pass-through grants (TAG projects) and a reduction in professional services expenditures. The professional services expenditures decreased due to the completion of grants in FY24/25, changes in grant support needs in FY25/26, and the right-sizing of operational consultant contracts for FY25/26. Capital outlays will decrease in

FY25/26 primarily due to the completion of the Del Paso Manor air monitoring station renovation in late FY24/25, which will not recur in FY25/26.

The following graph illustrates the five-year expenditures trend for the General Fund by classification.



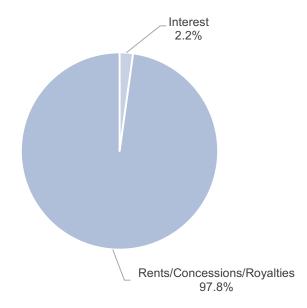
General Fund - Five-Year Expenditures Trend

PROPRIETARY FUND 400

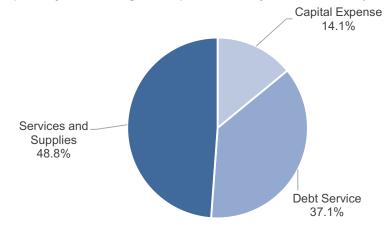
The Proprietary Fund is an Internal Service Fund that supports the financial activities of the District administration (Covell) building. The Covell Building is a three-story commercial office building, located at 777 12th Street in Sacramento, California, containing approximately 38,000 square feet of office space on two floors with paid parking on the first floor. The District moved into the building as a tenant in 1999 and purchased the building in 2002 through the issuance of the COPs discussed below, along with other funding. The District occupies roughly 23,000 square feet, including the entire third floor and about 4,000 square feet on the second floor. The third-party tenant that historically occupied the remaining rentable 15,000 square feet on the second floor notified the District that they would not renew their two leases and vacated the premises in FY23/24. With no current third-party tenants and the District's hybrid work model, the available space is far greater than what is needed for District operations. As a result, the District evaluated several options for the overall Covell Building and decided to sell the building and move to smaller, more efficient office space. The building is currently offered for sale, and the FY25/26 budget was planned on a "status quo" basis without major improvements or a third-party tenant due to the current "soft" commercial real estate market conditions.

The total FY25/26 Approved Proprietary Fund Budget is \$902,000 in revenues (mainly rent from the District) and \$1.1 million in expenditures. The following are charts detailing the revenues and expenditures by classification as a percentage of the total Proprietary Fund Budget.

Proprietary Fund Budget - Revenues by Classification (\$902,000)



Proprietary Fund Budget – Expenditures by Classification (\$1.1 million)



In FY25/26, the District's share of building rent will decrease by \$171,000. To more accurately reflect the facility costs for the District in FY25/26, the budget includes rent expenditures for the space the District occupies and not the vacant square footage; this is a change in practice from the prior year. Total FY25/26 parking rent of \$34,000 is expected to remain relatively stable with the FY24/25 projected parking income.

The budget expenditures are comprised of \$538,000 for services and supplies (day-to-day operating expenses), \$155.000 for capital expenses, and \$408,500 for debt service. Expenses are projected to increase by \$26,000 over the prior year's budget, mainly for maintenance and repairs and parking services due to inflation.

Debt Service

The District issued \$5,835,000 worth of COPs in February 2002 and refinanced the original COPs in March 2012. The new COPs, issued by California Special District Association Finance Corporation, were issued for \$4,350,000, with the interest rates ranging from 3.0% to 4.0% and a bond premium of \$72,382 to be amortized over the life of the COPs. The debt is supported by rent paid by the District. The rent expense in the General Fund is projected to be stable over the remaining life of the debt. Upon the sale of the building, the debt will be paid off; there is no penalty for early payoff of the COPs.

The District may "incur" long-term debt, such as the purchase of real property, but is not authorized to "issue" long-term debt. The District does not have a formal debt issuance policy with criteria such as debt limits and the level of authority required to incur new debt. The District's only long-term debt is for the purchase of its building, and the financial activity is recorded in the Proprietary Fund. The District does not anticipate incurring any additional long-term debt at this time.

The principal balance outstanding on June 30, 2026, will be \$780,000. In FY25/26, a \$385,000 principal payment will be made. The purchase obligation will be fully paid off in FY26/27 unless it is extinguished upon the sale of the building. The principal and interest payments are included in the Proprietary Fund budget. The certificates mature as shown in the table below:

Debt Repayment Schedule

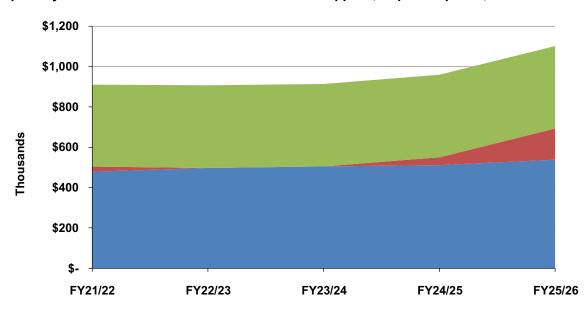
	Fiscal Year Ending June 30	Principal	Interest	Total
	2026	385,000	23,500	408,500
ľ	2027	395,000	7,900	402,900
	Totals	\$ 780,000	\$ 31,400	\$ 811,400

Proprietary Fund Trends

Building revenues consist primarily of District rent, as there are currently no outside tenants. There is also revenue (included as Tenant Rent below) generated from daily/monthly parking passes, though this is less than 5% of the total revenue.

Proprietary Fund – Five-Year Trend of Rent Revenues

Account	Account FY21/22 Actual		FY22/23 Actual	FY23/24 Actual	FY24/25 Projection	FY25/26 Budget
District Rent	\$	818,650	\$ 991,211	\$ 1,030,927	\$ 1,018,734	\$ 847,336
Tenant Rent		336,012	358,510	236,425	26,761	34,400
Total Rents	\$	1,154,662	\$ 1,349,721	\$ 1,267,352	\$ 1,045,495	\$ 881,736



Proprietary Fund - Five-Year Trend of Services and Supplies, Capital Expense, and Debt Service

Capital expenses in FY25/26 include funding for potential systems (HVAC) replacements and a relatively minor amount for other unexpected capital improvement projects.

Capital

■ Debit Service

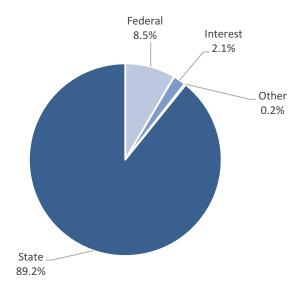
■ Services & Supplies

SPECIAL REVENUE FUND 500

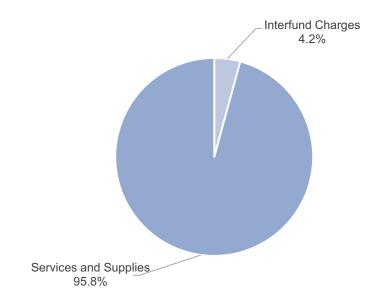
The Special Revenue Fund accounts for the financial activity of restricted funds, generally reflecting grants to provide businesses with incentive funds to upgrade to cleaner technology. Typical awards are made to owners of heavy and light-duty on-road vehicles, and owners of off-road equipment, such as that used in agriculture and construction, to modernize their equipment with lower or zero-emission options. Options include re-power, retrofit, and replacement of the equipment, in addition to providing funds for charging and fueling infrastructure. Awards are also made to programs such as Our Community CarShare, in which residents in certain communities have access to low- and zero-emission transit options, and Clean Cars 4 All, which provides incentives for income-qualified individuals to purchase or lease an electric vehicle.

The total FY25/26 Approved Special Revenue Fund Budget is \$35.4 million in revenues and \$36.1 million in expenditures. Below are charts detailing the revenues and expenditures by classification as a percentage of the total Special Revenue Fund budget.

Special Revenue Fund – Revenues by Classification (\$35.4 million)



Special Revenue Fund – Expenditures by Classification (\$36.1 million)



Special Revenue Trends

The majority of Special Revenue Funds are from DMV registration fee surcharges (DMV), and state and federal grants, including Moyer, GMERP Heavy Duty Trucks & Locomotive, Community Air Protection Program (CAPP), Clean Cars 4 All (CC4A), and SECAT. Funding for the Special Revenue Fund is much more volatile than the General or Proprietary Funds due to one-time grants, the nature of funding received, and the timing of disbursements. DMV and Moyer (included in the State revenue) are relatively stable and ongoing revenue streams. However, historically, one-time grants, such as CAPP (State revenue) and SECAT (Federal revenue), can vary in amount over time. The increase in revenues in FY23/24 reflects additional State grant funding (mainly CAPP and CC4A funding). The FY25/26 revenue increase is primarily due to a two-year grant from CalSTA for a hydrogen locomotive project. The following graph illustrates the five-year trend of the Special Revenue Fund revenues by account type.

\$45 \$40 \$35 \$30 \$25 \$20 \$15 \$10 \$5 \$-FY22/23 FY23/24 FY25/26 FY21/22 FY24/25 Federal ■ Fines/Forfeits/Penalties Interest Other State

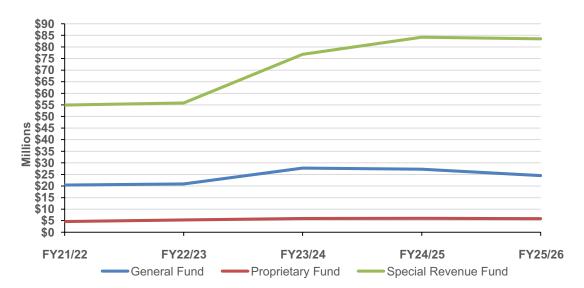
Special Revenue Fund – Five-Year Revenues Trend

FUND BALANCE

The District closely manages each fund balance to ensure they remain at adequate and sustainable levels. The fund balance for the General Fund increased over recent years as the District implemented steps to cautiously manage expenses, particularly during the economic uncertainty of the COVID-19 pandemic. These steps included temporarily keeping vacant positions open and reducing professional services and capital expenditures. The sharp increase in fund balance in FY23/24 was due to the award of a two-year AB 617 CERP grant. Revenue from that two-year grant (approximately \$5.0 million) was received and recognized in that year. The grant expenditures will occur in FY24/25 and FY25/26 and will be funded from the fund balance. In FY25/26 and beyond, the District anticipates there will be increases in employee services costs, capital expense requirements, and inadequate administrative allocations for implementing grant-related programs. Management will closely evaluate and prioritize District programs to ensure resources are allocated appropriately to continue the essential functions of the District while pursuing additional funding.

The Proprietary Fund is stable, with the revenues from building rent covering most of the recurring operating and capital expenses. The Special Revenue Fund is more fluid with the fluctuation of state and federal revenues, mainly representing one-time grants for the incentive program. Large multi-year federal and state grants temporarily increase the fund balance. These funds are restricted to specific grant projects and are expected to be fully expended. The graph below shows the fund balance trends for each of the funds and the District overall.

All Funds - Five-Year Trend of Fund Balances by Fund



SECTION 6 - Budget Schedules

This section presents budget schedules for the District Budget and each of the District's funds. The budget tables show the FY23/24 Actuals, the FY24/25 Approved Budget, the FY24/25 Projection, the FY25/26 Approved Budget, as well as the variance between the FY24/25 and the FY25/26 Approved Budgets.

Also included in this section are the schedules for FY25/26 Approved Capital Expenses and the Summary of Financial Sources, Uses, and Fund Balance, which shows the projected year-end fund balance for the current year and FY25/26.

DISTRICT BUDGET

District Budget - Summary of Revenues, Expenditures, and Budgeted Fund Balances

Classification Account	FY23/24 Actual	FY24/25 Budget	FY24/25 Projection	FY25/26 Budget		Variance 26 Budget / Y25 Budget
Revenues						
Federal	\$ 7,420,181	\$ 9,674,793	\$ 8,068,833	\$ 7,732,584	\$	(1,942,209)
Fees & Licenses	9,967,647	9,953,047	10,995,603	10,629,795		676,748
Fines/Forfeits/Penalties	379,876	250,000	200,000	300,000		50,000
Interest	3,002,089	1,020,000	1,026,541	1,270,000		250,000
Local Government	94,725	121,851	121,851	28,451		(93,400)
Other	150,951	84,962	88,736	78,938		(6,024)
Rents/Concessions/Royalties	1,267,352	1,055,834	1,045,495	881,736		(174,098)
Sales/Use Tax	2,624,054	2,584,321	2,584,321	2,584,321		-
State	51,848,239	34,295,324	38,267,174	38,760,307		4,464,983
Revenues Total	\$ 76,755,115	\$ 59,040,132	\$ 62,398,554	\$ 62,266,132	\$	3,226,000
Expenses						
Salaries and Wages	\$ 12,361,702	\$ 13,642,460	\$ 13,034,303	\$ 14,176,782	\$	534,322
Employee Benefits	5,399,786	6,175,562	5,829,527	6,619,774		444,212
Services and Supplies	30,742,607	46,047,833	35,034,723	44,048,474		(1,999,359)
Capital Expense	599,993	1,323,000	1,064,770	713,000		(610,000)
Debt Service	408,100	408,600	408,600	408,500		(100)
Expenses Total	\$ 49,512,188	\$ 67,597,455	\$ 55,371,923	\$ 65,966,530	\$	(1,630,925)
Fund Balance Source / (Use)	\$ 27,242,926	\$ (8,557,323)	\$ 7,026,631	\$ (3,700,398)		

GENERAL FUND BUDGET

General Fund 100 – Summary of Revenues, Expenditures, and Fund Balances

Classification Account	FY23/24 Actual	FY24/25 Budget	FY24/25 Projection		FY25/26 Budget		Variance ′26 Budget / ′25 Budget
Revenues							
Federal	\$ 5,891,669	\$ 6,468,833	\$ 6,568,833	\$	4,732,584	\$	(1,736,249)
Fees & Licenses	9,967,647	9,953,047	10,995,603		10,629,795		676,748
Fines/Forfeits/Penalties	374,176	250,000	200,000		300,000		50,000
Interest	664,833	250,000	250,000		500,000 28,451		250,000
Local Government	94,725	121,851	121,851				(93,400)
Other	12,866	18,524	22,298	12,500			(6,024)
Sales/Use Tax	2,624,054	2,584,321	2,584,321		2,584,321		-
State	13,366,866	7,295,528	7,314,467		7,190,060		(105,468)
Revenues Total	\$ 32,996,836	\$ 26,942,104	\$ 28,057,373	\$	25,977,711	\$	(964,393)
Expenses							
Salaries and Wages	\$ 12,361,702	\$ 13,642,460	\$ 13,034,303	\$	14,176,782	\$	534,322
Employee Benefits	5,399,786	6,175,562	5,829,527		6,619,774		444,212
Services and Supplies	9,009,865	11,180,818	9,958,194		8,928,262		(2,252,556)
Capital Expense	599,993	1,168,000	1,025,720		558,000		(610,000)
Interfund Charges	(1,045,385)	(2,146,641)	(1,300,000)		(1,532,500)		614,141
Expenses Total	\$ 26,325,961	\$ 30,020,199	\$ 28,547,744	\$	28,750,318	\$	(1,269,881)
Source / (Use) Fund Balance	\$ 6,670,875	\$ (3,078,095)	\$ (490,371)	\$	(2,772,607)		

General Fund 100 – Revenues by Account

Classification Account	FY23/24 Actual	FY24/25 Budget	FY24/25 Projection	FY25/26 Budget	Variance FY26 Budget / FY25 Budget
Revenues					
Federal					
EPA 103	\$ 199,290	\$ 128,000	\$ 128,000	\$ 128,000	\$ -
EPA 105	1,195,014	1,199,943	1,199,943	1,133,979	(65,964)
Federal	3,686,081	4,440,890	4,540,890	2,792,869	(1,648,021)
FHW-CMAQ	811,284	700,000	700,000	677,736	(22,264)
Subtotal Federal	5,891,669	6,468,833	6,568,833	4,732,584	(1,736,249)
Fees & Licenses					
Ag Burn	20,089	12,000	11,500	16,000	4,000
Asbestos	240,226	218,000	162,000	162,000	(56,000)
Fees & Licenses	18,520	22,292	24,600	26,495	4,203
Mitigation Fees	87,348	150,000	150,000	150,000	-
Rule 301	9,177,008	9,100,000	9,600,000	9,800,000	700,000
SEED Loan-Non Labor	39,597	36,051	644,714	37,100	1,049
SEED Renewal	67,935	64,704	72,789	88,200	23,496
Title V	89,000	120,000	100,000	120,000	-
Toxics AB2588	227,923	230,000	230,000	230,000	-
Subtotal Fees & Licenses	9,967,647	9,953,047	10,995,603	10,629,795	676,748
Fines/Forfeits/Penalties					
Fines/Forfeits/Penalties	374,176	250,000	200,000	300,000	50,000
Subtotal Fines/Forfeits/Penalties	374,176	250,000	200,000	300,000	50,000
Interest					
Interest Earned	664,833	250,000	250,000	500,000	250,000
Subtotal Interest	664,833	250,000	250,000	500,000	250,000
Local Government					
Local Government	94,725	121,851	121,851	28,451	(93,400)
Subtotal Local Government	94,725	121,851	121,851	28,451	(93,400)
Other					, ,
Other	12,866	18,524	22,298	12,500	(6,024)
Subtotal Other	12,866	18,524	22,298	12,500	(6,024)
Sales/Use Tax	,	,	,	,	(-,,
Sales/Use Tax	2,624,054	2,584,321	2,584,321	2,584,321	-
Subtotal Sales/Use Tax	2,624,054	2,584,321	2,584,321	2,584,321	-
State	_,, :	_,,•= .	_,,,	_,,	
ARB Oil & Gas	42,000	42,000	42,000	42,000	_
ARB PERP	255,402	260.000	266.712	280,000	20,000
ARB Subvention	361,664	362,000	361,644	362,000	-
DMV	4,986,921	5,260,000	5,260,000	5,260,000	-
State	7,720,880	1,371,528	1,384,111	1,246,060	(125,468)
Subtotal State	13,366,866	7,295,528	7,314,467	7,190,060	(105,468)
Revenues Total	\$ 32,996,836	\$ 26,942,104	\$ 28,057,373	\$ 25,977,711	

General Fund 100 – Expenses by Account

Classification Account	FY23/24 Actual	FY24/25 Budget	FY24/25 Projection	FY25/26 Budget	Variance FY26 Budget / FY25 Budget
Expenses					
Salaries and Wages					
Salaries & Wages-Extra Help	\$ 73,779	\$ 144,769	\$ 89,405	\$ 81,178	\$ (63,591)
Salaries & Wages-OT	97,392	92,535	197,626	145,500	52,965
Salaries & Wages-Premium Pay	66,192	63,327	78,110	82,884	19,557
Salaries & Wages-Regular	12,124,339	13,341,829	12,669,162	13,867,220	525,391
Subtotal Salaries and Wages	12,361,702	13,642,460	13,034,303	14,176,782	534,322
Employee Benefits					
Employee Assistance Program	3,453	5,000	5,000	5,000	-
FICA/Medicare-Employer OASDHI	881,267	978,908	914,267	1,033,398	54,490
Group Insurance	1,718,564	2,036,257	1,891,739	2,077,778	41,521
OPEB GASB 68	700	700	700	700	-
Retirement	2,656,623	3,001,030	2,864,154	3,349,966	348,936
Unemployment-SUI	12,441	28,667	28,667	27,932	(735)
Workers Compensation Insurance	126,738	125,000	125,000	125,000	-
Subtotal Employee Benefits	5,399,786	6,175,562	5,829,527	6,619,774	444,212
Services and Supplies					
Subtotal Services and Supplies	9,009,865	11,180,818	9,958,194	8,928,262	(2,252,556)
Capital Expense					
FA-Computer & Network	-	82,000	41,000	82,000	-
FA-Lab Equipment	247,584	231,000	175,000	246,000	15,000
FA-Monitoring Structures	42,870	655,000	610,000	230,000	(425,000)
FA-Vehicles	309,539	200,000	190,250	-	(200,000)
Subtotal Capital Expense	599,993	1,168,000	1,025,720	558,000	(610,000)
Interfund Charges					
Transfer-In	(1,045,385	(2,146,641	(1,300,000)	(1,532,500)	614,141
Subtotal Interfund Charges	(1,045,385	(2,146,641	(1,300,000)	(1,532,500)	614,141
Expenses Tota	I \$ 26,325,961	\$ 30,020,199	\$ 28,547,744	\$ 28,750,318	\$ (1,269,881)

Note: Services and Supplies expenses by account are presented on the next page.

General Fund 100 – Expenses by Account (Continued)

Classification Account	FY23/24 Actual	FY24/25 Budget	FY24/25 Projection	FY25/26 Budget	Variance FY26 Budget / FY25 Budget
Expenses					
Services and Supplies					
Advertising, Comm & Outreach	\$ 1,142,330	\$ 1,028,236	\$ 815,500	\$ 1,020,736	\$ (7,500)
Alternative Transit	20,357	25,550	17,682	19,833	(5,717)
Banking & Finance	276	2,435	1,250	2,469	34
Books/Periodicals/Subscriptions	26,886	32,173	23,735	33,983	1,810
Breakroom Supplies	1,780	1,800	2,000	2,200	400
Business Meetings	149,931	233,400	160,560	252,870	19,470
Collaborations	79,127	102,000	100,726	103,000	1,000
Document Storage & Handling	35,698	33,200	35,000	35,200	2,000
Education & Training	40,424	144,900	68,450	134,060	(10,840)
Food	273	-	35	-	-
Fuel & Lubricants	12,992	16,680	10,400	12,720	(3,960)
Internship	7,375	8,000	8,000		(8,000)
IS Data Processing Services	42,746	49,400	48,700	54,820	5,420
IS Hardware	74,380	146,444	148,489	168,184	21,740
IS Internet	35,205	36,232	36,192	37,708	1,476
IS Mobile Devices/Services	52,502	51,962	51,944	60,280	8,318
IS SaaS-Software as a Service	524,917	717,499	749,259	755,191	37,692
IS Software	75,105	87,337	68,309	80,650	(6,687)
	8,334	15,564	12,000	15,564	(0,007)
IS Supplies Lab Analysis	61,297	106,000	40,200	90,000	(16,000)
Laboratory Equipment & Supplies	· · · · · · · · · · · · · · · · · · ·	68.000			(16,000)
	52,208	,	50,000	63,500	(4,500)
Legal Services	11,532	33,000	12,834	24,000	(9,000)
Legislative Advocacy	66,000	66,250	66,250	66,250	-
Maintenance & Repairs	26,768	27,000	16,600	32,000	5,000
Medical Services	796	3,000	3,000	3,000	- (407)
Membership Dues	32,780	64,140	60,340	63,653	(487)
Mileage/Parking	31,231	32,510	31,470	33,610	1,100
Miscellaneous	(11,106)		-	-	(100)
Office Equipment/Furniture	2,576	8,500	6,100	8,500	-
Office Services	493	1,000	500	1,000	-
Office Supplies	1,976	8,500	6,925	9,025	525
Postage/Shipping/Messenger	11,572	18,950	20,800	25,600	6,650
Printing	8,047	10,200	4,850	14,000	3,800
Prof Srvc-Consulting	1,636,076	2,420,650	1,670,000	1,830,310	(590,340)
Program Distribution-EPA Grant	3,100,113	3,863,031	3,863,031	2,341,800	(1,521,231)
Property & Liability Insurance	252,050	298,700	292,700	320,700	22,000
Property Management	5,270	25,000	2,000	25,000	-
Public Notices	10,412	28,750	33,370	34,050	5,300
Recognition	11,561	21,300	23,742	30,960	9,660
Recording Fees	50	200	-	200	-
Recruitment	36,508	10,000	10,000	10,000	-
Rent/Lease-Equipment	72,969	79,835	41,118	82,276	2,441
Rent/Lease-Real Property	1,012,728	1,005,834	1,000,874	835,204	(170,630)
Safety Supplies	18,504	5,000	6,870	7,850	2,850
Stipends	13,400	63,600	44,700	82,200	18,600
Telephone Services	25,416	24,936	24,936	17,532	(7,404)
Temporary Staffing	38,369	80,000	198,400	5,000	(75,000)
Tools/Small Equipment	4,229	6,120	6,591	10,170	4,050
Utilities	19,215	20,400	18,000	21,504	1,104
Debt Service/SBITA - Subscription Principal Expen	76,037	-	-	-	-
Debt Service/SBITA - Subscription Interest Expens	2,083	-	-	-	-
Vehicle Maintenance	43,864	47,500	43,300	49,900	2,400
Subtotal Services and Supplies	9,009,865	11,180,818	9,958,194	8,928,262	(2,252,556)

PROPRIETARY FUND BUDGET

Proprietary Fund 400 – Summary of Revenues, Expenditures, and Fund Balances

Classification Account		FY23/24 Actual	FY24/25 Budget	FY24/25 Projection		FY25/26 Budget		FY	Variance 26 Budget / ⁄25 Budget
Revenues									
Interest	\$	81,147	\$ 20,000	\$	26,541	\$	20,000	\$	-
Rents/Concessions/Royalties		1,267,352	1,055,834		1,045,495		881,736		(174,098)
Revenues Total	\$	1,348,500	\$ 1,075,834	\$	1,072,036	\$	901,736	\$	(174,098)
Expenses									
Services and Supplies	\$	505,538	\$ 512,234	\$	511,796	\$	538,236	\$	26,002
Capital Expense		-	155,000		39,050		155,000		-
Debt Service		408,100	408,600		408,600		408,500		(100)
Expenses Total	\$	913,638	\$ 1,075,834	\$	959,446	\$	1,101,736	\$	25,902
Fund Balance Source / (Use)	\$	434,861	\$ -	\$	112,590	\$	(200,000)		

Proprietary Fund 400 – Revenues and Expenses by Account

Classification Account	FY23/24 Actual		FY24/25 Budget	FY24/25 Projection	FY25/26 Budget	Variance FY26 Budget / FY25 Budget		
Revenues								
Interest Earned								
Interest Earned	\$	81,147	\$ 20,000	\$ 26,541	\$ 20,000	\$	-	
Subtotal Interest		81,147	20,000	26,541	20,000		-	
Rents/Concessions/Royalties								
Parking		66,829	67,460	57,121	67,400		(60)	
Rents/Concessions/Royalties	1,	200,523	988,374	988,374	814,336		(174,038)	
Subtotal Rents/Concessions/Royalties	1,	267,352	1,055,834	1,045,495	881,736		(174,098)	
Revenues Total	\$ 1,	348,500	\$ 1,075,834	\$ 1,072,036	\$ 901,736	\$	(174,098)	
Expenses								
Services and Supplies								
Banking & Finance	\$	2,273	\$ 2,173	\$ 2,173	\$ 2,173	\$	-	
Maintenance & Repairs		24,236	35,663	46,077	48,125		12,462	
Mileage/Parking		180,434	160,000	165,473	173,746		13,746	
Office Equipment/Furniture		1,528	785	1,802	3,500		2,715	
Office Services		84,081	86,578	72,679	76,572		(10,006)	
Prof Srvc-Consulting		-	-	-	-		-	
Property & Liability Insurance		50,314	54,000	54,000	62,100		8,100	
Property Management		24,000	24,000	24,000	24,000		-	
Security		33,687	23,960	35,928	34,820		10,860	
Tax/Lic/Assessment		3,667	3,851	3,805	3,900		49	
Utilities		101,317	121,224	105,859	109,300		(11,924)	
Subtotal Services and Supplies		505,538	512,234	511,796	538,236		26,002	
Capital Expense								
FA-Leasehold Improvement		-	155,000	39,050	155,000		-	
Subtotal Capital Expense		-	155,000	39,050	155,000		-	
Debt Service								
Interest Expense		53,100	38,600	38,600	23,500		(15, 100)	
Principal		355,000	370,000	370,000	385,000		15,000	
Subtotal Debt Service		408,100	408,600	408,600	408,500		(100)	
Expenses Total	\$	913,638	\$ 1,075,834	\$ 959,446	\$ 1,101,736	\$	25,902	

SPECIAL REVENUE FUND BUDGET

Special Revenue Fund 500 – Summary of Revenues, Expenditures, and Fund Balances

Classification Account	FY23/24 Actual					FY25/26 Budget		Variance 26 Budget / ′25 Budget	
Revenues									
Federal	\$	1,528,512	\$	3,205,960	\$ 1,500,000	\$	3,000,000	\$	(205,960)
Fines/Forfeits/Penalties		5,700		-	-		-		-
Interest		2,256,109		750,000	750,000		750,000		-
Other		138,085		66,438	66,438		66,438		-
State		38,481,373		26,999,796	30,952,707		31,570,247		4,570,451
Revenues Total	\$	42,409,779	\$	31,022,194	\$ 33,269,145	\$	35,386,685	\$	4,364,491
Expenses									
Interfund Charges	\$	1,045,385	\$	2,146,641	\$ 1,300,000	\$	1,532,500	\$	(614,141)
Services and Supplies		21,227,204		34,354,781	24,564,733		34,581,976		227,195
Expenses Total	\$	22,272,589	\$	36,501,422	\$ 25,864,733	\$	36,114,476	\$	(386,946)
Fund Balance Source / (Use)	\$	20,137,190	\$	(5,479,228)	\$ 7,404,412		(727,791)		

Special Revenue Fund 500 – Revenues and Expenses by Account

Classification Account	FY23/24 Actual	FY24/25 Budget	FY24/25 Projection		FY25/26 Budget	FY	Variance 26 Budget / ′25 Budget		
Revenues									
Federal									
FHW-SECAT	\$ 1,528,512	\$ 3,205,960	\$ 1,500,000	\$	3,000,000	\$	(205,960)		
Fines/Forfeits/Penalties									
Fines/Forfeits/Penalties	5,700	-	-		-		-		
Subtotal Fines/Forfeits/Penalties	5,700	-	-		-		-		
Interest									
Interest Earned	2,256,109	750,000	750,000		750,000		-		
Subtotal Interest	2,256,109	750,000	750,000		750,000				-
Other									
Auction	138,085	66,438	66,438		66,438		-		
Subtotal Other	138,085	66,438	66,438		66,438		-		
State									
DMV	2,542,533	2,600,000	2,600,000		2,600,000		-		
State	35,938,840	24,399,796	28,352,707		28,970,247		4,570,451		
Subtotal State	38,481,373	26,999,796	30,952,707		31,570,247		4,570,451		
Revenues Total	\$ 42,409,779	\$ 31,022,194	\$ 33,269,145	\$	35,386,685	\$	4,364,491		
Expenses									
Services and Supplies									
Incentive Projects	\$ 21,056,387	\$ 34,054,781	\$ 24,427,733	\$	34,481,976	\$	427,195		
Prof Srvc-Consulting	170,817	300,000	137,000		100,000		(200,000)		
Subtotal Services and Supplies	21,227,204	34,354,781	24,564,733		34,581,976		227,195		
Interfund Charges									
Transfer-Out	1,045,385	2,146,641	1,300,000		1,532,500		(614,141)		
Subtotal Interfund Charges	1,045,385	2,146,641	1,300,000		1,532,500		(614,141)		
Expenses Total	\$ 22,272,589	\$ 36,501,422	\$ 25,864,733	\$	36,114,476	\$	(386,946)		

CAPITAL EXPENSES BUDGET

Capital Expenses – by Fund

Fund Description	25/26 dget
100 General	
Storage array	\$ 16,500
Storage server for storage array	5,500
Simplivity node	60,000
Data logger	10,000
Chart recorder	17,000
FEM BAM1020	25,000
Non-FEM BAM1020	25,000
H2 generator	10,000
N2 generator	10,000
Auto GC Parts - Install	40,000
CO Analyzer	18,000
Dilution Calibrator	35,000
Ozone analyzer	15,000
Zero air generator	15,000
Non-Methane hydrocarbon analyzer	26,000
Air monitoring stations	230,000
100 General Subtotal	558,000
400 Proprietary	
HVAC replacements	\$ 115,000
Miscellaneous - annual improvements	40,000
400 Proprietary Subtotal	155,000
Capital Expenses Total	\$ 713,000

SUMMARY OF FINANCIAL SOURCES, USES, AND FUND BALANCE

Fund	Туре	Fund Balance 06/30/24	FY24/25 Projected Revenues	FY24/25 Projected xpenditures	und Balance urces (Uses)	F	Projected und Balance 06/30/25
100	General Fund	\$ 27,733,607	\$ 28,057,373	\$ 28,547,744	\$ (490,371)	\$	27,243,236
400	Proprietary Fund	5,931,865	1,072,036	959,446	112,590		6,044,455
500	Special Revenue Fund	76,816,755	33,269,145	25,864,733	7,404,412		84,221,167
	Total	\$ 110,482,227	\$ 62,398,554	\$ 55,371,923	\$ 7,026,631	\$	117,508,858

Fund	Туре	Projected Fund Balance 06/30/25	FY25/26 Approved Revenues	FY25/26 Approved xpenditures	und Balance urces (Uses)	F	Projected und Balance 06/30/26
100	General Fund	\$ 27,243,236	\$ 25,977,711	\$ 28,750,318	\$ (2,772,607)	\$	24,470,629
400	Proprietary Fund	6,044,455	901,736	1,101,736	(200,000)		5,844,455
500	Special Revenue Fund	84,221,167	35,386,685	36,114,476	(727,791)		83,493,376
	Total	\$ 117,508,858	\$ 62,266,132	\$ 65,966,530	\$ (3,700,398)	\$	113,808,460

The increase in the FY24/25 Special Revenue fund balance is mainly because of higher Moyer grant revenues and lower Clean Cars 4 All participant disbursements than planned.

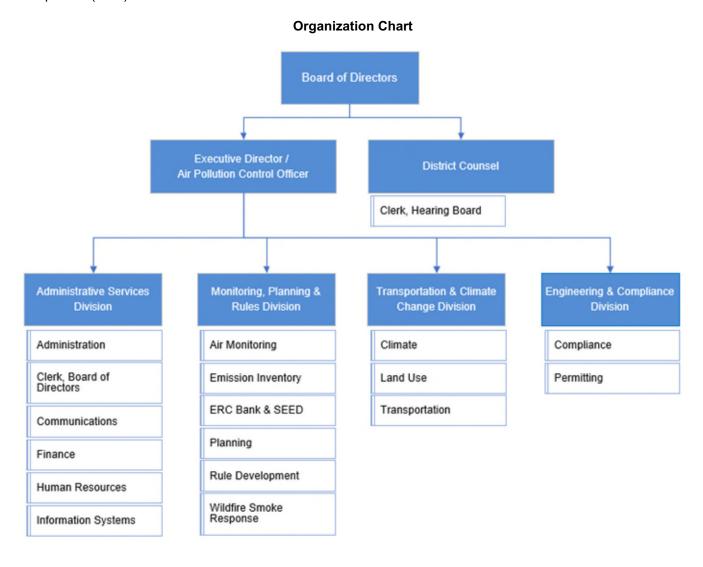
The use of fund balance in the General Fund for FY25/26 is primarily due to expenditures for the CERP grant and, to a lesser extent, recurring operational costs exceeding annual revenue increases. The FY25/26 fund balance decrease for the Special Revenue Fund is due to the normal variation in receipt and disbursement of incentive grant funds.

SECTION 7 - Organizational Overview

This section includes the District's organizational structure, staffing and pay schedules, division budgets, as well as division functions, program summaries, key initiatives for FY25/26, and major accomplishments. The District is organized into divisions that administer various programs and undertake initiatives to support the District's mission and strategic goals.

ORGANIZATIONAL STRUCTURE

The District Governing Board is composed of 14 members, including all five Sacramento County Supervisors, four members of the Sacramento City Council, one member each from the Cities of Citrus Heights, Elk Grove, Folsom, and Rancho Cordova, and one member representing the cities of Galt and Isleton. The Board appoints the agency's Executive Director/APCO and District Counsel. The District's organizational structure is comprised of the offices of the Executive Director (EXEC) and the District Counsel (DC), and four operating divisions: Administrative Services (ASD); Monitoring, Planning & Rules (MPR); Transportation & Climate Change (TCC); and Engineering and Compliance (ECD).



STAFFING

The FY25/26 Approved Budget includes 105.8 Full-Time Equivalent (FTE) positions, the same as for FY24/25. Each year, the District reassesses the priorities, critical needs, and funding capacity and then recommends positions to be funded in the budget. The following two staffing schedules represent the approved FTE, first displaying positions by classification and then positions by division.

Positions by Classification

Classification	FY23/24 Amended	FY24/25 Approved	FY24/25 Amended	Change	FY25/26 Approved
AUTHORIZED					
Regular					
Accountant	-	1.0	1.0	-	1.0
Administrative Assistant	-	-	1.0	-	1.0
Administrative Specialist	4.0	4.0	4.0	-	4.0
Administrative Supervisor/Clerk of Board	1.0	1.0	1.0	-	1.0
Air Pollution Control Officer	1.0	1.0	1.0	-	1.0
Air Quality Engineer	21.0	21.0	21.0	-	21.0
Air Quality Instrument Specialist	3.0	3.0	3.0	-	3.0
Air Quality Planner/Analyst	10.0	11.0	11.0	-	11.0
Air Quality Specialist	22.8	23.8	23.8	-	23.8
Communication & Marketing Specialist	2.0	2.0	2.0	-	2.0
Controller	1.0	1.0	1.0	-	1.0
District Counsel	1.0	1.0	1.0	-	1.0
Division Director	4.0	4.0	4.0	-	4.0
Financial Analyst	1.0	1.0	1.0	-	1.0
Human Resource Technician	1.0	1.0	1.0	-	1.0
Human Resources Officer	1.0	1.0	1.0	-	1.0
Information Systems Analyst	3.0	3.0	3.0	-	3.0
Information Systems Manager	1.0	1.0	1.0	-	1.0
Legal Assistant	1.0	1.0	1.0	-	1.0
Office Assistant	3.0	5.0	4.0	-	4.0
Program Manager	5.0	5.0	5.0	-	5.0
Program Supervisor	12.0	12.0	12.0	-	12.0
Senior Accountant	1.0	1.0	1.0	-	1.0
Statistician	1.0	1.0	1.0	-	1.0
Limited Term					
Air Quality Engineer/Specialist/Planner	1.0	-	-	-	-
AUTHORIZED Total	101.8	105.8	105.8	-	105.8

Approved FY25/26 Positions by Division

Classification	ASD	DC	EXEC	MPR	ECD	тсс	Total FTE
AUTHORIZED							
Regular							
Accountant	1.0	-	-	-	-	-	1.0
Administrative Assistant	1.0	-	-	-	-	-	1.0
Administrative Specialist	4.0	-	-	-	-	-	4.0
Admin Supervisor/Clerk of Board	1.0	-	-	-	-	-	1.0
Air Pollution Control Officer	-	-	1.0	-	-	-	1.0
Air Quality Engineer	-	-	-	4.0	11.0	6.0	21.0
Air Quality Instrument Specialist	-	-	-	3.0	-	-	3.0
Air Quality Planner/Analyst	-	-	-	3.0	-	8.0	11.0
Air Quality Specialist	-	-	-	5.0	13.8	5.0	23.8
Communication & Marketing Specialist	2.0	-	-	-	-	-	2.0
Controller	1.0	-	-	-	-	-	1.0
District Counsel	-	1.0	-	-	-	-	1.0
Division Director	1.0	-	-	1.0	1.0	1.0	4.0
Financial Analyst	1.0	-	-	-	-	-	1.0
Human Resource Technician	1.0	-	-	-	-	-	1.0
Human Resources Officer	1.0	-	-	-	-	-	1.0
Information Systems Analyst	3.0	-	-	-	-	-	3.0
Information Systems Manager	1.0	-	-	-	-	-	1.0
Legal Assistant	-	1.0	-	-	-	-	1.0
Office Assistant	2.0	-	-	-	-	2.0	4.0
Program Manager	1.0	-	-	1.0	2.0	1.0	5.0
Program Supervisor	1.0	-	-	3.0	5.0	3.0	12.0
Senior Accountant	1.0	-	-	-	-	-	1.0
Statistician	-	-	-	1.0	-	-	1.0
AUTHORIZED Total	21.0	2.0	1.0	21.0	32.8	26.0	105.8

PAY SCHEDULE

The following monthly pay schedule includes a cost-of-living adjustment (COLA) of 2.5%, consistent with the terms of the Memorandum of Understanding between Management and the Sacramento Air District Employees' Association and the Unrepresented Personnel Resolution.

Pay Schedule Effective July 1, 2025

	Month	nly
Classification	Minimum	Maximum
Accountant	7,579.91	9,213.43
Admninistrative Assistant	5,438.28	6,610.26
Administrative Specialist I	6,996.93	8,504.81
Administrative Specialist II	7,579.91	9,213.43
Administrative Supervisor/Clerk of the Board	8,491.29	11,359.31
Air Pollution Control Officer (contract by Board of Directors)	24,362.03	24,362.03
Air Quality Engineer (Assistant)	8,045.24	9,779.04
Air Quality Engineer (Associate)	9,344.12	11,357.84
Air Quality Planner/Analyst (Assistant)	8,045.24	9,779.04
Air Quality Planner/Analyst (Associate)	9,344.12	11,357.84
Air Quality Specialist (Assistant)	8,045.24	9,779.04
Air Quality Specialist (Associate)	9,344.12	11,357.84
Communications & Marketing Specialist (Assistant)	8,045.24	9,779.04
Communications & Marketing Specialist (Associate)	9,344.12	11,357.84
Controller	11,219.98	15,035.36
District Counsel (contract by Board of Directors)	23,580.33	23,580.33
Division Director	12,896.73	17,282.35
Financial Analyst	8,188.48	9,953.15
Human Resources Officer	8,491.29	11,359.31
Human Resources Technician I	5,438.28	6,610.26
Human Resources Technician II	6,254.61	7,602.52
Information Systems Analyst (Assistant)	7,518.39	9,138.65
Information Systems Analyst (Associate)	8,645.77	10,508.99
Information Systems Manager	11,219.98	15,035.36
Legal Assistant I	5,671.81	6,894.12
Legal Assistant II	6,238.43	7,582.85
Office Assistant I	3,770.69	4,583.30
Office Assistant II	4,228.48	5,139.74
Program Manager	11,219.98	15,035.36
Program Supervisor	9,759.94	13,079.60
Senior Accountant	8,188.48	9,953.15
Statistician	9,344.12	11,357.84

Note: In addition to the wages listed above, the District provides special compensation as follows: Directors receive a board-approved 5% management pay differential. Employees may receive incentive pay equal to 5% of their base pay if they have earned professional certifications or licenses relevant to their job, such as Professional Engineer or Certified Public Accountant, or job-relevant doctorate degrees per board-approved Memorandum of Understanding.

DIVISION BUDGETS

The budgets for the offices of the Executive Director and District Counsel, the four operating divisions, and the Non-Departmental program are presented below. All positions are budgeted in the General Fund.

For the FY25/26 Approved Budget, the large decrease in Services and Supplies for the Monitoring, Planning, and Rules (MPR) program is due to normal variation in disbursements to sub-recipients for the TAG projects. The decrease in Capital Expenses for the MPR program is because a major renovation of an air monitoring structure is scheduled to be completed in FY24/25; no large air monitoring structure improvement is planned for FY25/26.

DISTRICTWIDE - Expenditures by Division by Classification

				Variance
Classification Account	FY24/25	FY24/25	FY25/26	FY26 Budget /
	Budget	Projection	Budget	FY25 Budget
Administrative Services				
Salaries and Wages	\$ 2,812,950	\$ 2,536,090	\$ 2,901,581	\$ 88,631
Employee Benefits	1,281,872	1,192,400	1,371,803	89,931
Services and Supplies	1,689,435	1,591,085	1,805,487	116,052
Capital Expense	282,000	42,250	82,000	(200,000)
Subtotal Administrative Services	6,066,257	5,361,825	6,160,871	94,614
District Counsel				·
Salaries and Wages	374,721	363,484	384,025	9,304
Employee Benefits	187,038	153,363	201,759	14,721
Services and Supplies	64,563	50,229	66,560	1,997
Subtotal District Counsel	626,322	567,076	652,344	26,022
Executive Office	,	,	ŕ	,
Salaries and Wages	304,397	301,391	316,748	12,351
Employee Benefits	147,464	105,812	159,580	12,116
Services and Supplies	248,350	235,050	272,425	24,075
Subtotal Executive Office	700,211	642,253	748,753	48,542
Non-Departmental	·			·
Salaries and Wages	(345,256)	-	(345,256)	-
Employee Benefits	(24,744)	127,082	(24,744)	-
Services and Supplies	2,060,968	1,804,530	1,684,932	(376,036)
Capital Expense	155,000	39,050	155,000	-
Debt Service	408,600	408,600	408,500	(100)
Subtotal Non-Departmental	2,254,568	2,379,262	1,878,432	(376,136)
Monitoring, Planning and Rules				
Salaries and Wages	2,718,609	2,587,250	3,044,235	325,626
Employee Benefits	1,162,180	1,113,768	1,340,179	177,999
Services and Supplies	5,399,893	4,750,932	3,718,110	(1,681,783)
Capital Expense	886,000	785,000	476,000	(410,000)
Subtotal Monitoring, Planning and Rules	10,166,682	9,236,950	8,578,524	(1,588,158)
Engineering and Compliance				
Salaries and Wages	4,435,334	4,379,380	4,598,584	163,250
Employee Benefits	2,015,863	1,949,244	2,109,446	93,583
Services and Supplies	659,443	875,511	720,412	60,969
Capital Expense	-	189,000	-	-
Subtotal Engineering and Compliance	7,110,640	7,393,135	7,428,442	317,802
Transportation & Climate Change				
Salaries and Wages	3,341,705	2,866,708	3,276,865	(64,840)
Employee Benefits	1,405,889	1,187,858	1,461,751	55,862
Services and Supplies	35,925,181	25,727,386	35,780,548	(144,633)
Capital Expense	-	9,470	-	-
Subtotal Transportation & Climate Change	40,672,775	29,791,422	40,519,164	(153,611)
Expenses Total	\$ 67,597,455	\$ 55,371,923	\$ 65,966,530	\$ (1,630,925)

FUND 100 – General Fund Expenditures by Division by Classification

Classification Account		FY24/25 Budget	l	FY24/25 Projection		FY25/26 Budget	FY	Variance 26 Budget / Y25 Budget
Administrative Services								
Salaries and Wages	\$	2,812,950	\$	2,536,090	\$	2,901,581	\$	88,631
Employee Benefits		1,281,872		1,192,400		1,371,803		89,931
Services and Supplies		1,689,435		1,591,085		1,805,487		116,052
Capital Expense		282,000		42,250		82,000		(200,000)
Subtotal Administrative Services		6,066,257		5,361,825		6,160,871		94,614
District Counsel								
Salaries and Wages		374,721		363,484		384,025		9,304
Employee Benefits		187,038		153,363		201,759		14,721
Services and Supplies		64,563		50,229		66,560		1,997
Subtotal District Counsel		626,322		567,076		652,344		26,022
Executive Office								
Salaries and Wages		304,397		301,391		316,748		12,351
Employee Benefits		147,464		105,812		159,580		12,116
Services and Supplies		248,350		235,050		272,425		24,075
Subtotal Executive Office		700,211		642,253		748,753		48,542
Non-Departmental								
Salaries and Wages		(345,256)		-		(345,256)		-
Employee Benefits		(24,744)		127,082		(24,744)		-
Services and Supplies		1,548,734		1,292,734		1,146,696		(402,038)
Subtotal Non-Departmental		1,178,734		1,419,816		776,696		(402,038)
Monitoring, Planning and Rules								
Salaries and Wages		2,718,609		2,587,250		3,044,235		325,626
Employee Benefits		1,162,180		1,113,768		1,340,179		177,999
Services and Supplies		5,399,893		4,750,932		3,718,110		(1,681,783)
Capital Expense		886,000		785,000		476,000		(410,000)
Subtotal Monitoring, Planning and Rules		10,166,682		9,236,950		8,578,524		(1,588,158)
Engineering and Compliance								
Salaries and Wages		4,435,334		4,379,380		4,598,584		163,250
Employee Benefits		2,015,863		1,949,244		2,109,446		93,583
Services and Supplies		659,443		875,511		720,412		60,969
Capital Expense		-		189,000		-		
Subtotal Engineering and Compliance		7,110,640		7,393,135		7,428,442		317,802
Transportation & Climate Change								
Salaries and Wages		3,341,705		2,866,708		3,276,865		(64,840)
Employee Benefits		1,405,889		1,187,858		1,461,751		55,862
Services and Supplies		1,570,400		1,162,653		1,198,572		(371,828)
Capital Expense		-		9,470		-	_	
Interfund Charges		(2,146,641)		(1,300,000)		(1,532,500)		614,141
Subtotal Transportation & Climate Change	•	4,171,353	φ.	3,926,689	•	4,404,688	A	233,335
Expenses Total	\$	30,020,199	\$	28,547,744	\$	28,750,318	\$	(1,269,881)

FUND 400 – Proprietary Fund Expenditures by Division by Classification

Classification Account		FY24/25 Budget		FY24/25 Projection		FY25/26 Budget	FY.	Variance 26 Budget / ⁄25 Budget
Non-Departmental								
Services and Supplies	\$	512,234	\$	511,796	\$	538,236	\$	26,002
Capital Expense		155,000		39,050		155,000		-
Debt Service		408,600		408,600		408,500		(100)
Subtotal Non-Departmental		1,075,834		959,446		1,101,736		25,902
Expenses Total	al \$	1,075,834	\$	959,446	\$	1,101,736	\$	25,902

FUND 500 - Special Revenue Fund Expenditures by Division by Classification

Classification Account	FY24/25 Budget	FY24/25 Projection	FY25/26 Budget	FY2	/ariance 26 Budget / 25 Budget
Transportation & Climate Change					
Services and Supplies	\$ 34,354,781	\$ 24,564,733	\$ 34,581,976	\$	227,195
Interfund Charges	2,146,641	1,300,000	1,532,500		(614,141)
Subtotal Transportation & Climate Change	36,501,422	25,864,733	36,114,476		(386,946)
Expenses Total	\$ 36,501,422	\$ 25,864,733	\$ 36,114,476	\$	(386,946)

PROGRAM BUDGETS

The approved District expenditures by program for each fund are shown below.

FUND 100 – General Fund Expenditures by Program

Program	FY24/25 Budget	FY24/25 Projection	FY25/26 Budget	FY	Variance 26 Budget / ⁄25 Budget
Administration	\$ 1,411,910	\$ 1,071,720	\$ 1,245,851	\$	(166,059)
Agricultural	219,510	149,896	220,848		1,338
Air Monitoring	2,947,368	2,667,159	2,603,701		(343,667)
Asbestos	379,249	340,099	398,297		19,048
Asbestos NOA	7,710	4,312	8,146		436
Board of Directors	13,901	19,177	47,884		33,983
Communications	1,163,564	1,040,605	1,180,623		17,059
Complaints	254,012	168,068	275,615		21,603
District Counsel	626,222	566,976	652,244		26,022
Emission Credit Program	41,706	14,677	58,666		16,960
Emission Inventory	313,215	315,032	334,134		20,919
Exchange Programs	1,500	4,461	25,021		23,521
Finance	1,453,459	1,276,367	1,556,519		103,060
GHG	2,021,592	1,256,642	2,021,014		(578)
Government Affairs	3,863,031	3,863,031	2,341,800		(1,521,231)
Hearing Board	6,148	245	12,175		6,027
Human Resources	442,120	478,800	482,784		40,664
Information Systems	1,508,507	1,403,814	1,624,049		115,542
Non-Departmental	1,178,734	1,419,816	776,696		(402,038)
PERP	39,365	4,771	22,872		(16,493)
Planning	2,254,533	1,613,274	2,412,797		158,264
Rule 301	5,493,201	6,321,329	5,686,947		193,746
Rule 421	245,322	372,394	251,730		6,408
Rule Development	644,027	626,202	691,817		47,790
Strategic Partners	686,260	623,026	700,819		14,559
Title V	206,352	106,860	258,894		52,542
Toxics AB2588	232,554	94,319	247,536		14,982
Transportation Planning & Assist	1,476,764	1,096,755	1,347,929		(128,835)
Vehicle & Equipment Technology	888,363	1,625,308	1,262,910		374,547
Program Expenses Total	\$ 30,020,199	\$ 28,547,744	\$ 28,750,318	\$	(1,269,881)

FUND 400 – Proprietary Fund Expenditures by Program

Program	FY24/25 Budget	FY24/25 Projection	FY25/26 Budget	Variance FY26 Budget / FY25 Budget
Covell Building	\$ 1,075,834	\$ 959,446	\$ 1,101,736	\$ 25,902
Program Expenses Total	\$ 1,075,834	\$ 959,446	\$ 1,101,736	\$ 25,902

FUND 500 - Special Revenue Fund Expenditures by Program

Program	FY24/25 Budget	FY24/25 Projection	FY25/26 Budget	Variance FY26 Budget / FY25 Budget
GHG	\$ 17,878,442	\$ 8,499,008	\$ 16,041,801	\$ (1,836,641)
Vehicle & Equipment Technology	18,622,980	17,365,725	20,072,675	1,449,695
Program Expenses Total	\$ 36,501,422	\$ 25,864,733	\$ 36,114,476	\$ (386,946)

DISTRICT DIVISIONS AND OPERATIONAL INITIATIVES

The District's organizational structure consists of the offices of the Executive Director and District Counsel and four operating divisions, and supports the complex relationships between tasks, workflows, responsibilities, and authorities. This section describes the main programs of the organization along with key initiatives for each of the four operating divisions, which are developed each year in support of the District's mission and strategic goals.

Offices of the Executive Director/APCO and District Counsel

Program	Description
Executive Office/APCO	Under direction from the Board, the Executive Director/APCO is responsible for the overall management and operation of the agency. This includes overseeing the establishment of program priorities, policies, and procedures; formulation of a strategic vision and mission objectives; day-to-day administration and oversight of District activities; and development and implementation of air quality and climate change programs to advance the Capital region towards clean air and a low-carbon future for all.
	The Executive Office also leads the District's legislative advocacy at the local, state, and federal levels and provides direction to the agency's legislative advocate. In collaboration with the District legislative advocate, the Executive Office monitors and analyzes state and federal legislation with a potential impact on air quality and climate change programs in the Capital region.
District Counsel	Under direction from the Board, the District Counsel provides legal services to the Board and District management and staff including advising staff on various legal issues pertaining to human resources, air quality enforcement, new legislation, and contracts; reviews all proposed resolutions, rules, and regulations, and other Board matters for legal adequacy; assists divisions in the implementation of key initiatives; and represents the District before the Hearing Board and in litigation activities.
	District Counsel also provides administrative support to the District's Hearing Board, which is a quasi-judicial panel that hears petitions for variances and abatement orders, as well as appeals of the Executive Officer's permit and emission reduction credit determinations. Members are appointed by but act independently of the Sacramento Metropolitan Air Quality Management District Board. The Hearing Board membership includes a person from the medical profession, a professional engineer, an attorney, and two at-large members of the public.

Administrative Services Division

Program	Description
Administration	Oversees building management contracts, parking garage, tenant improvements, and vehicle fleet acquisition and maintenance; coordinates building and air monitoring facilities maintenance, rehabilitation, and replacement needs; supervises document management to ensure efficient organization, maintenance, and utilization, encompassing storage, retrieval, and control throughout their lifecycle, leveraging document management software and technological solutions; provides administrative support to the Executive Director/APCO; greets customers, addresses inquiries, directs questions to appropriate staff, records complaints, and processes public information requests; records permit information and processes customer payments; purchases and maintains office supplies and equipment.
Clerk, Board of Directors	Facilitates the smooth functioning of board meetings and ensures the integrity of governance processes, including preparing and distributing meeting agendas, recording accurate minutes of proceedings, maintaining official records and documents, managing communications with board members and stakeholders, coordinating logistics for meetings, and ensuring compliance with legal and procedural requirements.
Communications	Builds regional identity for the District as a resource for clean air and climate action; promotes programs to engage and inform residents and organizations about Sacramento's air quality and opportunities to protect public health by reducing emissions via programs such as the "Spare The Air", "Check Before You Burn", Clean Cars 4 All, Community Air Protection and zero-emission mobility; manages social media and media relations, and coordinates communications activities with federal, state, and local agencies; distributes consistent and clear materials to businesses and elected officials that promote clean air goals and solicit funding; secures annual funding for the regional Spare The Air campaign.
Finance	Ensures compliance with accounting regulations and requirements, manages the development of the District's annual operating budgets, coordinates financial audits by source agencies and independent auditors, ensures timely and accurate tracking of payroll expenditures, oversees grant administration, provides financial reports to management and the operating divisions, and administers contracts – develops new contracts and contract amendments, oversees the request for proposals process, develops and maintains contract database, prepares routine contract status reports.
Human Resources	Conducts recruitments and provides guidance in the retention of high-quality staff, ensures compliance with federal and state employment laws and regulations and District personnel policies, coordinates personnel-related training, manages labor relations, processes payroll, and administers district benefits.
Information Systems	Manages and ensures the security of information technology encompassing both computer technology and telecommunications, provides technology solutions, coordinates hardware and software acquisition and maintenance services, provides desktop support, maintains the District website, and oversees related contracts.

FY25/26 Key Initiatives

Administration

- Oversee the relocation of the Air District headquarters to a smaller facility in response to and in alignment with the District's commitment to a hybrid work model
- Complete record retention milestones for both paper and digital documents, including digitizing 1,500 boxes of documents located off-site
- Continue the development of a district-wide Title VI compliance and monitoring program

Communications

• Increase the number of "Spare The Air" regional partners by 15

- Attend 10 events regionally to promote the Spare The Air program and educate residents about the harmful health effects of air pollution and what they can do to improve air quality
- Create an Air Alert email and text notification system to push out Spare The Air alerts.
- Increase followers of the District's newly launched social media pages by 10%
- Promote District incentive projects through established promotional criteria and contract requirements

Finance

- Formalize a schedule for the monthly and quarterly close processes
- Plan and achieve an efficient first-year audit with newly appointed outside auditors
- Implement monthly and quarterly reporting processes to guide the achievement of the FY25/26 budget
- Streamline the process to record payroll data in the New World ERP system
- Serve as the Finance functional lead for the Permitting/Compliance and Transportation software solution implementation

Human Resources

- Implement employee-focused activities to support the new hybrid work strategy and retain talented and engaged employees
- Oversee the implementation of the performance management framework
- Conduct a solicitation for a new benefits broker
- Engage in a broker-facilitated benefits evaluation for non-health benefits
- Leverage unused components of the District's third-party recruitment solution to enhance efficiency
- Finalize a District-wide classification and compensation study

Information Systems

- Serve as a technical resource for the Permitting/Compliance and Transportation software solution implementation
- Migrate section file shares to SharePoint Online services
- Implement document retention handling for SharePoint document libraries.
- Evaluate and install Co-Pilot solutions into the Office 365 solution
- Implement the Teams phone system
- Upgrade Windows 11 to Windows 12
- Update Technology process policies
- Upgrade and enhance security solutions for the District's technology infrastructure

Transportation and Climate Change Division

Program	Description
Climata Changa	Promotes clean air and public health by providing technical assistance and advocacy in the land use and transportation sectors. Works to reduce mobile source and area emissions through a reduction in vehicle trips, miles traveled, and increased energy efficiency by developing and implementing strategies that influence transportation planning and programming, land use planning, and project development.
Climate Change	Works on climate change mitigation and adaptation through regional coordination, tracking state policy, supporting local action, and building a regional collaboration to respond to the impacts and opportunities of climate change.
	Reduces exposure to toxic air contaminants through best practices and mitigation measures implemented by lead agencies on the construction and operation of projects.
Transportation	Develops and implements strategies and demonstrates innovative zero- and near-zero-emission technology available to fleet owners and the public aimed at reducing emissions from vehicular sources.

FY25/26 Key Initiatives

Climate Change

- Complete the Comprehensive Climate Action Plan and promote the Priority Climate Action Plan (PCAP) as a regional guide to priority climate-related activities.
- Actively pursue funding opportunities to implement the measures in the PCAP
- Encourage all jurisdictions within Sacramento County to adopt qualified Climate Action Plans
- Ensure all projects exceeding thresholds of significance mitigate to appropriate emissions levels and verify the implementation of all required measures
- Update all guidance, tools, and reviewed documents to be consistent with the state of the practice
- Build a strong regional collaborative to improve resilience to extreme heat, drought, flood, wildfire, and other
 impacts, focusing specifically on efforts to reduce the urban heat island effect, improve public health,
 increase business resilience, and bridge the urban-rural divide
- Collaborate on projects using MaRTy to determine the impacts of heat on residents in the region and work towards developing cooling solutions

Transportation

- Work with CAPCOA and CARB on the Clean Transportation Incentive Programs to provide additional flexibility for the various programs
- Develop infrastructure projects to support zero- and near-zero-emission technologies
- Collaborate with agency partners to develop an electric vehicle charging mobility hub strategy for Sacramento and implement the strategy in transportation deserts by deploying projects like CarShare, e-Bikes, and micro-transit
- Work with CAPCOA to address mobile emission impacts in AB 617-identified communities and determine funding opportunities to mitigate emission impacts
- · Collaborate with CBOs to determine mobility needs within low-income and disadvantaged communities
- Leverage the Civic Spark program to reduce air pollution and vehicle miles traveled while building local capacity for action on climate adaptation and mitigation, including work on the Clean Cars 4 All grant, creating culturally and linguistically tailored outreach materials

Monitoring, Planning, and Rules Division

Program	Description
Air Monitoring	Performs continuous monitoring of criteria pollutants and their precursors (ozone, hydrocarbons, carbon monoxide, nitrogen oxides, sulfur oxides, lead, and inhalable particulate matter [PM ₁₀ and PM _{2.5}]), meteorological conditions, and other air quality indicators at six sites throughout the County. Continue community-scale monitoring for the South Sacramento-Florin community selected as one of the first AB 617 communities.
Emission Inventory	Estimates actual emissions from stationary and area sources and assists with evaluations of mobile source emissions. Provides emissions data used in developing rules and State Implementation Plans. Collects and reports emissions data required by the Criteria and Toxics Reporting (CTR) regulation.
Emission Reduction Credit Bank & SEED	Maintains the registry of stationary and mobile source credit banks, coordinates and assists credit generators and users, identifies new opportunities for credit use, includes the military base and essential public services accounts, and funds incentive programs to reduce emissions.
Planning & Data Analysis	Develops plans to ensure compliance with state and federal clean air acts, prepares the District's annual reports on progress toward achieving state and federal clean air standards, participates in air quality studies to assess the effectiveness of control strategies, and projects future air quality. Continues collaboration with the AB 617 South Sacramento-Florin community to better understand the localized air quality and develop a CERP.
Rule Development	Develops regulations to achieve emission reductions and fulfill commitments in air quality plans and for expedited Best Available Retrofit Control Technologies (BARCT) under AB 617, performs comparative analyses of District rules with RACT, BARCT, and BACT standards, and develops new control measures and strategies to incorporate into air quality plans.

FY25/26 Key Initiatives

Air Monitoring

- Continue sampling of criteria pollutants and their precursors in the portable lab within the AB 617 South Sacramento-Florin Community to further understand the air quality impact in pollution-burdened areas
- Continue sampling of criteria pollutants and their precursors at our six regulatory air monitoring stations to further understand local and regional air quality impacts
- Ensure air monitoring complies with all state and federal quality assurance and control requirements
- Prepare and submit the 2025 Annual Network Plan, which aids in air monitoring transparency and program effectiveness.

Emission Inventory

- Review and update one-third of the area source emission inventories in the District
- Update inventories for all point sources emitting greater than 10 tons of any one pollutant
- Develop more accurate methodologies to estimate emissions from area sources
- Collect and report emission inventory data for sources subject to the CTR regulation

Emission Reduction Credit Bank & SEED

- Maintain the credit registry when credits are sold or used, and evaluate applications for new credits from voluntary emission reduction activities
- Continue to provide SEED loans to area businesses for emission offsets and alternative compliance
- Use revenue from SEED loans to fund emission-reducing strategies, such as replacing high-polluting fireplaces and wood stoves or other incentive programs; bank emission reduction credits from SEEDfunded projects; and work to secure additional funding from the state's Cap-and-Trade program revenues

Planning & Data Analysis

- Continue to coordinate meetings and work collaboratively with the AB 617 Community Air Protection Steering Committee
- Analyze and report the monitoring data from the selected AB 617 community
- Continue the development of the CERP for the selected AB 617 community
- Continue to develop the redesignation request and maintenance plan for the 1979 and 1997 ozone NAAQS
- Start the development of the redesignation request and maintenance plan for the 2008 ozone NAAQS

Rule Development

- Adopt rules to expedite the implementation of BARCT for sources subject to AB 617
- Consider rule changes consistent with the developing AB617 CERP
- Develop fee rules as applicable to provide full cost recovery for District programs

Engineering and Compliance Division

Program	Description
	Compliance is charged with enforcing local, state, and federal air pollution regulations to ensure businesses and residents comply with the laws. Compliance encompasses a wide variety of programs that impact businesses and residents throughout Sacramento County.
	Asbestos — Regulates commercial construction and land development projects to ensure the safe handling and removal of asbestos in building materials and naturally occurring asbestos.
	Public Complaints — Investigates public complaints of illegal air pollution.
	Permitted Inspections — Regularly inspects businesses to verify compliance with permit requirements and air quality regulations, including federally designated major sources (Title V facilities) of air pollution.
Compliance	Compliance Education and Outreach – Assists businesses and residents in complying with air quality regulations via advisories, business assistance, workshops, and various outreach materials such as letters, brochures, flyers, webpage updates, eblasts, etc.
	Annual Reporting – Provides outreach and assistance to permitted sources for annual report submittals. Assists the permitting section to perform quality assurance reviews of submitted data to ensure compliance with local, state, and federal requirements.
	Burning — Regulates the different types of burning that occur in Sacramento, such as agricultural burning, wood burning (Check Before You Burn), and other outdoor burning.
	Violation Resolution — Promotes compliance and swift resolution of violations by administering a Mutual Settlement Program that resolves violations in lieu of litigation.
	State Programs — Partners with the CARB to inspect and enforce regulations that apply to many different types of sources, such as portable engines and natural gas wells.
	Permitting ensures compliance with applicable local, state, and federal regulations by reviewing project proposals, granting conditional approvals, and authorizing operation by verifying that the equipment can operate in compliance with all applicable regulations. Permitting staff works with sources to help them understand and comply with complex state and federal regulations.
Permitting	General Permitting Program – Reviews business applications of new or modified operations, performs in-depth engineering evaluations to verify compliance with all applicable rules and regulations, determines best available control technology for a given process or piece of equipment that requires an air quality permit, assures public noticing requirements are met, and makes final air quality permit determinations that allow for initial construction and final operation of business operations.
	Title V – Title V is the federal permitting program for major sources of air pollution and is implemented by the District's permitting section.
	AB2588 Toxic "Hot Spots" Program – Maintain program toxic emissions inventory and ensure that the toxic emissions from facilities are within acceptable levels.
	Annual Reporting – Set up methodology to determine criteria and toxic emissions from permitted sources, and coordinate with the Compliance section on program requirements. Perform quality assurance reviews of submitted data to ensure compliance with local, state, and federal requirements.

FY25/26 Key Initiatives

- Continue to streamline and refine the data collection process from our stationary sources with the new online Annual Reporting program that supports emission data submittal for the CARB's Criteria and Toxic Reporting Program, which will eventually be made available to the public
- Continue to refine processes and procedures to enhance the use of the recently released AiriA software solution to improve staff efficiency, improve quality control, enhance management processes, and improve the customer experience through a new online portal

- Contribute to the Community Air Protection Program through involvement in the CERP development process
- Enhance and improve communication and outreach to our business sector through coordination with business partners and other business-related entities, to improve understanding of regulations and increase compliance rates
- Increase protection for public health by reviewing, providing oversight and enforcement of sources of toxic air pollution, and looking for opportunities to enhance District programs
- Update Division Policies and Procedures to ensure consistency and proper program implementation
- Continue implementation of CARB's GHG Oil and Gas inspection program
- Continue staff development through internal and external training efforts
- Continue work related to the AB2588 Air Toxics "Hot Spots" program
- Review and process permit and Title V permit applications in a timely manner that meets statutory guidelines
- Evaluate programmatic work through the lens of community air protection and the potential for local reductions of emission impacts in disadvantaged communities
- Continue ongoing work related to community air protection, like our innovative Supplemental Environmental Projects (SEP) program and our Unidentified Source Inspection Program (USIP)

DIVISION ACCOMPLISHMENTS

The Divisions achieved numerous accomplishments in support of the District's strategic goals in FY24/25. The following are the highlights:

Administrative Services

Evaluated the near and long-term space needs of the District headquarters in light of the new hybrid work environment and departure of tenants, and launched the project to relocate the headquarters

Automated the Clean-Cars-4-All accounts payable invoice approval process within the Fluxx system

Selected a new financial audit firm through a competitive bid process

Implemented a new billing system as part of the AiriA Permitting and Compliance software solution

Continued District-wide efforts to ensure compliance with the District's records management and compliance policy

Recruited and appointed 11 new employees

Migrated and now hosting the Air Toxic Protocol Tool in a cloud service

Updated security firewalls for technology solutions and Air Monitoring

Migrated the District intranet to the new SharePoint Online intranet

Implemented new security solutions within the Microsoft Office 365 environment

Met the goal of creating and launching a new, mobile-friendly SpareTheAir.com website

Increased the number of Spare The Air regional partners by 30

Distributed quarterly newsletter with a 36% open rate, a 15% higher open rate than the industry average

Informed the public and the media of District programs/achievements, smoke impacts, Spare The Air, mutual settlements, partnerships, and grant recipients via the distribution of nine press releases

Coordinated 19 media interviews (Broadcast and print/Spanish and English)

Created and distributed an 18-page 2024 Year in Review document that highlighted the District's accomplishments and initiatives

Supported and/or promoted over 25 major events; some resulted in international, national, state, and/or local media coverage

Attended 28 events regionally to promote the Spare The Air program and educate residents about the harmful health effects of air pollution and what they can do to improve air quality, exceeding the goal of attending ten events

Promoted 56 incentive projects via social media and 74 incentive projects via the District newsletter

Transportation and Climate Change

Funded about 100 new low-emission and zero-emission vehicles and equipment as part of the Community Air Quality Grant Programs, deploying the latest innovative and transformative technology

Provided funding for 75 additional electric school buses, now totaling 175 EV buses in the Sacramento Region

The Clean Cars 4 All team attended 13 different outreach events throughout Sacramento County; Six of those events were in partnership with SMUD and included electric vehicle ride and drives

The Clean Cars 4 All team successfully expended the \$3 million G21-CC4A-04-01 grant, bringing the total amount expended by our CC4A program to over \$12 million

Transportation and Climate Change (continued)

The Clean Cars 4 All team continued to strengthen its partnership with participating dealerships in FY24/25. Staff conducted ten different trainings to inform dealerships of the programmatic changes and provide resources to ensure a smooth transition, as well as visiting four dealerships in person to discuss how to better help the dealerships and improve the process

The Clean Cars 4 All program continues to help low-income residents of Sacramento County transition to cleaner technology vehicles. Over 1,500 individual residents of Sacramento County have been awarded grant letters, and over 1,000 vehicles were permanently scrapped

The Clean Cars 4 All team continued to work with local CBOs to outreach the program to eligible residents of Sacramento County

Collaborated with AB617 Steering Committee volunteers to help in the development of mitigation strategies in the CERP to reduce air pollution from cars, trucks, buses, and other mobile sources in the Sacramento region

Our Community CarShare program continued to explore and expand within the District's low-income communities to include several sites with charging stations and electric vehicles. In 2024, there were about 2,500 vehicle reservations, 6,200 hours reserved, and 47,000 miles driven program-wide

Monitoring, Planning, and Rules

Hosted collaborative steering committee and subcommittee meetings to continue work within the AB 617 community

Continued operation of the portable lab in the South Sacramento-Florin Community sampling for both criteria and non-criteria pollutants

Completed the deployment of 200 low-cost sensors to schools and community members, and completed the mobile monitoring within the City of Sacramento with a one-time investment from the Sacramento City Council

Continued to sample for toxics and particulate matter in the South Sacramento-Florin AB 617 community and the north Sacramento community using funds that were awarded through an EPA toxics grant

Submitted the 2024 Annual Network Plan to the EPA, which aids in air monitoring transparency and program effectiveness

Maintained the District's NCore, PAMS, SLAMS, and special-purpose monitoring stations

Initiated the Del Paso Manor air monitoring station replacement

Adopted the revisions to address contingency measures in the regional ozone plan for the federal 2008 and 2015 Ozone NAAQS

Performed 65 facility emissions inventory surveys and completed annual criteria pollutant emission inventories for point sources and reported emissions to CARB

Performed 21 surveys of toxic pollutant emissions for sources subject to the Criteria and Toxics Reporting regulation and reported emissions to CARB

Updated six area source emission inventory methodologies and submitted them to CARB

Provided seven loans of emission reduction credits to Sacramento area businesses and government agencies, and renewed 35 loans

Amended Rule 101 – General Provisions and Definitions, and adopted or amended Rules 442 – Architectural Coatings, 489 - Greenwaste Composting Operations, and 490 Liquefied Petroleum Gas Transfer and Dispensing as contingency measures for the State Implementation Plan

Monitoring, Planning, and Rules (continued)

Adopted AB 617 Expedited Best Available Retrofit Control Technology determination for steam methane reforming

Adopted Reasonably Available Control Technology permits for major stationary sources of NOx and submitted to the EPA for SIP inclusion

Engineering and Compliance

Issued 165 Authority to Construct permits and 208 Permits to Operate (for FY23/24)

Developed 32 Best Available Control Technology determinations (for FY23/24)

Incorporated AB 2588 reporting into the District's new Annual Reporting program. In September 2024, the District launched a new software solution for electronic reporting for the District's 2,408 organization, representing 4,221 permits. In 2024, the District reported toxics data for 1,207 diesel engines and 360 gasoline dispensing facilities. The 2024 Annual Report on the Air Toxics "Hot Spots" Information & Assessment Act was presented to the Board of Directors and published on our website in October 2024

Enforced 14 wood-burning curtailment days for the Check Before You Burn program and responded to 139 fireplace, wood stove, and open burn complaints during the 2024 Check Before You Burn season

Conducted a total of 2,176 stationary source inspections (2024 calendar year)

Responded to 613 public complaints (2024 calendar year)

Successfully resolved more than 98% of 149 issued violations through the Mutual Settlement Program (2024 calendar year)

Reviewed and processed 1,417 asbestos notifications, which included 755 renovation notifications where the District does not collect a fee, 276 demolitions, 271 asbestos abatement projects, and zero naturally occurring asbestos dust mitigation plans and geologic evaluations (2024 calendar year)

Funded one Supplemental Environmental Project that provided funding to a community organization to help improve air quality and health in local communities for a total of \$50,405

Issued 100 agricultural burn permits for a total of 7,028 acres and approved 2,053 acres of pruning and other wastes under the Ag Burn program to be burned. Made daily burn day determinations, of which 168 were Permissive Burn days and 198 were No Burn days (2024 calendar year)

Continued efforts to reduce greenhouse gas and criteria emissions from oil and gas producing sites by enforcing the State Oil and Gas regulation

Coordinated with eight other air districts in the Sacramento Valley Basinwide Air Pollution Control Council to develop a Legislative Educational Event in April 2025 to bring awareness of the co-benefits of increasing utilization of agricultural biomass and the need for state funding to support the biomass industry.

Continued development of the annual emission reporting structure and integration into the AiriA software solution to collect data from all permitted sources to comply with State Criteria and Toxics Reporting Regulation

Continued development work with a contracted vendor to replace and integrate the public complaint and public records request services into AiriA, the District's custom-built enterprise software solution.

SECTION 8 - Statistical Information

FINANCIAL STATISTICS

Unless otherwise noted, the statistical information is based on the District's fiscal years (July 1 – June 30).

Balances of Governmental Funds (Modified Accrual)

	2015 (a)	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 155,110	\$ 171,675	\$ 190,202	\$ 402,380	\$ 152,580	\$ 98,462	\$ 131,192	\$ 136,174	\$ 92,472	\$ 145,428
Restricted	10,287,274	8,796,696	8,061,391	7,811,623	9,572,931	12,588,465	13,459,160	15,861,714	16,090,972	22,394,482
Assigned	320,000	320,000	320,000	320,000	2,607,673	1,737,431	3,013,705	1,696,179	2,727,599	3,078,095
Unrestricted	 1,395,878	1,798,521	1,737,137	2,043,980	-	2,298,950	1,059,724	2,709,060	1,984,461	2,115,602
Total General Fund	\$ 12,158,262	\$ 11,086,892	\$ 10,308,730	\$ 10,577,983	\$ 12,333,184	\$ 16,723,308	\$ 17,663,781	\$ 20,403,127	\$20,895,504	\$ 27,733,607
Special Revenue Fund (b)										
Restricted	\$ 9,549,952	\$ 15,185,241	\$ 14,623,422	\$ 22,438,751	\$ 26,130,091	\$ 39,377,251	\$ 55,633,856	\$ 54,960,056	\$55,863,979	\$ 76,816,755
Total Special Revenue Fund	\$ 9,549,952	\$ 15,185,241	\$ 14,623,422	\$ 22,438,751	\$ 26,130,091	\$ 39,377,251	\$ 55,633,856	\$ 54,960,056	\$55,863,979	\$ 76,816,755

Notes:

Source: Annual Comprehensive Financial Report: Balance Sheet - Governmental Funds

Changes in Fund Balance of Governmental Funds (Modified Accrual)

	2015	2016	2017	2018
REVENUES				
Taxes	\$ 8,533,576	\$ 8,990,702	\$ 9,141,145	\$ 9,185,904
Intergovernmental	14,342,930	15,445,047	9,232,418	13,718,592
Licenses/Permits	7,416,470	7,646,441	8,001,079	8,395,134
Use of Money/Property	60,372	(31,188)	226,170	1,004,824
Total Revenue	\$ 30,353,348	\$ 32,051,002	\$ 26,600,812	\$ 32,304,454
EXPENDITURES				
Current:				
Stationary Sources	\$ 6,016,226	\$ 6,501,339	\$ 6,799,202	\$ 6,725,548
Mobile Source	14,932,141	11,367,756	11,916,194	8,048,476
Program Coordination	3,943,621	4,571,752	4,734,782	4,384,116
Strategic Planning	3,918,802	4,517,235	4,168,340	4,861,221
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	239,283	529,002	322,275	200,510
Total Expenditures	\$ 29,050,073	\$ 27,487,084	\$ 27,940,793	\$ 24,219,871
Excess (Deficiency) of Revenue				
over Expenditures	\$ 1,303,275	\$ 4,563,918	\$ (1,339,981)	\$ 8,084,583
OTHER FINANCING SOURCES (USES)				
Gain on sale of capital assets	16,270	-	-	
Net change in fund balances	\$ 1,319,545	\$ 4,563,918	\$ (1,339,981)	\$ 8,084,583

Note: For the Fiscal Year Ending 06/30/2019, activity categories were redefined. Therefore, this page includes the four-year period ending 06/30/2018. See the next page for fiscal years subsequent to 06/30/2018.

Source: Annual Comprehensive Financial Report: Changes in Fund Balances – Governmental Funds

⁽a) GASB Statement 54 replaced the categories that previously had been used to classify fund balance. This schedule reclassifies non-spendable from restricted per that statement.

⁽b) The Special Revenue Fund was previously referred to as the Emission Technology Fund.

Changes in Fund Balance of Governmental Funds (Modified Accrual)

Revenues Sales Tax \$ 1,940,486 \$ 1,938,341 \$ 2,264,451 \$ 2,551,772 \$ 2,569,539 \$ 2,624,053 \$ 1,000 \$ 1,000 \$ 1,000 \$ 2		2019	2020	2021	2022	2023	2024
Intergovernmental 27,729,654 39,318,096 36,193,700 15,288,362 25,225,851 59,445,689 Fees and Licenses 8,109,883 8,823,399 8,484,401 8,765,312 9,799,466 9,967,646 Use of Money/Property 1,340,691 1,844,719 421,100 106,174 1,848,613 4,328,530 7 total Revenue \$39,120,713 \$51,924,555 \$47,363,652 \$26,711,620 \$39,443,469 \$76,365,918 \$2	REVENUES						
Fees and Licenses 8,109,883 8,823,399 8,484,401 8,765,312 9,799,466 9,967,648 Use of Money/Property 1,340,691 1,844,719 421,100 106,174 1,848,613 4,328,530 Total Revenue 39,120,713 \$ 51,924,555 \$47,363,652 \$26,711,620 \$39,443,469 \$76,365,918 EXPENDITURES Current: Business Compliance \$ 6,771,994 \$ 6,579,044 \$ 7,334,384 \$ 7,868,485 \$ 8,220,645 \$ 9,174,663 Air Monitoring 3,545,919 3,798,537 3,698,370 3,687,463 4,860,572 7,921,353 Sustainable Land Use 2,347,083 2,383,320 2,571,041 2,226,768 1,959,275 1,774,083 Clean Transportation and Mobility Innovation 18,826,749 18,820,962 14,022,933 8,615,440 20,728,882 27,056,523 Community Health Protection 2,067,758 2,198,364 2,142,385 1,993,961 1,941,602 1,970,304 Interest 2 2 2,067,758	Sales Tax	\$ 1,940,485	\$ 1,938,341	\$ 2,264,451	\$ 2,551,772	\$ 2,569,539	\$ 2,624,053
Use of Money/Property 1,340,691 1,844,719 421,100 106,174 1,848,613 4,328,530 Total Revenue \$ 39,120,713 \$ 51,924,555 \$47,363,652 \$26,711,620 \$39,443,469 \$76,365,918 EXPENDITURES Current: Business Compliance \$ 6,771,994 \$ 6,579,044 \$ 7,334,384 \$ 7,868,485 \$ 8,220,645 \$ 9,174,663 Air Monitoring 3,545,919 3,798,537 3,698,370 3,687,463 4,860,572 7,921,353 Sustainable Land Use 2,347,083 2,383,320 2,571,041 2,226,768 1,959,275 1,774,083 Clean Transportation and Mobility Innovation 18,826,749 18,820,962 14,022,933 8,615,440 20,728,882 27,056,523 Community Health Protection 2,067,758 2,198,364 2,142,385 1,993,961 1,941,602 1,970,304 Debt Service: Principal 1 5 5 5 2,24,24,365 2,24,24,365 2,21,203 818,667 Total Expenditure	Intergovernmental	27,729,654	39,318,096	36,193,700	15,288,362	25,225,851	59,445,689
Sample S	Fees and Licenses	8,109,883	8,823,399	8,484,401	8,765,312	9,799,466	9,967,646
EXPENDITURES Current: Business Compliance \$6,771,994 \$6,579,044 \$7,334,384 \$7,868,485 \$8,220,645 \$9,174,663 Air Monitoring 3,545,919 3,798,537 3,698,370 3,687,463 4,860,572 7,921,353 Sustainable Land Use 2,347,083 2,383,320 2,571,041 2,226,768 1,959,275 1,774,083 Clean Transportation and Mobility Innovation 18,826,749 18,820,962 14,022,933 8,615,440 20,728,882 27,056,523 Community Health Protection 2,067,758 2,198,364 2,142,385 1,993,961 1,941,602 1,970,304 Debt Service: Principal 1	Use of Money/Property	1,340,691	1,844,719	421,100	106,174	1,848,613	4,328,530
Current: Business Compliance \$ 6,771,994 \$ 6,579,044 \$ 7,334,384 \$ 7,868,485 \$ 8,220,645 \$ 9,174,663 Air Monitoring 3,545,919 3,798,537 3,698,370 3,687,463 4,860,572 7,921,353 Sustainable Land Use 2,347,083 2,383,320 2,571,041 2,226,768 1,959,275 1,774,083 Clean Transportation and Mobility Innovation 18,826,749 18,820,962 14,022,933 8,615,440 20,728,882 27,056,523 Community Health Protection 2,067,758 2,198,364 2,142,385 1,993,961 1,941,602 1,970,304 Debt Service: Principal - - - - 110,879 76,037 Interest - - - - 4,291 2,083 Capital Outlay 114,569 507,044 397,461 253,957 221,023 818,667 Total Expenditures \$ 33,674,072 \$ 34,287,271 \$ 30,166,574 \$ 24,646,074 \$ 38,047,169 \$ 48,793,713 Excess (Total Revenue	\$ 39,120,713	\$ 51,924,555	\$47,363,652	\$26,711,620	\$39,443,469	\$76,365,918
Business Compliance \$ 6,771,994 \$ 6,579,044 \$ 7,334,384 \$ 7,868,485 \$ 8,220,645 \$ 9,174,663 Air Monitoring 3,545,919 3,798,537 3,698,370 3,687,463 4,860,572 7,921,353 Sustainable Land Use 2,347,083 2,383,320 2,571,041 2,226,768 1,959,275 1,774,083 Clean Transportation and Mobility Innovation 18,826,749 18,820,962 14,022,933 8,615,440 20,728,882 27,056,523 Community Health Protection 2,067,758 2,198,364 2,142,385 1,993,961 1,941,602 1,970,304 Debt Service: Principal - - - - 110,879 76,037 Interest - - - - 4,291 2,083 Capital Outlay 114,569 507,044 397,461 253,957 221,023 818,667 Total Expenditures \$ 33,674,072 \$ 34,287,271 \$30,166,574 \$ 24,646,074 \$38,047,169 \$48,793,713 OTHER FINANCING SOURCES (USES)	EXPENDITURES						
Air Monitoring 3,545,919 3,798,537 3,698,370 3,687,463 4,860,572 7,921,353 Sustainable Land Use 2,347,083 2,383,320 2,571,041 2,226,768 1,959,275 1,774,083 Clean Transportation and Mobility Innovation 18,826,749 18,820,962 14,022,933 8,615,440 20,728,882 27,056,523 Community Health Protection 2,067,758 2,198,364 2,142,385 1,993,961 1,941,602 1,970,304 Debt Service: Principal 1 1 1 1 10,879 76,037 Interest 1 1 14,569 507,044 397,461 253,957 221,023 818,667 Total Expenditures 33,674,072 34,287,271 30,166,574 \$24,646,074 \$38,047,169 \$48,793,713 Excess (Deficiency) of Revenue over Expenditures OTHER FINANCING SOURCES (USES) \$5,446,641 \$17,637,284 \$17,197,078 \$2,065,546 \$1,396,300 \$27,572,205	Current:						
Sustainable Land Use 2,347,083 2,383,320 2,571,041 2,226,768 1,959,275 1,774,083 Clean Transportation and Mobility Innovation 18,826,749 18,820,962 14,022,933 8,615,440 20,728,882 27,056,523 Community Health Protection 2,067,758 2,198,364 2,142,385 1,993,961 1,941,602 1,970,304 Debt Service: Principal - - - - 110,879 76,037 Interest - - - - 4,291 2,083 Capital Outlay 114,569 507,044 397,461 253,957 221,023 818,667 Total Expenditures \$ 33,674,072 \$ 34,287,271 \$30,166,574 \$24,646,074 \$38,047,169 \$48,793,713 Excess (Deficiency) of Revenue over Expenditures \$ 5,446,641 \$ 17,637,284 \$17,197,078 \$ 2,065,546 \$ 1,396,300 \$27,572,205 OTHER FINANCING SOURCES (USES) Subscription - - - - - - - - </td <td>Business Compliance</td> <td>\$ 6,771,994</td> <td>\$ 6,579,044</td> <td>\$ 7,334,384</td> <td>\$ 7,868,485</td> <td>\$ 8,220,645</td> <td>\$ 9,174,663</td>	Business Compliance	\$ 6,771,994	\$ 6,579,044	\$ 7,334,384	\$ 7,868,485	\$ 8,220,645	\$ 9,174,663
Clean Transportation and Mobility Innovation 18,826,749 18,820,962 14,022,933 8,615,440 20,728,882 27,056,523 Community Health Protection 2,067,758 2,198,364 2,142,385 1,993,961 1,941,602 1,970,304 Debt Service: Principal - - - - - 110,879 76,037 Interest - - - - 4,291 2,083 Capital Outlay 114,569 507,044 397,461 253,957 221,023 818,667 Total Expenditures \$ 33,674,072 \$ 34,287,271 \$30,166,574 \$24,646,074 \$38,047,169 \$48,793,713 Excess (Deficiency) of Revenue over Expenditures \$ 5,446,641 \$ 17,637,284 \$17,197,078 \$ 2,065,546 \$ 1,396,300 \$27,572,205 OTHER FINANCING SOURCES (USES) Subscription - - - - - - - - - 218,674	Air Monitoring	3,545,919	3,798,537	3,698,370	3,687,463	4,860,572	7,921,353
Mobility Innovation 18,826,749 18,820,962 14,022,933 8,615,440 20,728,882 27,056,523 Community Health Protection 2,067,758 2,198,364 2,142,385 1,993,961 1,941,602 1,970,304 Debt Service: Principal - - - - - 110,879 76,037 Interest - - - - - 4,291 2,083 Capital Outlay 114,569 507,044 397,461 253,957 221,023 818,667 Total Expenditures \$ 33,674,072 \$ 34,287,271 \$30,166,574 \$24,646,074 \$38,047,169 \$48,793,713 Excess (Deficiency) of Revenue over Expenditures \$ 5,446,641 \$ 17,637,284 \$17,197,078 \$ 2,065,546 \$ 1,396,300 \$27,572,205 OTHER FINANCING SOURCES (USES) Subscription - - - - - - - 218,674	Sustainable Land Use	2,347,083	2,383,320	2,571,041	2,226,768	1,959,275	1,774,083
Community Health Protection 2,067,758 2,198,364 2,142,385 1,993,961 1,941,602 1,970,304 Debt Service: Principal - - - - - 110,879 76,037 Interest - - - - 4,291 2,083 Capital Outlay 114,569 507,044 397,461 253,957 221,023 818,667 Total Expenditures \$ 33,674,072 \$ 34,287,271 \$30,166,574 \$24,646,074 \$38,047,169 \$48,793,713 Excess (Deficiency) of Revenue over Expenditures \$ 5,446,641 \$ 17,637,284 \$17,197,078 \$ 2,065,546 \$ 1,396,300 \$27,572,205 OTHER FINANCING SOURCES (USES) Subscription - - - - - - - 218,674	Clean Transportation and						
Debt Service: Principal - - - - 110,879 76,037 Interest - - - - 4,291 2,083 Capital Outlay 114,569 507,044 397,461 253,957 221,023 818,667 Total Expenditures \$ 33,674,072 \$ 34,287,271 \$30,166,574 \$24,646,074 \$38,047,169 \$48,793,713 Excess (Deficiency) of Revenue over Expenditures \$ 5,446,641 \$ 17,637,284 \$17,197,078 \$ 2,065,546 \$ 1,396,300 \$27,572,205 OTHER FINANCING SOURCES (USES) Subscription - - - - - - - 218,674	Mobility Innovation	18,826,749	18,820,962	14,022,933	8,615,440	20,728,882	27,056,523
Principal - - - - - 110,879 76,037 Interest - - - - - 4,291 2,083 Capital Outlay 114,569 507,044 397,461 253,957 221,023 818,667 Total Expenditures \$33,674,072 \$34,287,271 \$30,166,574 \$24,646,074 \$38,047,169 \$48,793,713 Excess (Deficiency) of Revenue over Expenditures \$5,446,641 \$17,637,284 \$17,197,078 \$2,065,546 \$1,396,300 \$27,572,205 OTHER FINANCING SOURCES (USES) Subscription - - - - - - - 218,674	Community Health Protection	2,067,758	2,198,364	2,142,385	1,993,961	1,941,602	1,970,304
Interest - - - - 4,291 2,083 Capital Outlay 114,569 507,044 397,461 253,957 221,023 818,667 Total Expenditures \$33,674,072 \$34,287,271 \$30,166,574 \$24,646,074 \$38,047,169 \$48,793,713 Excess (Deficiency) of Revenue over Expenditures \$5,446,641 \$17,637,284 \$17,197,078 \$2,065,546 \$1,396,300 \$27,572,205 OTHER FINANCING SOURCES (USES) Subscription - - - - - - 218,674	Debt Service:						
Capital Outlay 114,569 507,044 397,461 253,957 221,023 818,667 Total Expenditures \$ 33,674,072 \$ 34,287,271 \$30,166,574 \$24,646,074 \$38,047,169 \$48,793,713 Excess (Deficiency) of Revenue over Expenditures \$ 5,446,641 \$ 17,637,284 \$17,197,078 \$ 2,065,546 \$ 1,396,300 \$27,572,205 OTHER FINANCING SOURCES (USES) Subscription	Principal	-	-	-	-	110,879	76,037
Total Expenditures \$ 33,674,072 \$ 34,287,271 \$30,166,574 \$24,646,074 \$38,047,169 \$48,793,713 Excess (Deficiency) of Revenue over Expenditures \$ 5,446,641 \$ 17,637,284 \$17,197,078 \$ 2,065,546 \$ 1,396,300 \$27,572,205 OTHER FINANCING SOURCES (USES) Subscription - - - - - - - 218,674	Interest	-	-	-	-	4,291	2,083
Excess (Deficiency) of Revenue over Expenditures \$ 5,446,641 \$ 17,637,284 \$17,197,078 \$ 2,065,546 \$ 1,396,300 \$27,572,205 OTHER FINANCING SOURCES (USES) Subscription 218,674	Capital Outlay	114,569	507,044	397,461	253,957	221,023	818,667
over Expenditures \$ 5,446,641 \$ 17,637,284 \$17,197,078 \$ 2,065,546 \$ 1,396,300 \$27,572,205 OTHER FINANCING SOURCES (USES) Subscription	Total Expenditures	\$ 33,674,072	\$ 34,287,271	\$30,166,574	\$24,646,074	\$38,047,169	\$48,793,713
OTHER FINANCING SOURCES (USES) Subscription - - - - - 218,674	Excess (Deficiency) of Revenue						
Subscription 218,674	over Expenditures	\$ 5,446,641	\$ 17,637,284	\$17,197,078	\$ 2,065,546	\$ 1,396,300	\$27,572,205
· · · · · · · · · · · · · · · · · · ·	OTHER FINANCING SOURCES (USES)						
Net change in fund balances \$ 5,446,641 \$ 17,637,284 \$17,197,078 \$ 2,065,546 \$ 1,396,300 \$27,790,879	Subscription		 				218,674
	Net change in fund balances	\$ 5,446,641	\$ 17,637,284	\$17,197,078	\$ 2,065,546	\$ 1,396,300	\$27,790,879

Note: For Fiscal Year Ending 06/30/2019, activity categories were redefined. Therefore, this page includes the six-year period after 06/30/2018. See the prior page for fiscal years prior to 06/30/2019.

Source: Annual Comprehensive Financial Report: Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Schedule of General Government Expenditures by Major Object (Budgetary Basis)

	Salaries &	Services &		Equipment/			
Fiscal Year	Benefits	Supplies	C	Capital Assets	Inte	erfund Charges	Total
							_
14-15	\$ 13,018,613	\$ 6,742,313	\$	564,532	\$	-	\$ 20,325,458
15-16	13,396,624	7,157,659		798,332		-	21,352,615
16-17	13,898,555	7,327,432		1,747,000		-	22,972,987
17-18	14,969,998	6,493,742		881,800		-	22,345,540
18-19	15,811,786	6,728,496		1,164,200		(1,947,586)	21,756,896
19-20	16,688,251	6,489,409		1,905,500		(2,116,371)	22,966,789
20-21	16,378,640	6,795,570		984,500		(1,721,108)	22,437,602
21-22	16,681,622	7,649,772		1,127,000		(1,332,812)	24,125,582
22-23	17,886,807	8,808,754		601,000		(2,117,830)	25,178,731
23-24	18,411,602	10,290,233		1,238,500		(2,115,503)	27,824,832

Note: The budgeted expenditures represent the adopted budget adjusted for Board-approved amendments, if applicable, based on new or modified expenditures.

 $Source: Approved \ Budget \ General \ Fund \ 100-Summary \ of \ Revenues, \ Expenditures, \ and \ Fund \ Balances$

Schedule of General Government Expenditures by Major Object (Actual)

Fiscal Year	Salaries & Benefits	Services & Supplies	Equipment/ apital Assets	Inte	rfund Charges	Total
						_
14-15	\$ 12,112,938	\$ 4,858,855	\$ 239,283	\$	- \$	17,211,076
15-16	12,959,077	5,584,127	529,002		-	19,072,206
16-17	13,199,676	5,541,055	322,275		-	19,063,006
17-18	13,660,805	5,236,263	200,510		-	19,097,578
18-19	13,619,667	4,836,842	114,569		(1,513,730)	17,057,348
19-20	14,518,535	4,604,776	507,044		(1,249,271)	18,381,084
20-21	14,924,266	4,830,240	394,643		(1,420,507)	18,728,642
21-22	15,231,426	4,710,878	253,957		(1,442,924)	18,753,337
22-23	16,325,362	5,435,115	221,023		(909,730)	21,071,770
23-24	17,761,492	8,908,231	896,787		(1,045,385)	26,521,125

Source: Annual Comprehensive Financial Report: Budgetary Schedules at Legal Level of Budgetary Control – General Funds

Schedule of General Government Revenues by Source

Fiscal Year	Taxes (a)	Inte	rgovernmental (a)	Licenses/ Permits	Us	e of Money & Property	Other	Total
14-15	\$ 6,283,412	\$	3,516,824	\$ 7,416,470	\$	25,241	\$ -	\$ 17,241,947
15-16 16-17	6,609,429 6,764,376		3,739,523 3,437,689	7,779,365 8,001,079		5,438 81,700	-	18,133,755 18,284,844
17-18 18-19	6,859,462 1.940.485		3,336,946 8,238,416	9,016,456 8,281,069		153,968 257.341	- 95.238	19,366,832 18.812.549
19-20	1,938,341		11,097,630	8,823,399		853,233	58,605	22,771,208
20-21 21-22	2,264,451 2,551,772		8,678,334 9,591,877	8,484,401 8,765,312		195,224 540,764	49,530 42,958	19,671,940 21,492,683
22-23 23-24	2,569,539 2,624,053		8,562,389 19,353,263	9,799,466 9,967,646		608,738 1,182,726	24,015 12,866	21,564,147 33,140,554

Notes: Before FY2019, the DMV surcharge was included in the Taxes revenue category. Starting in FY2019, the DMV surcharge is more appropriately classified as Intergovernmental revenue.

Source: Annual Comprehensive Report: Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (General Fund)

Permit Revenue

Year	Active Permits (a)	Actual Revenue (b)
2015	4,346	5,059,167
2016	4,344	5,098,778
2017	4,397	5,622,626
2018	4,411	6,393,690
2019	4,461	6,197,766
2020	4,437	7,231,406
2021	4,434	6,977,427
2022	4,446	7,045,970
2023	4,425	7,975,746
2024	4,456	8,517,732

Note:

(b) Annual permit revenue from Annual Report Working Trial Balance for FY 2015-2018. Annual permit revenue from the Revenue by Payment Type report from the Tyler New World (NW) system for FY2019 forward. NW Report on Receipts by Payment Code Report for the reporting FY with the following status: Posted; Report Detail: Detail; Selected Payment Code(s): RNW (Air Toxics, Permit, Reinspection, Source Test & Title V).

Source: Sacramento Metropolitan Air Quality Management District

⁽a) Stationary Source Database as of June 30. Active permits are Annual Renewal only.

Full-Time Equivalent Employees as of June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Classification										
Administrative Assistant I/II	2.0	2.0	2.0	-	-	-	-	-	-	-
Administrative Specialist I/II	-	-	-	2.0	2.0	2.0	3.0	3.0	4.0	4
Administrative Supervisor/Clerk of the Board	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1
Air Pollution Control Officer /Executive Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1
Air Quality Engineer	19.5	20.5	20.5	20.5	19.5	19.5	15.5	16.5	19.0	19
Air Quality Engineer/Specialist/Planner	-	-	-	-	5.5	5.5	5.0	3.0	1.0	3
Air Quality Instrument Specialist I/II	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3
Air Quality Planner/Analyst	10.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10
Air Quality Specialist	18.6	18.6	18.6	19.6	18.6	18.6	18.6	19.6	21.6	22.8
Assistant Air Pollution Control Officer	-	-	1.0	1.0	-	-	-	-	-	-
Clerical Services Supervisor	1.0	1.0	1.0	-	-	-	-	-	-	-
Communications & Marketing Specialist	1.9	1.9	1.9	1.9	1.9	1.9	1.0	1.0	1.0	2
Controller	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1
District Counsel	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1
Division Manager	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4
Executive Assistant/Clerk to the Board	1.0	1.0	1.0	-	-	-	-	-	-	-
Financial Analyst	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1
Fiscal Assistant I/II	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-	-
Human Resource Assistant I/II	2.0	2.0	2.0	-	-	-	-	-	-	-
Human Resource Technician I/II	-	-	-	2.0	1.0	1.0	1.0	1.0	1.0	1
Human Resources Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1
Information Systems Administrator	1.0	1.0	-	-	-	-	-	-	-	-
Information Systems Analyst	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3
Information Systems Manager	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1
Legal Assistant I/II	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1
Office Assistant I/II	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3
Program Coordinator	12.0	12.0	12.0	-	-	-	-	-	-	-
Program Manager	-	-	-	5.0	5.0	5.0	5.0	5.0	5.0	5
Program Supervisor	5.0	5.0	5.0	12.0	12.0	12.0	12.0	12.0	12.0	12
Senior Accountant	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1
Statistician	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1
Subtotal Funded Positions	94.0	96.0	97.0	98.0	99.5	99.5	94.1	94.1	97.6	101.8
Administrative/Legal Analyst	1.0	1.0	1.0	1.0	_	_	_	_	_	_
Air Quality Engineer	2.0	1.0	1.0	1.0	1.0	1.0	5.0	4.0	_	_
Air Quality Engineer/Specialist/Planner	2.0	-	-	-	-	-	0.5	7.0	_	_
Air Quality Planner/Analyst	1.0	_	-	1.0	_	_	-	_	_	_
Air Quality Specialist	2.0	2.0	1.0	1.0	1.0	1.0	1.0	2.0	_	_
Communication & Marketing Specialist	-	2.0	-	-	-	-	1.0	1.0	_	_
Human Resource Technician I/II	-	_	-	-	1.0	1.0	1.0	1.0	-	-
Information Systems Analyst	-	_	_	-	-	1.0	-	1.0	-	-
Office Assistant I/II	- 1.0	1.0	1.0	-	-	-	-	1.0	-	-
	1.0	1.0	1.0	-	-	-	-	-	-	-
Program Coordinator Program Supervisor	1.0	1.0	- 1.0	1.0	-	-	-	-	-	-
Subtotal Unfunded Positions	8.0	6.0	5.0	5.0	3.0	3.0	8.5	9.0		-
Subtotal Ulliuliueu Fusitiolis										
Total Funded + Unfunded Positions	102.0	102.0	102.0	103.0	102.5	102.5	102.6	103.1	97.6	101.8

Source: Approved/Amended Budget

The Positions by Classification and Positions by Operating Division tables previously included unfunded positions. Beginning with this budget cycle, FY22/23, only funded positions are included in the budget.

SECTION 9 - Appendices

APPENDIX A - FINANCIAL MANAGEMENT POLICIES

PURPOSE

The Financial Management Policies are the tools used to ensure that the District is financially able to meet its immediate and long-term service objectives. The policies contained herein serve as guidelines for both the financial planning and internal financial management of the District, including regulation, supervision, and oversight of the financial and payment systems. These policies safeguard the fiscal stability necessary to achieve the District's goals and have the following objectives:

- Guide the Board of Directors (Board) and management policy decisions that have a significant fiscal impact
- Set forth operating principles that minimize the cost of government and financial risk
- Maintain appropriate financial capacity for present and future needs
- Promote sound financial management by providing accurate and timely information on the District's financial condition
- Provide adequate resources to meet the provisions of the District's debt obligations
- Ensure the legal use of financial resources through an effective system of internal controls

GOVERNING AUTHORITY

The District's financial activities for all funds must be operated in conformance with applicable federal, state, and other legal requirements, including authorizing sections of the California Health and Safety Code, and relevant covenants of any existing debt.

Unless specifically stated in these policies or otherwise authorized by resolution of the Board of Directors, the Board assigns its responsibility for managing and coordinating all financial activities to the District Executive Director/Air Pollution Control Officer and/or their designee (referred to hereafter collectively as APCO). As necessary, the APCO will consult with the District Counsel, i.e., selecting and managing outside legal counsel (e.g., bond and/or disclosure counsel), providing independent verification of the District's compliance with all applicable laws and regulations, and document preparation and review.

POLICIES

Budget Adoption

The District shall prepare and make available to the public at least 30 days before a public hearing a summary of its budget and any supporting documents, including, but not limited to, a schedule of fees to be imposed by the District to fund its programs per California Health and Safety Code (HSC §40131). The District shall notify each person who was subject to fees imposed by the District in the preceding year of the availability of information. The District shall notice and hold two public hearings at a meeting of the Sacramento Metropolitan Air Quality Management District Board for the exclusive purpose of reviewing the budget and providing the public with the opportunity to comment upon the proposed District budget.

The Board adopts the District budget on a basis that includes encumbrances and expenditures at the fund level. Expenditure authority is at the fund level. All regular and limited-term positions and capital projects require Board approval, normally through the budget process. The APCO is authorized to modify FTE classifications as necessary to implement reclassifications and studies as authorized by the Board-approved Human Resources policies. All appropriations that remain unspent and unencumbered (unobligated) on June 30 will revert to the available fund balance of the respective funds.

Structurally Balanced Budget

The APCO presents a "balanced" budget to the Board annually, where funding sources (including the use of reserves if applicable) match expenditures. The budget includes revenues and expenditures for the prior year (actual), current year (budget), and upcoming year (approved budget). If a structural imbalance exists in which the financial forecast indicates the use of reserves beyond the established minimums, a plan will be developed and implemented to bring the budget back into structural balance.

Budget Amendments

Changes to the budget and service levels during the fiscal year will be minimized. Changes during the fiscal year will generally be limited to technical adjustments, emergency funding, unforeseen circumstances, time-sensitive opportunities or issues, or new grants or awards. Requests for a new program, modification in service levels, staffing, or other increases in expenditures, without associated revenues or reimbursements, must include a proposed spending offset at the time of the request (if costs are known) or justification for the use of reserves. Changes outside of the annual budget process should primarily be considered during a mid-year budget review.

Unexpected revenue shortfalls or other significant issues that may create a budget shortfall during the fiscal year are to be reported to the Board with recommendations by the APCO as to whether a mid-year budget adjustment should be made. Budget amendments are considered and adopted by the Board.

General and Internal Service Funds Reserves

The District shall make every effort to maintain a General Fund Operating Reserve equivalent to a minimum of 120 days, but no less than 60 days, of General Fund expenditures. The District must maintain sufficient unencumbered fund balance to allow for: (1) unforeseen operational or capital needs, (2) cash flow requirements, (3) local disasters, and/or (4) other economic uncertainties or financial hardships. If these reserves are projected to fall below these levels as a result of Board-approved budgets, a plan will be developed and implemented to replenish the funds used. The Special Revenue Fund accounts for various incentive grants that are intended to be fully expended. Therefore, no reserve targets are established for the Special Revenue Fund.

Debt Management

Long-term debt may be used to finance the costs of acquiring or improving land, infrastructure, facilities, or equipment if it is appropriate to spread these costs over more than one budget year. Long-term debt may also be used to fund capitalized interest, costs of issuance, required reserves, and any other financing-related costs that may be legally capitalized. Long-term debt may not be used to fund District operating costs.

Short-term debt may be used as an interim source of funding before the issuance of long-term debt, to address short-term cash-flow requirements during a given fiscal year, or to bridge the gap in financing before long-term debt is issued to meet the ongoing capital needs of a project or series of projects. Short-term debt may not exceed three years.

The District may pursue other financing mechanisms, such as pay-as-you-go financing, inter-fund borrowing, lines of credit, and lease financing, for debt less than three million dollars. Small-equipment lease financing may occur with a demonstrated need (e.g., legal, environmental, cash flow).

Annual payments of principal and interest (debt service payments) on General Fund long-term debt shall not exceed five percent of annual General Fund operating revenues. The APCO may obligate the District to long-term debt, such as the purchase of real property, only with sufficient justification and prior Board approval. The APCO may obligate the District to short-term debt and/or other financing mechanisms within the APCO purchasing authority. Short-term debt or other financing mechanisms above the APCO's purchasing authority require Board approval. The APCO is not authorized to "issue" long-term debt.

Investments

The District invests funds in the Local Agency Investment Fund (LAIF) under the California State Treasurer's Office and the California Asset Management Program in accordance with Board resolution. The APCO may research and propose alternative investment strategies, such as community banking, but may only invest funds in those alternatives with prior Board approval.

Per California Government Code §53646(a)(2), the District may annually present to the Board a statement of investment policy for consideration at a public meeting. The Investment Policy of the Pooled Money Investment Account (PMIA) is published by the Office of the State Treasurer. The LAIF represents one of three primary sources of funds in the PMIA. Therefore, the PMIA Investment Policy applies to investments made in the LAIF. The California Asset Management Program fund is a short-term cash reserve fund that invests in obligations of the United States Government and its agencies, high-quality debt obligations of U.S. Companies and financial institutions, and reports its investment policy in its Program Guide.

Long-Term Financial Planning

Each year, staff perform multi-year (for the next three to five years) forecasts of operating expenditures and revenue, and capital expenditures to promote long-term planning of resources. The forecast will be updated and included in the annual budget process. As part of the budget message, the APCO will advise the Board of potential long-term positive and adverse trends along with his/her analysis of the trends.

Accounting, Auditing, and Financial Reporting

State law requires that a certified public accountant or public accountant annually audit the accounts and records of every special district. The District conforms with accounting principles generally accepted in the United States (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). An Annual Comprehensive Financial Report (Annual Report) will be prepared each fiscal year per GAAP and audited by an independent public accounting firm. Additional financial reporting may include the following:

- Interim Financial Reports: Staff will prepare interim reports for the Budget and Personnel Committee of the Board that analyze and evaluate financial performance, and forward them to the full Board as directed by the Committee
- Mid-year Budget Update: Staff will prepare a Mid-year Budget report to advise the Board if a troubling and/or positive financial situation exists or is anticipated, including an assessment of the impact on the District budget and financial condition

Internal Control and Risk Management

The District is committed to the identification, monitoring, and management of risks associated with its business activities, and will maintain a system of internal control to safeguard its assets against loss, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

The APCO is ultimately responsible to the Board for the District's system of internal controls and risk management. District managers are accountable to the APCO and have established several controls within their management and reporting systems to provide reasonable assurance that control measures are being met, including:

- A clear organizational structure detailing lines of authority and control responsibilities
- Operating and strategic planning processes
- Annual budgeting and periodic reporting systems to monitor progress against financial and operational performance targets
- Guidelines and limits for approval of purchases and capital expenditures
- A Conflict-of-Interest policy and codes of conduct that apply to all employees
- Other internal control practices, including segregation of duties in accounting functions; account reconciliation and analysis; physical and inventory controls; hiring and termination checklists; security controls to protect against unauthorized access to systems, networks, and data; and desk procedures and cross-training

Procurement

The authority to develop and maintain the Procurement Manual, which includes purchasing procedures consistent with the Board-approved Purchasing Policy, along with other procurement procedures, is delegated to the APCO. The APCO may modify the Procurement Manual as needed to reflect administrative updates, changes in regulation or law, and/or to maintain compliance with the Board-approved Purchasing Policy. The Purchasing Policy outlines the protocols and authority to procure materials, supplies, equipment, and services in the District's best interest through diligent action and fair dealing, thus securing the best price within a reasonable time frame to adequately meet the District's needs.

Capital Asset Management

The District shall operate and maintain its physical assets in a manner that protects the public investment and ensures the achievement of their maximum useful life. A capital asset is defined as land, building structures, leasehold improvements, vehicles, equipment, machinery, furnishings, or other property having a value of \$5,000 or more and intended for long-term use. Leases and Subscription-Based Information Technology Agreements will be accounted for under the guidelines established by the GASB.

Capital expenditures of \$5,000 or more are initially recorded as assets and are then subject to the following general types of accounting transactions:

- Periodic depreciation (for tangible assets) or amortization (for intangible assets); land is not depreciated
- Impairment write-downs (if the value of an asset declines below its net book value)
- Disposition (once assets are disposed of)

For financial reporting purposes, the District maintains a schedule of capital assets with values of \$5,000 or more and having a useful (depreciable life) of one year or more. All items with an original value of less than \$5,000, or with an estimated useful life of less than one year, are recorded as operating expenditures.

Tangible assets, primarily technology-related, valued at less than \$5,000, are subject to regular monitoring and documentation to ensure accountability and prevent loss or misuse.

The APCO is authorized to dispose of unused District Property and administers the disposition process.

Petty Cash

The District does not operate a Petty Cash fund. Most minor, inexpensive District purchases made during the normal course of operations are performed using a District purchase card. Small purchases made by employees are reimbursed by check or ACH following District purchasing procedures.

Collaborations

The APCO is authorized to approve collaboration requests, i.e., provide funds to other entities when funds are used to further the mission of the District, per the District's Purchasing Policy and within the approved collaboration budget.

User Fees and Charges

The District is empowered to recapture, through fees, up to the full cost of providing specific services. Regular and consistent review of all fees is necessary to ensure that the costs associated with the delivery of individual services have been appropriately identified and that the District is fully recovering those costs. It is the District's policy to set user fees at full cost recovery levels, except where a greater public benefit is demonstrated to the satisfaction of the Board, or when it is not cost-effective to do so. The District will follow established laws and rules in adopting fees, including California Health and Safety Code (HSC §42311), related to Stationary Source Permit Fees. Under this section, the District may adopt a schedule of annual fees for the evaluation, issuance, and renewal of permits to cover the cost of district programs related to permitted stationary sources. The fees assessed for any fiscal year may not exceed the actual costs for District programs for the immediately preceding fiscal year, with an adjustment up to the change in the annual California Consumer Price Index (CPI) for the preceding year, as determined according to Section 2212 of the Revenue and Taxation Code. Fee revenues received by the District that exceed the cost of the programs shall be carried over for expenditure in the subsequent fiscal year, and the schedule of fees shall be changed to reflect that carryover.

Memorandum of Understanding (MoU)

The APCO may enter into an MoU with local, state, or federal agencies, non-governmental organizations, or non-profits to further the mission of the District. Acceptance and/or obligation of funds, if applicable, and/or terms and conditions of the MoU must comply with the APCO's contracting authority as outlined within the District's Purchasing Policy.

Grants

District staff will seek out, apply for, and effectively administer federal, state, and other grants that address the District's priorities and policy objectives and provide a positive benefit to the District. Before any grant is pursued, staff shall make a good-faith effort to prepare a detailed pro forma that addresses the immediate and long-term costs and benefits to the District.

Federal Awards

In the performance of its mission, the District utilizes several funding sources, including grants provided by the Federal government. To utilize these funds for the reimbursement of costs, the District and its sub-recipients are required to follow Uniform Guidance in 2 CFR, Part 200, Subpart E - Cost Principles when accounting for expenditures. The District charges costs that are reasonable, allowable, and allocable to an award directly or indirectly. All unallowable costs are appropriately segregated from allowable costs in the general ledger to ensure that unallowable costs are not charged to any awards. The District's sub-recipients are required to follow these same practices.

In addition to the Cost Principles related to allowable costs, the District is responsible for maintaining internal controls regarding the management of Federal program funds, and ensuring that subgrantees are aware of the cash management and requirements in 2 CFR part 200, subpart D. The District will monitor its cash drawdowns and those of its sub-recipients to assure substantial compliance with the standards of timing and amount of advances. Additionally, the District will minimize the amount of time between the drawdown and the expenditure of funds from its bank accounts. Funds must be drawn only to meet a District's immediate cash needs for each grant.

Finally, the District will periodically complete a sub-recipient risk assessment to guide oversight efforts, confirm that sub-recipients and contractors are not debarred from receiving federal funds, and report disbursements to sub-recipients as directed by the federal government.

Acceptance of Non-District Funds

The APCO may accept funds from local, state, or federal agencies, nongovernmental sources, or any other entity as long as the funds will be used to further the mission of the District and, where applicable, the use of the funds complies with any terms, conditions or guidelines imposed by the funding source.

APPENDIX B - DESCRIPTION OF FUNDING SOURCES

Agricultural Burning — Burn permit fees are collected from growers and other agricultural interests to partially fund the District's Agricultural Burn Permit program.

Air Quality Improvement Program Funds — A voluntary incentive program administered by CARB to fund clean vehicle and equipment projects, research biofuel production and the air quality impacts of alternative fuels, and workforce training.

Asbestos Plan Check Fees — Fees collected from building owners and contractors undertaking demolitions or renovations subject to regulation under the District's asbestos rules. Fees generate revenues used for the review of abatement plans, site inspections, complaint responses, and enforcement case development.

Assembly Bill 197 Emission Inventory (AB 197) — State funds provided to the District to review facility information and emission data.

California State Transportation Agency's 2022 Port and Freight Infrastructure Program (SB 198) — Grant funds are used to expand on current efforts and develop, demonstrate, and test three additional hydrogen-fueled, zero-emission switcher locomotives to be constructed on a test track in Sierra Northern Railway's West Sacramento rail yard. The project includes the construction of approximately 2,000 feet of ancillary test trackage, the conversion of three locomotives, and the development of refueling infrastructure and protocols.

CARB Subvention and Enforcement Grant — Grant funds used for Stationary Source program expenditures not offset by permit fees, including Engineering, Compliance/Enforcement, Air Monitoring, Rule Development, and Planning.

City of Sacramento Air Monitoring Program — Funds provided by the City of Sacramento to be used for the deployment of portable air quality monitors, and a one-time air monitoring program that includes street-level mobile air quality monitoring and related outreach, research, and education in underserved communities.

Civil Settlements — Revenues derived from penalties for violations of federal, state, and District regulations. Amounts are determined by the Mutual Settlement Program approved by the Board.

Climate Pollution Reduction Grants (CPRG) Program — Federal funds provided by the EPA to design priority climate action plans that incorporate greenhouse gas reduction measures.

Community Air Protection Program — Authorized by AB 617 (C. Garcia), funded by the Greenhouse Gas Reduction Fund, and overseen by the California Air Resources Board (CARB), this program conducts stakeholder and community outreach in impacted communities (designated by CARB) to guide the creation and implementation of monitoring and community emission reduction plans.

Community Air Protection Program Incentives — California State grants, funded by the Greenhouse Gas Reduction Fund and overseen by the CARB, are appropriated for this program to conduct stakeholder and community outreach in impacted communities designated by the Sac Metro Air District that guides the spending of incentive funds on eligible emission-reducing projects impacting these communities.

Community Air Protection Program Incentives (Enhanced) — Funds received through the authorized sale of salvaged vehicles turned in through the Community Air Protection Incentive program. Revenue from the vehicle sales is reintroduced into the Community Air Protection Program to continue funding vehicles.

Congestion Mitigation and Air Quality Improvement (CMAQ) Grants — Federal funds used to support the Spare The Air program, the State Implementation Plan, and heavy-duty, low-emission vehicle and infrastructure programs through the federal SECAT program.

DMV Surcharge — Per enacting legislation AB4355, revenues are used to implement the Air Quality Improvement Strategy with respect to the reduction in emissions from vehicular sources, including a clean fuels program, motor vehicle use reduction measures, and a public education program. Additional revenues will be provided by AB923 - \$2 surcharge. Revenues are restricted to programs that achieve emission reductions from vehicular sources and off-road engines, replacing old polluting engines with new, cleaner engines.

Enhanced Fleet Modernization Program - Green House Gas Reduction Fund — The 2018 CARB Climate Investments are used to implement a diverse set of investments while maintaining the transparency of outcomes and ensuring meaningful community benefits from these investments, and reflect the increasingly important role of California Climate Investments in facilitating the improvement of air quality.

EPA 103 Grant — Revenues are restricted to uses achieving the program objectives of the fine particulate monitoring network and community toxics grant.

EPA 105 Grant — Revenues are restricted to uses achieving the program objectives as submitted to the EPA, but may not be used to cover costs associated with Title V permitting. Allowed uses include compliance and enforcement, air monitoring, transportation, land-use programs, and development and maintenance of AIRS data.

Funding Agriculture Replacement for Emission Reductions (FARMER) Program — California State grants, funded by the Greenhouse Gas Reduction Fund, and overseen by CARB, are appropriated for this program to replace old agricultural equipment with cleaner agricultural equipment.

Funding Agriculture Replacement for Emission Reductions (FARMER) – Enhanced Program — Funds received through the authorized sale of salvaged vehicles turned in through the FARMER program. Revenue from the vehicle sales is reintroduced into the FARMER program to continue funding vehicles.

Interest Income — Interest is generated annually from District-invested reserves, and the resulting revenue is allocated to the source fund generating the interest.

Lease Property Net Revenues — Revenues resulting from the lease of space in the District-owned building located at 777 12th Street. This revenue includes rents and parking fees and is net of all upkeep and maintenance expenditures of the building and parking area, and is used to pay the interest and principal obligations of the bonds and to build a reserve for improvements.

Local Government — Funds provided by local agencies/governments in the form of grants or matching funds, such as neighboring air districts' matching funds for CMAQ grants (Spare The Air) and an air monitoring grant from the City of Sacramento.

Measure A — Per enacting legislation ordinance number STA-0002 dated October 6, 1988, one-half of one percent of total Measure A monies collected by the Sacramento Transportation Authority (STA) will be used for mitigation of motor vehicle emissions or evaluation of mitigation measures. The revenues are used to support heavy-duty low-emission vehicle and infrastructure projects, air monitoring, transportation control measure planning, and the Sacramento Transportation and Air Quality Collaborative. The STA placed a measure on the November 2004 ballot to renew the Measure for 30 more years after the original measure expires. Voters overwhelmingly approved the new Measure A, with more than 75 percent of voters in favor of it. The "new" Measure A took effect in April 2009.

Mitigation Fees — Fees paid by land-use project developers to mitigate the construction and/or operational emissions of their project. Revenues are used to secure emission reductions to offset land use development.

Moyer (Carl Moyer Memorial A.Q. Standards Attainment) Program — Funds are available through California Smog Check and new tire purchase fees and are administered through CARB. Revenues are used to provide market-based incentives for the introduction and use of lower-emission technologies for heavy-duty vehicles, off-road vehicles and equipment, and locomotive engines.

Moyer (Enhanced) Program — Funds received through the authorized sale of salvaged vehicles turned in through the Moyer Program. Revenue from the vehicle sales is reintroduced into the Moyer Program to continue funding vehicles.

Naturally Occurring Asbestos (NOA) Fees — Fees are collected from those required to comply with Title 17 of the California Code of Regulations, § 93105 ATCM. Revenues are to be used to recover costs associated with the NOA program, which includes reviewing dust mitigation plans and inspections.

Oil and Gas — Grant received from CARB to fund the District's enforcement activities. The District and CARB have a memorandum of understanding for the District to enforce CARB's Oil and Gas regulation in Sacramento County.

Our Community CarShare Program (CarShare) — Grant funds used to place eight battery electric vehicles at three affordable housing communities and the Sacramento Valley Train Station. The members of the CarShare Program will include residents of selected communities. These members will have access to the electric CarShare vehicles for zero-emission mobility.

Planning Service Charges — Fees collected from the County of Sacramento and the Cities of Folsom and Sacramento to review planning applications for their impact on air quality.

Portable Equipment Registration Program (PERP) — Fee revenue collected by CARB from owners or operators of portable engines, and certain other types of equipment, to operate their equipment throughout California without having to obtain individual permits from local air districts is passed through to Districts that have equipment registered under CARB's Portable Equipment Registration Program.

Power Plant Fees — Hourly rate fees paid by power plant project proponents for District staff to determine the legitimacy/accuracy of Emission Reduction Credits (ERCs) proposed for use to offset new plant emissions, and to process Authority to Construct and Permit to Operate documents.

Prescribed Burn Reporting and Monitoring Support — The program provides resources to enhance the District's smoke management program by increasing regulation, outreach, and reporting of prescribed fires in Sacramento County.

Proposition 1B (GMERP/LESBP) — Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, authorized the Legislature to appropriate \$1 billion in bond funding to CARB to reduce emissions from freight movement in California and \$200 million for school bus retrofit and replacement to reduce air pollution and to reduce children's exposure to diesel exhaust. Examples for the goods movement program include the replacement and/or retrofit of trucks moving goods and locomotives (non-passenger) within the Sacramento, San Joaquin, and Bay Area regions.

Proposition 1B (Enhanced) Program — Funds received through the authorized sale of salvaged vehicles turned in through the Proposition 1B Program. Revenue from the vehicle sales is reintroduced into the Proposition 1B Program to continue funding vehicles.

Sacramento Emergency Clean Air & Transportation (SECAT) Program — The program replaces on-road heavy-duty diesel vehicles with cleaner-emission vehicles. The goal of the SECAT program is to reduce the harmful surplus emissions from on-road heavy-duty vehicles operating in the Sacramento Federal Nonattainment Area (SFNA).

Sacramento Emergency Clean Air & Transportation (SECAT) Enhanced Program — Funds received through the authorized sale of salvaged trucks turned in through the SECAT program. Revenue from the truck sales is used to fund the Sacramento Region Air Quality and Infill Streamlining Program (ISP), which is an innovative program that provides cities and counties in the Sacramento Region with technical assistance to address key infill barriers.

Solutions for the Environment and Economic Development (SEED) Program — Revenue generated from the lease of Emission Reduction Credits (ERCs) under Rule 205 – Community Bank and Priority Reserve Bank. ERCs resulting from SEED-funded programs are deposited in the Community Bank. Fees are charged to cover various expenditures:

Initial Fees — Process initial ERCs.

Loan Fees — Meet Rule 205 mandates, which require, via a Request for Proposals, additional emission reductions to be secured.

Renewal Fees — Process ERC renewals, oversee ERC contracts, and operate the SEED revenue disbursement process.

Source Test — Fees collected from any source required to conduct emission testing to demonstrate continued compliance with rules and or permit requirements.

State Toxics Emission Fees — Fees collected through Rule 306 – Air Toxic Fees are paid by facilities identified as having the potential to pose a health risk to the community, either as individual stationary sources or collectively as an industry. These sources are subject to the requirements of AB2588, the Air Toxics "Hot Spots" program for sources of toxic air pollutants. Fees are collected by the District on behalf of CARB and are to be used to help cover costs incurred by the District and the state in administering and enforcing the program.

Stationary Source Initial Fees — Fees paid by permit holders based on a defined fee schedule to cover expenditures to process Authorities to Construct and Permits to Operate. Fees may also cover the costs of other programs, such as rule development, emission inventory development, and air monitoring.

Stationary Source Permit Renewal Fees — Permit renewal fees consist of two parts: one is based on the type and size of the equipment, and the other is based on the number of tons of pollutants emitted. Renewal fee revenues are used to support the stationary sources program, including the annual review of permits, the inspection of permitted and unpermitted sources, responding to complaints, general surveillance, etc. Fees also cover other related programs such as rule development, emission inventory development, and air monitoring.

Stationary Source Re-inspection Fees — Initial and renewal fees are based on the assumption of one annual inspection, and as such, an hourly rate fee is collected for any equipment/site requiring additional inspections, whether for non-compliance issues and/or additional source tests, etc.

Targeted Air Shed Grants (TAG) — Federal EPA grants under the Non-Attainment Area Community Air Shed Grant program to fund projects in neighboring air Districts to reduce particulate matter emissions within our non-attainment region. The District is the recipient of the grant funds and distributes funds to the sub-recipients.

Title V Fees — Local permit fees paid by Title V sources to cover the cost of developing Authorities to Construct and Permits to Operate. Additional fees may be charged to the large sources to cover expenditures for review and analysis associated with the complicated Title V permitting process.

Toxics Mobile Grant —This grant is awarded as part of the EPA's Community-Scale Air Toxics Ambient Monitoring Program to quantify mobile source air toxics in two environmental justice communities in Sacramento. Outcomes from the results will help determine the overall risk from mobile toxics in the communities and will provide recommendations on how to improve methodologies to develop community-scale emission inventories.

Variances — Fees collected when permitted sources apply for variances from District rules. Revenues cover the costs of Hearing Board meetings.

APPENDIX C - GLOSSARY

Account — A record in the budget that is used to collect and describe the type of financial transaction.

Accrual Basis — Revenue and expenditures are recorded in the period earned or incurred, regardless of whether cash is received or disbursed in that period.

Actual — The real financial transaction that occurred, for example, the actual amount received and the actual amount spent.

Amended Budget — Authorized adjustments made to the Approved Budget within the same fiscal year.

Amortization — Is the allocation of the cost of an intangible asset to expense over its useful life.

Audit — An official inspection of an organization's accounts, typically by an independent body.

Balanced Budget — The amount of budgeted expenditures is equal to the amount of budgeted revenue sources (including fund balance reserves).

Bond Premium — The amount of bond proceeds above the face value of the bond.

Budget — A financial plan for a defined period, usually a year, that summarizes planned expenses, revenues, and resources.

Capital Expenses/Expenditures — Property of any kind, tangible or intangible, with a cost equal to or greater than \$5,000 and that has an initial useful life extending beyond a single reporting period (fiscal year), e.g., land, buildings, vehicles, and machinery.

Certificate of Participation (COP) — An alternative to municipal bonds in which an investor buys a share in the improvements or infrastructure the government entity intends to fund.

Cognizant Agency — A federal agency that, on behalf of all Federal agencies, is responsible for establishing final indirect cost rates.

Annual Comprehensive Financial Report (Annual Report) — Provides a thorough and detailed audit report of the District's financial condition.

Consumer Price Index (CPI) — A measure of the average change over time in the prices paid by urban consumers for a fixed market basket of goods and services used as a basis for adjusting fees; the CPI value for fee adjustments is obtained through the California Division of Labor Statistics and Research, All Urban Consumers.

Debt Service — The amount of money required in a given period to pay the principal and interest on debt (borrowed money), generally according to a predetermined payment schedule.

Deficit —When expenses or liabilities exceed revenues or assets during a specific accounting period.

Depreciation — The systematic allocation of an asset's cost over its useful life, reflecting the gradual decline in its value due to wear and tear, obsolescence, or other factors.

Division — Term used to define the different areas of operation within the District.

Employee Services — The personnel costs of the District, including salaries, wages, and benefits, such as health insurance, social security costs, retirement contributions, workers' compensation, unemployment insurance, etc.

Expenditure — The actual spending of funds authorized by an appropriation and generally divided into various categories such as employee services, services and supplies, debt service, and capital improvements.

Federal Fiscal Year (FFY) — A period designated by the Federal government signifying the beginning and ending period for recording financial transactions. The Federal Fiscal Year is from October 1 through September 30.

Fiscal Year (FY) — A period designated by the District signifying the beginning and ending period for recording annual financial transactions. The District has a fiscal year from July 1 through June 30.

Full-Time Equivalent (FTE) — A unit indicating the workload of a position to distinguish workloads comparable to a full-time position (i.e., an FTE of 1.0 means that the position is equivalent to a full-time workload, while an FTE of 0.50 signals that the position is only half-time).

Fund — A group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Each fund has a budget and tracks revenues and expenditures separately.

Fund Balance — The net worth of a fund, measured by total assets minus total liabilities. A projected ending fund balance for a period is the total value remaining after current requirements (expenditures for operations and capital improvements) are subtracted from the sum of the beginning fund balance and current resources. Fund balance can be complicated by the fact that part of the fund balance may be reserved, or restricted, for specific purposes. Fund balance may be used to balance the budget when new revenues are insufficient to fund budgeted expenditures.

General Fund (100) — The District's principal operating fund, supported by federal grants, California State funds, and permit fees, and funds ongoing program costs, such as employee services, equipment, and capital expenses.

Government Finance Officers Association (GFOA) — An organization that enhances and promotes the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

Governmental Fund — A grouping used in accounting for government activities that are not business-like activities. For the District, this includes the General Fund and the Special Revenue Fund.

Grant — Contributions of cash or other assets provided by external agencies, which are restricted to a specific purpose, have a time limit for use, and frequently are reimbursed after incurring eligible costs.

Indirect Cost — A cost that is not readily identified to the specific good or service, such as administration. For many of the District's programs, the percentage of indirect cost allowed is set by the EPA as a cognizant agency.

Modified Accrual — A combination of cash basis and full accrual basis accounting used for governmental funds. Revenues are recognized when they are both measurable and available, and expenditures are recorded on a full accrual basis, as they are measurable when incurred.

Nitrogen Oxides (NOx) — Highly reactive gas that forms quickly from emissions from cars, trucks, and buses, power plants, and off-road equipment.

Ozone — A gas that occurs both in the Earth's upper atmosphere and at ground level. Ozone can be "good" or "bad" for people's health and the environment, depending on its location in the atmosphere.

Program Distribution — **EPA Grants** – Amounts paid to an Environmental Protection Agency grant sub-recipient under the grant contractual requirements.

Proprietary Fund (400) — Accounts for the District's business-like activities and currently reflects the financial activities of the District's administrative facility, the Covell Building. Also known as an Internal Service Fund.

Special Revenue Fund (500) — Records the proceeds from certain revenue sources that have expenditure restrictions and provides an extra level of accountability and transparency to the revenue source that the funds will go towards their intended purpose.

Structural Deficit — Occurs when expenditures exceed revenues – a fundamental imbalance in government receipts and expenditures — not generally a result of one-time or short-term factors.

Resolution — A formal declaration, usually after voting, by an organization (the District's Board of Directors).

Revenues — Income received from various sources, including charges for fees and services, intergovernmental, interest, grants, and other miscellaneous categories.

Services and Supplies — Costs of contractual or outside services, supplies, rent, utilities, equipment, etc.

Transfers — Financial resources are moved from one account/fund to another account/fund.

Types of Funds — Restricted funds are restricted by legal or contractual requirements to a specific area. Unrestricted funds are not restricted by legal or contractual requirements and may be used in multiple areas. Assigned funds are intended for a specific purpose but do not meet the criteria to be classified as restricted. Non-spendable fund balance reflects assets not in spendable form, either because they will never convert to cash (e.g., prepaid items) or must remain intact under legal or contractual requirements. Unassigned funds are spendable funds in the District's General Fund not included in the other fund classifications.

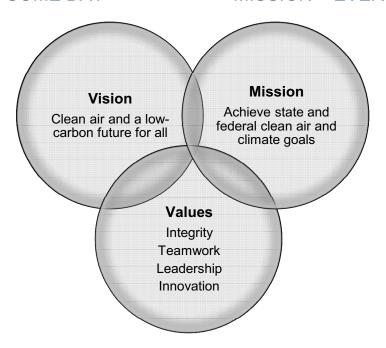
Variance — The difference between the budgeted or baseline amount of expense or revenue and the actual amount.

Volatile Organic Compounds (VOC) — Gases emitted from certain solids or liquids.

				FY25/26 Appro	ved Budget
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VISION = SOME DAY

MISSION = EVERY DAY



Sac Metro Air District working hard for your health

BOARD OF DIRECTORS

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Approved Fees for FY2025/2026 (FY25/26) Effective July 01, 2025 CPI Adjustment of 3.84%

				FY 25/26
FeeID	D Fee Category	Authority (Rule)	Fee Name	Proposed Fee
1	Equipment - ATC	301	Schedule 1 (Electric Motor), Level 1 (<5 HP) - ATC	\$ 625.22
7	Equipment - PTO	301	Schedule 1 (Electric Motor), Level 1 (<5 HP) - PTO	625.22
m	Equipment - Renewal	301	Schedule 1 (Electric Motor), Level 1 (<5 HP) - Renewal	625.22
4	Equipment - Change of Ownership	301	Schedule 1 (Electric Motor), Level 1 (<5 HP) - Change of Ownership	625.22
2	Equipment - ATC	301	Schedule 1 (Electric Motor), Level 2 (5 - <50 HP) - ATC	1,252.60
9	Equipment - PTO	301	Schedule 1 (Electric Motor), Level 2 (5 - <50 HP) - PTO	1,252.60
7	Equipment - Renewal	301	Schedule 1 (Electric Motor), Level 2 (5 - <50 HP) - Renewal	1,252.60
∞	Equipment - Change of Ownership	301	Schedule 1 (Electric Motor), Level 2 (5 - <50 HP) - Change of Ownership	1,252.60
6	Equipment - ATC	301	Schedule 1 (Electric Motor), Level 3 (50 - <200 HP) - ATC	2,509.54
10	Equipment - PTO	301	Schedule 1 (Electric Motor), Level 3 (50 - <200 HP) - PTO	2,509.54
11	Equipment - Renewal	301	Schedule 1 (Electric Motor), Level 3 (50 - <200 HP) - Renewal	2,509.54
12	Equipment - Change of Ownership	301	Schedule 1 (Electric Motor), Level 3 (50 - <200 HP) - Change of Ownership	2,509.54
13	Equipment - ATC	301	Schedule 1 (Electric Motor), Level 4 (>200 HP) - ATC	5,021.25
14	Equipment - PTO	301	Schedule 1 (Electric Motor), Level 4 (>200 HP) - PTO	5,021.25
15	Equipment - Renewal	301	Schedule 1 (Electric Motor), Level 4 (>200 HP) - Renewal	5,021.25
9 B 6	Equipment - Change of Ownership	301	Schedule 1 (Electric Motor), Level 4 (>200 HP) - Change of Ownership	5,021.25
oar Dar	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 1 (<1 MMBtu/hr) - ATC	310.44
d o	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 1 (<1 MMBtu/hr) - Renewal	310.44
of I	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 1 (<1 MMBtu/hr) - PTO	310.44
onic Piic	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 1 (<1 MMBtu/hr) - Change of Ownership	310.44
eCt	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - ATC	625.22
ors	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - Renewal	625.22
£	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - PTO	625.22
eg	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - Change of Ownership	625.22
ula ula	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 3 (10 - <50 MMBtu/hr) - ATC	1,252.60
ŗγ	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 3 (10 - <50 MMBtu/hr) - Renewal	1,252.60
/e	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 3 (10 - <50 MMBtu/hr) - PTO	1,252.60
etir	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 3 (10 - <50 MMBtu/hr) - Change of Ownership	1,252.60
62 1 g	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 4 (50 - <100 MMBtu/hr) - ATC	2,509.54
<u>۾</u> 1	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 4 (50 - <100 MMBtu/hr) - Renewal	2,509.54
hü	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 4 (50 - <100 MMBtu/hr) - PTO	2,509.54
0832 0832	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 4 (50 - <100 MMBtu/hr) - Change of Ownership	2,509.54
ay ay	Equipment - ATC	301	Schedule 2 (Fuel Burning), Level 5 (>100 MMBtu/hr) - ATC	5,021.25
, ⁷ A	Equipment - Renewal	301	Schedule 2 (Fuel Burning), Level 5 (>100 MMBtu/hr) - Renewal	5,021.25
ug	Equipment - PTO	301	Schedule 2 (Fuel Burning), Level 5 (>100 MMBtu/hr) - PTO	5,021.25
us us	Equipment - Change of Ownership	301	Schedule 2 (Fuel Burning), Level 5 (>100 MMBtu/hr) - Change of Ownership	5,021.25
t 🕏	Equipment - ATC	301	Schedule 3 (Electrical Energy), Level 1 (<150 KVA) - ATC	1,252.60
8°, 2	Equipment - Renewal	301	Schedule 3 (Electrical Energy), Level 1 (<150 KVA) - Renewal	1,252.60
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CPI Adjustment of 3.84%

			C1 1 Adjustification 01 5:50470	
				FY 25/26
FeeID	D Fee Category	Authority (Rule)	Fee Name	Proposed Fee
39	Equipment - PTO	301	Schedule 3 (Electrical Energy), Level 1 (<150 KVA) - PTO	1,252.60
40	Equipment - Change of Ownership	301	Schedule 3 (Electrical Energy), Level 1 (<150 KVA) - Change of Ownership	1,252.60
41	Equipment - ATC	301	Schedule 3 (Electrical Energy), Level 2 (>=150 KVA) - ATC	5,021.25
42	Equipment - Renewal	301	Schedule 3 (Electrical Energy), Level 2 (>=150 KVA) - Renewal	5,021.25
43	Equipment - PTO	301	Schedule 3 (Electrical Energy), Level 2 (>=150 KVA) - PTO	5,021.25
44	Equipment - Change of Ownership	301	Schedule 3 (Electrical Energy), Level 2 (>=150 KVA) - Change of Ownership	5,021.25
45	Equipment - ATC	301	Schedule 4 (Incinerator), Level 1 (<10 Sq Ft) - ATC	1,252.60
46	Equipment - Renewal	301	Schedule 4 (Incinerator), Level 1 (<10 Sq Ft) - Renewal	1,252.60
47	Equipment - PTO	301	Schedule 4 (Incinerator), Level 1 (<10 Sq Ft) - PTO	1,252.60
48	Equipment - Change of Ownership	301	Schedule 4 (Incinerator), Level 1 (<10 Sq Ft) - Change of Ownership	1,252.60
49	Equipment - ATC	301	Schedule 4 (Incinerator), Level 2 (10 - <40 Sq Ft) - ATC	3,778.37
20	Equipment - Renewal	301	Schedule 4 (Incinerator), Level 2 (10 - <40 Sq Ft) - Renewal	3,778.37
51	Equipment - PTO	301	Schedule 4 (Incinerator), Level 2 (10 - <40 Sq Ft) - PTO	3,778.37
52	Equipment - Change of Ownership	301	Schedule 4 (Incinerator), Level 2 (10 - <40 Sq Ft) - Change of Ownership	3,778.37
53	Equipment - ATC	301	Schedule 4 (Incinerator), Level 3 (40 - <100 Sq Ft) - ATC	5,021.25
B 6	Equipment - Renewal	301	Schedule 4 (Incinerator), Level 3 (40 - <100 Sq Ft) - Renewal	5,021.25
s ar	Equipment - PTO	301	Schedule 4 (Incinerator), Level 3 (40 - <100 Sq Ft) - PTO	5,021.25
ď c		301	Schedule 4 (Incinerator), Level 3 (40 - <100 Sq Ft) - Change of Ownership	5,021.25
þ T	Equipment - ATC	301	Schedule 4 (Incinerator), Level 4 (>100 Sq Ft) - ATC	6,296.57
)ire	Equipment - Renewal	301	Schedule 4 (Incinerator), Level 4 (>100 Sq Ft) - Renewal	6,296.57
ect	Equipment - PTO	301	Schedule 4 (Incinerator), Level 4 (>100 Sq Ft) - PTO	6,296.57
ors	Equipment - Change of Ownership	301	Schedule 4 (Incinerator), Level 4 (>100 Sq Ft) - Change of Ownership	6,296.57
Ŕ	Equipment - ATC	301	Schedule 5 (Storage Container), Level 1 (<40K Gallons) - ATC	1,252.60
2 962	Equipment - Renewal	301	Schedule 5 (Storage Container), Level 1 (<40K Gallons) - Renewal	1,252.60
ula ula	Equipment - PTO	301	Schedule 5 (Storage Container), Level 1 (<40K Gallons) - PTO	1,252.60
r ₂ /	Equipment - Change of Ownership	301	Schedule 5 (Storage Container), Level 1 (<40K Gallons) - Change of Ownership	1,252.60
/le∈	Equipment - ATC	301	Schedule 5 (Storage Container), Level 2 (40K - <400K Gallons) - ATC	5,021.25
9getir	Equipment - Renewal	301	Schedule 5 (Storage Container), Level 2 (40K - <400K Gallons) - Renewal	5,021.25
19 19	Equipment - PTO	301	Schedule 5 (Storage Container), Level 2 (40K - <400K Gallons) - PTO	5,021.25
- 6 8	Equipment - Change of Ownership	301	Schedule 5 (Storage Container), Level 2 (40K - <400K Gallons) - Change of Ownership	5,021.25
₆₉	Equipment - ATC	301	Schedule 5 (Storage Container), Level 3 (>400K Gallons) - ATC	6,297.11
.sc	Equipment - Renewal	301	Schedule 5 (Storage Container), Level 3 (>400K Gallons) - Renewal	10,045.75
lay		301	Schedule 5 (Storage Container), Level 3 (>400K Gallons) - PTO	6,297.11
, ŽŽ	Equipment - Change of Ownership	301	Schedule 5 (Storage Container), Level 3 (>400K Gallons) - Change of Ownership	10,045.75
ug 223	Equipment - Renewal	301	Schedule 6.A (Gasoline Dispensing), Level 1 (Phase II Exempt) - Renewal	602.50
us 74	Equipment - Change of Ownership	301	Schedule 6.A (Gasoline Dispensing), Level 1 (Phase II Exempt) - Change of Ownership	602.50
t ['] 2≀	Equipment - ATC	301	Schedule 6.A (Gasoline Dispensing), Level 2 (<8 Nozzles - Minimum Fee) - ATC	1,175.80
9/ ₂ ,	Equipment - PTO	301	Schedule 6.A (Gasoline Dispensing), Level 2 (<8 Nozzles - Minimum Fee) - PTO	1,175.80
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CPI Adjustment of 3.84%

			C1 Adjustification 3.0470	
				FY 25/26
FeeID	D Fee Category	Authority (Rule)	Fee Name	Proposed Fee
1	Equipment - Renewa	301	Schedule 6.A (Gasoline Dispensing), Level 2 (<8 Nozzles - Minimum Fee) - Renewal	1,175.80
78		301	Schedule 6.A (Gasoline Dispensing), Level 2 (<8 Nozzles - Minimum Fee) - Change of Ownership	1,175.80
79		301	Schedule 6.A (Gasoline Dispensing), Level 3 (>=8 Nozzles - Per Nozzle Fee) - ATC	164.40
8		301	Schedule 6.A (Gasoline Dispensing), Level 3 (>=8 Nozzles - Per Nozzle Fee) - PTO	164.40
81	Equipment - Renewal	301	Schedule 6.A (Gasoline Dispensing), Level 3 (>=8 Nozzles - Per Nozzle Fee) - Renewal	164.40
82	Equipment - Change of Ownership	301	Schedule 6.A (Gasoline Dispensing), Level 3 (>=8 Nozzles - Per Nozzle Fee) - Change of Ownership	164.40
83	Equipment - Renewal	301	Schedule 6.B (Gasoline Dispensing Tank) - Phase I only - Renewal	137.36
84	Equipment - Renewal	301	Schedule 6.B (Gasoline Dispensing Tank) - Underground tanks - Renewal	417.53
85	Equipment - Renewal	301	Schedule 6.B (Gasoline Dispensing Tank) - Aboveground tanks - Renewal	206.60
98		301	Schedule 7 (IC Engines), Level 1 (<50 HP) - ATC	310.44
87		301	Schedule 7 (IC Engines), Level 1 (<50 HP) - PTO	310.44
88	Equipment - Renewal	301	Schedule 7 (IC Engines), Level 1 (<50 HP) - Renewal	310.44
8	Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 1 (<50 HP) - Change of Ownership	310.44
90		301	Schedule 7 (IC Engines), Level 2 (50 - <250 HP) - ATC	625.22
91	Equipment - PTO	301	Schedule 7 (IC Engines), Level 2 (50 - <250 HP) - PTO	625.22
8 B	Equipment - Renewal	301	Schedule 7 (IC Engines), Level 2 (50 - <250 HP) - Renewal	625.22
o ar	Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 2 (50 - <250 HP) - Change of Ownership	625.22
a g		301	Schedule 7 (IC Engines), Level 3 (250 - <500 HP) - ATC	1,252.60
] T	Equipment - PTO	301	Schedule 7 (IC Engines), Level 3 (250 - <500 HP) - PTO	1,252.60
one	Equipment - Renewal	301	Schedule 7 (IC Engines), Level 3 (250 - <500 HP) - Renewal	1,252.60
ect	Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 3 (250 - <500 HP) - Change of Ownership	1,252.60
ors	Equipment - ATC	301	Schedule 7 (IC Engines), Level 4 (500 - <1000 HP) - ATC	2,509.54
R	Equipment - PTO	301	Schedule 7 (IC Engines), Level 4 (500 - <1000 HP) - PTO	2,509.54
00 e g) Equipment - Renewal	301	Schedule 7 (IC Engines), Level 4 (500 - <1000 HP) - Renewal	2,509.54
nls 01	1 Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 4 (500 - <1000 HP) - Change of Ownership	2,509.54
1 05	2 Equipment - ATC	301	Schedule 7 (IC Engines), Level 5 (>1000 HP) - ATC	5,021.25
e 03	Equipment - PTO	301	Schedule 7 (IC Engines), Level 5 (>1000 HP) - PTO	5,021.25
etir 904	f Equipment - Renewal	301	Schedule 7 (IC Engines), Level 5 (>1000 HP) - Renewal	5,021.25
G 05	5 Equipment - Change of Ownership	301	Schedule 7 (IC Engines), Level 5 (>1000 HP) - Change of Ownership	5,021.25
1 06		301	Schedule 9 (Misc) - ATC	1,252.60
1 00	7 Equipment - PTO	301	Schedule 9 (Misc) - PTO	1,252.60
80 80 80	3 Equipment - Renewal	301	Schedule 9 (Misc) - Renewal	1,252.60
60 l a y	Equipment - Change of Ownership	301	Schedule 9 (Misc) - Change of Ownership	1,252.60
, ¥10) Equipment	301	Schedule 10 (Time and Materials Labor Rate)	274.75
ը ց	Equipment	301	Schedule 11 (Time and Material Labor Rate), Electrical Generating Equipment Greater than 5 MW (Schedule 8)	274.75
\$ 15	2 Equipment	301	Schedule 11 (Time and Material Labor Rate), Emission Reduction Credit Banking Fee	274.75
5 113	3 Equipment	301	Schedule 11 (Time and Material Labor Rate), Reinspection Fee	274.75
8,1 114	1 Time & Material	301	Schedule 11 (Time and Material Labor Rate), Reinspection Fee - Renewal	274.75
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CPI Adjustment of 3.84%

			Cri Adjustilielit di 3.04%	
				FY 25/26
		Authority		Proposed
FeeID	Fee Category	(Rule)	Fee Name	Fee
115	Initial Permit	301	Permit Alternative Compliance Fee (hourly rate)	245.54
116	Initial Permit	301	Permit Source Test Observation and Evaluation Report (first 10 hours)	2,509.54
117	Initial Permit	301	Permit Source Test Observation and Evaluation Report (additional time, per hour)	274.75
118	Initial Permit	301	Public Notification Fee (Hourly Labor Rate)	274.75
120	Equipment - ATC	301	Permit Revisions of Conditions with No Increase	1,252.60
121	Initial Permit	301	Duplicate Permits	35.68
122	Initial Permit	301	Permit Change of Name (first permit)	115.74
123	Initial Permit	301	Permit Change of Name (for each additional permit)	48.66
124	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of CO	110.33
125	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of NOx	110.33
126	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of ROg	110.33
127	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of SOx	110.33
128	Emission Fee	301	Renewal Emission Fee Schedule 6, per ton of TSP	110.33
129	Emission Fee	301	Renewal Emission Fee All Other, per ton of CO	112.48
130	Emission Fee	301	Renewal Emission Fee All Other, per ton of NOx	112.48
Q	Emission Fee	301	Renewal Emission Fee All Other, per ton of ROg	112.48
8 32	Emission Fee	301	Renewal Emission Fee All Other, per ton of SOx	112.48
Д 33	Emission Fee	301	Renewal Emission Fee All Other, per ton of TSP	112.48
) 134 137	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of CO - Change of Ownership	110.33
- 110	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of NOx - Change of Ownership	110.33
9£ t t	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of ROg - Change of Ownership	110.33
ors	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of SOx - Change of Ownership	110.33
₹	Emission Fee - Change of Ownership	301	Renewal Emission Fee Schedule 6, per ton of TSP - Change of Ownership	110.33
65 e g	Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of CO - Change of Ownership	112.48
nts 40	न्तु-४० Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of NOx - Change of Ownership	112.48
ال	Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of ROg - Change of Ownership	112.48
a √245	🧖 42 Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of SOx - Change of Ownership	112.48
it	Emission Fee - Change of Ownership	301	Renewal Emission Fee All Other, per ton of TSP - Change of Ownership	112.48
1<u>6</u>	Title V	301	Application filing fee (per application)	1,914.60
- 1 45	Title V	301	Initial Title V operating permit (per Permit to Operate)	1,855.11
1 46	Title V	301	Title V operating permit renewal (per Permit to Operate)	806.94
2 6	Permit Annual Renewal	301	Annual Title V Fee (per Permit to Operate)	406.71
lay	Title V	301	Significant Title V permit modification (per Permit to Operate - modified or added)	5,080.74
, ₹48	Title V	301	Minor Title V permit modification (per Permit to Operate - modified or added)	2,722.63
ng 20	Title V	301	Enhanced new source review (NSR) (per Permit to Operate - modified or added)	1,360.77
ts	Title V	301	Other than enhanced NSR (per application)	539.76
2 2	Hearing Board	302	Small Businesses Hearing Board - Initial fees	1,035.00
,1 ₅₃	Hearing Board	302	Small Businesses Hearing Board - Newspaper publication fees	00.09
20				

CPI Adjustment of 3.84%

				FY 25/26
FeeID	Fee Category	Authority (Rule)	Fee Name	Proposed Fee
154	Hearing Board	302	Small Businesses Hearing Board - Staff time ahove 7.5 hours	91.00
155		302		165.00
156	_	302		1,035.00
157	-	302	Other Businesses Hearing Board - Newspaper publication fees	00.09
158		302	Other Businesses Hearing Board - Staff time above 7.5 hours	91.00
159		302	Other Businesses Hearing Board - Excess Duration Fees (per month)	275.00
161		303	Agriculture Burning Permit (basic fee) plus \$5 SVBCC Fee	55.00
162	Agriculture Burning	303	Agriculture Burning Permit (Orchard or vineyard pruning waste, per acre)	0.50
163	Agriculture Burning	303	Agriculture Burning Permit (Orchard removal waste, per acre)	3.50
164	Agriculture Burning	303	Agriculture Burning Permit (All other burnable waste, per acre)	1.75
165	Asbestos Renovation and Demolition	304	0-259 linear feet 0-159 square feet 0-34 cubic feet asbestos to be removed/disturbed or a demolition	435.00
166	Asbestos Renovation and Demolition	304	260-499 linear feet 160-499 square feet 35-109 cubic feet asbestos to be removed/disturbed	435.00
167	Asbestos Renovation and Demolition	304	500-999 linear feet 500-999 square feet 110-218 cubic feet asbestos to be removed/disturbed	635.00
168	Asbestos Renovation and Demolition	304	1,000-2,499 linear feet 1,000-2,499 square feet 219-547 cubic feet asbestos to be removed/disturbed	935.00
169	Asbestos Renovation and Demolition	304	2,500-4,999 linear feet 2,500-4,999 square feet 548-1,094 cubic feet asbestos to be removed/disturbed	1,335.00
04 B 0	Asbestos Renovation and Demolition	304	5,000-9,999 linear feet 5,000-9,999 square feet 1,095-2,188 cubic feet asbestos to be removed/disturbed	1,835.00
ar TZ	Asbestos Renovation and Demolition	304	10,000 or more linear feet 10,000 or more square feet 2,189 or more cubic feet asbestos to be removed/disturbed	2,335.00
ф 272	A72 Natural Occurring Asbestos Plan Fees	304	Asbestos Dust Mitigation Plan Review - Application review/inspection fees	555.99
3 110	Natural Occurring Asbestos Plan Fees	304	Asbestos Dust Mitigation Plan Review - Additional per acre	29.19
)ite	Natural Occurring Asbestos	304	Asbestos Dust Mitigation Plan Review - No dust mitigation plan submitted (per hour)	182.79
52 ct	Natural Occurring Asbestos	304	Asbestos Dust Mitigation Plan Review - Additional - more than 18 hours per acres (per hour)	182.79
or 9	Natural Occurring Asbestos Plan Fees	304	Geologic Evaluation Application review/inspection fees	719.33
<u>1</u> 22	Equipment - ATC	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 1 (<1 MMBtu/hr) - ATC	217.42
82 e g	Equipment - PTO	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 1 (<1 MMBtu/hr) - PTO	217.42
nts 9	Equipment - Renewal	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 1 (<1 MMBtu/hr) - Renewal	217.42
<u>1</u> 80	Equipment - ATC	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - ATC	437.00
e	Equipment - PTO	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - PTO	437.00
etir	Equipment - Renewal	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 2 (1 - <10 MMBtu/hr) - Renewal	437.00
ıg	Equipment - ATC	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 3 (>=10 MMBtu/hr) - ATC	878.34
<u>1</u> 84	Equipment - PTO	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 3 (>=10 MMBtu/hr) - PTO	878.34
58 htu	Equipment - Renewal	310	Schedule AG1-A (Agricultural Source Fuel Burning), Level 3 (>=10 MMBtu/hr) - Renewal	878.34
98. S C	Equipment - ATC	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 1 (<10 Sq Ft) - ATC	878.88
ay ay	Equipment - PTO	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 1 (<10 Sq Ft) - PTO	878.88
,¥ ,¥	Equipment - Renewal	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 1 (<10 Sq Ft) - Renewal	878.34
ug 88	Equipment - ATC	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 2 (>=10 Sq Ft) - ATC	2,642.59
6 대항	Equipment - PTO	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 2 (>=10 Sq Ft) - PTO	2,642.59
2 6	Equipment - Renewal	310	Schedule AG1-B (Agricultural Source Fuel Burning), Level 2 (>=10 Sq Ft) - Renewal	2,642.59
,1 ₉₂	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 1 (<50 HP) - ATC	217.42
20				

Approved Fees for FY2025/2026 (FY25/26) Effective July 01, 2025CPI Adjustment of 3.84%

				FY 25/26
FeeID	Fee Category	Authority (Rule)	Fee Name	Proposed Fee
193	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 1 (<50 HP) - PTO	217.42
194		310	Schedule AG2 (Agricultural Source IC Engines), Level 1 (<50 HP) - Renewal	217.42
195	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 2 (50 - <250 HP) - ATC	437.00
196	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 2 (50 - <250 HP) - PTO	437.00
197	Equipment - Renewal	310	Schedule AG2 (Agricultural Source IC Engines), Level 2 (50 - <250 HP) - Renewal	437.00
	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 3 (250 - <500 HP) - ATC	878.34
199	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 3 (250 - <500 HP) - PTO	878.34
200	Equipment - Renewal	310	Schedule AG2 (Agricultural Source IC Engines), Level 3 (250 - <500 HP) - Renewal	878.34
201	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 4 (500 - <1000 HP) - ATC	1,757.76
202	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 4 (500 - <1000 HP) - PTO	1,757.76
203		310	Schedule AG2 (Agricultural Source IC Engines), Level 4 (500 - <1000 HP) - Renewal	1,757.76
204	Equipment - ATC	310	Schedule AG2 (Agricultural Source IC Engines), Level 5 (>=1000 HP) - ATC	3,519.85
202	Equipment - PTO	310	Schedule AG2 (Agricultural Source IC Engines), Level 5 (>=1000 HP) - PTO	3,519.85
206	Equipment - Renewal	310	Schedule AG2 (Agricultural Source IC Engines), Level 5 (>=1000 HP) - Renewal	3,519.85
207		306	AB2588 Industrywide Facility Fee - District	160.09
	Toxics	306	AB2588 Core Facility Fee Category 2 - Complex facility - District	1,449.47
at 11	Toxics	306	AB2588 Core Facility Fee Category 2 - Intermediate facility - District	1,037.35
P 13	Toxics	306	AB2588 Core Facility Fee Category 2 - Simple facility - District	763.68
17 12	Toxics	306	AB2588 Core Facility Fee Category 3 - Complex facility - District	2,676.12
17 17	Toxics	306	AB2588 Core Facility Fee Category 3 - Intermediate facility - District	1,334.81
55	Toxics	306	AB2588 Core Facility Fee Category 3 - Simple facility - District	685.79
921	Toxics	306	AB2588 Core Facility Fee Category 301.2 (4 year cycle) - Complex facility - District	168.74
3 323	Toxics	306	AB2588 Core Facility Fee Category 301.2 (4 year cycle) - Intermediate facility - District	168.74
	Toxics	306	AB2588 Core Facility Fee Category 301.2 (4 year cycle) - Simple facility - District	168.74
라 22	Toxics	306	AB2588 Core Facility Fee Category 4 - Complex facility - District	3,571.77
3 29	Toxics	306	AB2588 Core Facility Fee Category 4 - Intermediate facility - District	2,745.35
% 31	Toxics	306	AB2588 Core Facility Fee Category 4 - Simple facility - District	1,367.26
1133 1119	Toxics	306	AB2588 Core Facility Fee Category 5 - Complex facility - District	13,083.17
6	Toxics	306	AB2588 Core Facility Fee Category 5 - Intermediate facility - District	12,256.75
<u>-</u> 337	Toxics	306	AB2588 Core Facility Fee Category 5 - Simple facility - District	11,567.70
£33	Toxics	306	AB2588 Core Facility Fee Category 6 - Complex facility - District	15,148.13
\$ 42	Toxics	306	AB2588 Core Facility Fee Category 6 - Intermediate facility - District	14,459.09
ay	Toxics	306	AB2588 Core Facility Fee Category 6 - Simple facility - District	13,635.92
, 7 48	Agricultural Engines	311	Agricultural Engines with Control Device, Level 1 (<50)	419.69
ng	Agricultural Engines	311	Agricultural Engines with Control Device, Level 1 (<50) - Renewal	209.83
បន	Agricultural Engines	311	Agricultural Engines with Control Device, Level 2 (51 - <249)	845.88
2 3	Agricultural Engines	311	Agricultural Engines with Control Device, Level 2 (51 - <249) - Renewal	422.94
-252	Agricultural Engines	311	Agricultural Engines with Control Device, Level 3 (250 - <499)	1,698.26
2025 -	2025 -			
115			Page 8 of 8	
5				

CPI Adjustment of 3.84%

				FY 25/26
FeeID	Fee Category	Authority (Rule)	Fee Name	Proposed
25.2	Agricultural Engines	211	Arrivultural Enringe with Control Davids Lavel 2 (750 / 700) Davids	8/0/12
202		717	Agricultural Littlifers With Control Device, 1 (2007 - 4-20) - Netrewal	2,402,03
724		311	Agricultural Engines With Control Device, Level 4 (500 - <595)	3,403.02
255	Agricultural Engines	311	Agricultural Engines with Control Device, Level 4 (500 - <999) - Renewal	1,701.51
256	Agricultural Engines	311	Agricultural Engines with Control Device, Level 5 (>=1000)	6,812.54
257	Agricultural Engines	311	Agricultural Engines with Control Device, Level 5 (>=1000) - Renewal	3,406.27
258		311	Agricultural Engine Hourly rate for time and materials, and reinspections	219.58
259	Agricultural Engines	311	Agricultural Engine Self-Certification (First Engine)	85.44
260	Agricultural Engines	311	Agricultural Engine Self-Certification (Each Additional Engine)	47.58
261	Agricultural Engines	311	Agricultural Engine Source Test Observation and Report Evaluation (first 10 hours)	1,701.51
262	Agricultural Engines	311	Agricultural Engine Source Test Observation and Report Evaluation (additional time per hour)	219.58
263		311	All other engines, each additional engine (first 1 hour)	213.09
264	Agricultural Engines	311	All other engines, each additional engine (first 1 hour) - Renewal	142.78
265	Agricultural Engines	311	All other engines, additional time (per hour)	219.58
366	Agricultural Engines	311	All other engines, first engine (first 3 hours)	414.29
267	Agricultural Engines	311	All other engines, first engine (first 3 hours) - Renewal	231.48
8 9 0	Agricultural Engines	311	Carl Moyer Engines (Ag Reg)	206.60
69 Par	Agricultural Source	310	Agricultural Source Hourly rate for time and materials, and reinspections	180.64
271	Permit Annual Renewal	310	Agricultural Source Renewal Emission Fee, per ton	77.88
1 70	Agricultural Source	310	Agricultural Source Revisions of Conditions	437.00
# <u>1</u> C	Agricultural Source	310	Agricultural Source Test Observation and Report Evaluation (first 10 hours)	1,757.76
8 47	Agricultural Source	310	Agricultural Source Test Observation and Report Evaluation (additional time per hour)	180.64
2 0	Greenhouse Gas	320	Greenhouse Gas Program - CEQA Document Preparation (per hour)	261.77
3 476	Greenhouse Gas	320	Greenhouse Gas Program - District Verification (each additional hour, per hour)	261.77
දුදු ම	Greenhouse Gas	320	Greenhouse Gas Program - District Verification (first 10 hours)	2,640.42
₽78	Greenhouse Gas	350	Greenhouse Gas Program - Project Plan Fee (each additional hour, per hour)	261.77
379	Greenhouse Gas	350	Greenhouse Gas Program - Project Plan Fee (first 5 hours)	1,318.59
/ e €	Greenhouse Gas	350	Greenhouse Gas Program - Third Party Verification (each additional hour, per hour)	261.77
113 113 113 113	Greenhouse Gas	350	Greenhouse Gas Program - Third Party Verification (first 5 hours)	1,318.59
.	Greenhouse Gas	350	Greenhouse Gas Program - Transfer of Ownenship - carbon credit certificate	261.77
- 283	Initial Permit	310	Schedule AG3 (Large Confined Animal Facility Report Evaluations), Application review (additional time per hour)	180.64
₹84	Permit Annual Renewal	310	Schedule AG3 (Large Confined Animal Facility Report Evaluations), Application review (additional time per hour) - Renewal	180.64
3 885	Initial Permit	310	Schedule AG3 (Large Confined Animal Facility Report Evaluations), Application review (first 10 hours)	1,757.76
98 ay	Permit Annual Renewal	310	Schedule AG3 (Large Confined Animal Facility Report Evaluations), Application review (first 5 hours) - Renewal	878.34
, ² / _A	Initial Permit	310	Large Confined Animal Facility Emission Mitigation Plan Update Fee (per hour)	180.64
ng 88	Initial Permit	310	Schedule AG4-A (General Farming/Miscellaneous Equipment), Initial fee	1,756.68
် ယ် ဒ ါ	Permit Annual Renewal	310	Schedule AG4-A (General Farming/Miscellaneous Equipment), Renewal	878.34
06 ?	Initial Permit	310	Schedule AG4-B (Agricultural Source Gasoline Dispensing), Level 1 (Phase I and Phase II system)	1,644.18
,59 ₁	Permit Annual Renewal	310	Schedule AG4-B (Agricultural Source Gasoline Dispensing), Level 1 (Phase I and Phase II system) - Renewal	822.09
20				

CPI Adjustment of 3.84%

			Cri Adjastilie it ol 3:84%	
				FY 25/26
		Authority		Proposed
FeeID	Fee Category	(Rule)	Fee Name	Fee
292	Initial Permit	310	Schedule AG4-B (Agricultural Source Gasoline Dispensing), Level 2 (Phase II exempt)	815.60
293	293 Permit Annual Renewal	310	Schedule AG4-B (Agricultural Source Gasoline Dispensing), Level 2 (Phase II exempt) - Renewal	407.80
299	299 Hearing Board	302	Emergency Variance - Initial fee	495.00
300	300 Hearing Board	302	Emergency Variance - Staff time above 3 hours	91.00
306	306 SEED	202	SEED Loan Application Processing	274.75
308	SEED	202	SEED Loan Renewal	2,099.57
315	315 Fleet Inventory	304	Fleet Inventory Requirements (per fiscal year) _ Rule 1002	190.00
328	328 MERC	304	Rule 1005- Mobile Source Emission Reduction Credit/Banking Application, Hourly Rate	274.75
331	ERC Certificate	204	ERC Banking Application	274.75
336	336 Environmental Document Preparation & Processing	305	Environmental Document Preparation & Processing (hourly rate)	63.00
337	Environmental Document Preparation & Processing	305	Environmental Document Preparation & Processing, California Department of Fish and Game (Environmental impact report)	850.00
338	Environmental Document Preparation & Processing	305	Environmental Document Preparation & Processing, California Department of Fish and Game (Negative declaration)	1,250.00
339	Environmental Document Preparation & Processing	305	Environmental Document Preparation & Processing, California Department of Fish and Game (County Clerk's transmitting fee)	25.00
487	Asbestos Renovation and Demolition	304	Failure to report change in dates which necessitates additional processing time (hourly rate)	50.00
488	488 Asbestos Renovation and Demolition	304	Failure to report change in dates which necessitates additional processing time (minimum charge)	25.00

Fee Category Abbreviations:

ATC PTO MERC

ERC SEED

Authority to Construct

Permit to Operate

Mobile Source Emission Reduction Credit

Emission Reduction Credit Solutions for Environment & Economic Development

RESOLUTION NO. 2025 - 005

Adopted by the Sacramento Metropolitan Air Quality Management District
Board of Directors

RULE 207 - TITLE V - FEDERAL OPERATING PERMIT PROGRAM

BACKGROUND:

- A. The Board of Directors of the Sacramento Metropolitan Air Quality Management District (Board) is authorized by Sections 40001, 40702, 41010, and 42300 of the California Health and Safety Code (HSC) to adopt, amend, or repeal rules and regulations [HSC Section 40727(b)(2)].
- B. The Board has determined that a need exists to amend Rule 207 TITLE V FEDERAL OPERATING PERMIT PROGRAM to comply with U.S. EPA's requirement for states and local districts to remove emergency affirmative defense provisions from their Title V federal operating permit programs (88 FR 47029) and to remove greenhouse gas provisions invalidated by the U.S. Supreme Court in Utility Air Regulatory Group v. EPA (573 U.S. 302 (2014) [Health and Safety Code Section 40727(b)(1)].
- C. The Board has determined that the meaning of Rule 207 can be easily understood by the persons affected by it [HSC Section 40727(b)(3)].
- D. The Board has determined that Rule 207 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations [HSC Section 40727(b)(4)].
- E. The Board has determined that the rule duplicates federal regulations for permitting programs (40 CFR Part 70) and that the duplicative requirements are necessary to execute the powers and duties granted to, and imposed upon, the District [Health and Safety Code Section 40727(b)(5)].
- F. The Board has determined that Rule 207 implements and makes specific federal requirements under Title V of the federal Clean Air Act Amendments of 1990 and Title 40 Code of Federal Regulations Part 70 [Health and Safety Code Section 40727(b)(6)].
- G. The Board has considered a written analysis prepared by Staff comparing the proposed rule amendments to federal air pollution control requirements [Health and Safety Code Section 40727.2].
- H. The Board has maintained records of the rulemaking proceedings [HSC Section 40728].
- I. The Board held a duly noticed public hearing on July 24, 2025, and considered public comments on Rule 207 [HSC Sections 40725 and 40726 and 40 CFR 51.102].
- J. The Board has determined that Rule 207 will not affect air quality or emissions limitations and, therefore, a socioeconomic impact analysis is not required [HSC Section 40728.5].
- K. The Board evaluated Rule 207 to determine whether it is exempt from the California Environmental Quality Act (CEQA) under Section 15060(c)(2) of the State CEQA Guidelines, which provides that CEQA does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE BOARD OF DIRECTORS **RESOLVES AS FOLLOWS:**

- Section 1. The amendment of Rule 207 is exempt from CEQA.
- Section 2. Rule 207 – TITLE V – FEDERAL OPERATING PERMIT PROGRAM, is approved and amended as shown in the attached Exhibit A.
- Section 3. Amended Rule 207 (set forth in Exhibit A) is effective as of July 24, 2025.
- Section 4. Staff is directed to forward Rule 207 and all necessary supporting documents to the California Air Resources Board for submittal to the U.S. Environmental Protection Agency for approval of the District's Title V program.
- Section 5. Exhibit A is attached to and incorporated into this Resolution.

ON A MOTION by Director Rosario Rodriguez, seconded by Director Rich Desmond, the foregoing resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan Air Quality Management District on July 24, 2025, by the following vote:

Rich Desmond, Roger Dickinson, Patrick Hume, Caity Maple, Porsche Middleton, Aves:

> Mathew Pratton, Rosario Rodriguez, Anna Rohrbough as alternate for Sarah Aquino, Phil Serna, Darren Suen as alternate for Sergio Robles, and Mai Vang.

Noes:

Abstain:

Absent: Eric Guerra, Patrick Kennedy, and David Sander.

Digitally signed by:

Salina Martinez

Date: 2025.07.25

14:21:52 -07'00'

Clerk, Board of Directors

Sacramento Metropolitan Air Quality Management District

RULE 207 TITLE V - FEDERAL OPERATING PERMIT PROGRAM Adopted 6-7-94

(Amended 9-5-96, 12-4-97, 4-26-01, 7-28-11, 7-24-25)

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500 REPORTING AND RECORDKEEPING

- 501 REPORTING REQUIREMENTS
- 502 RECORDKEEPING REQUIREMENTS

207-2 July 24, 2025

100 GENERAL

- PURPOSE: To establish an operating permitting system consistent with the requirements of 42 U.S.C. Section 7661 et seq. (Title V) and pursuant to 40 CFR Part 70. Stationary sources subject to the requirements of this Rule are also required to comply with any other applicable federal, state, or District orders, rules and regulations, including requirements pertaining to prevention of significant deterioration pursuant to Rule 203, PREVENTION OF SIGNIFICANT DETERIORATION, requirements to obtain an authority to construct pursuant to Rule 201, GENERAL PERMIT REQUIREMENTS, or applicable requirements under the District's new source review rule in the State Implementation Plan.
- 102 **APPLICABILITY:** This rule shall apply to the following sources:
 - 102.1 Major stationary sources as defined in Section 218.
 - 102.2 Affected sources under the acid rain provisions of Title IV of the Federal Clean Air Act.
 - 102.3 Any source subject to Rule 203, PREVENTION OF SIGNIFICANT DETERIORATION.
 - 102.4 Any solid waste incineration unit required to obtain a Title V permit pursuant to Section 129(e) (42 U.S.C. Section 7429) of the Federal Clean Air Act.
 - 102.5 Any other stationary source in a source category designated, pursuant to 40 CFR Part 70.3, by rule by EPA.
 - 102.6 Any stationary source that is subject to standards or other requirements promulgated pursuant to Section 111 or 112 (42 U.S.C. Section 7411 or 7412) of the Federal Clean Air Act.
- EXCLUSION NON-MAJOR SOURCES DEFERRED PRIOR TO JULY 21, 1992: The applicability determination pursuant to Section 102.6 of this rule shall not include standards or other requirements promulgated pursuant to Section 111 or 112 (42 U.S.C. Section 7411 or 7412) of the Federal Clean Air Act prior to July 21, 1992, that are applicable to non-major sources, unless EPA completes rulemaking eliminating this provision from 40 CFR 70.3(b).
- EXCLUSION NON-MAJOR SOURCES EXEMPT WITHIN NEW SOURCE PERFORMANCE STANDARDS OR NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS: The applicability determination pursuant to Section 102.6 of this rule shall not include standards or other requirements promulgated pursuant to Section 111 or 112 (42 U.S.C. Section 7411 or 7412) of the Federal Clean Air Act, published after July 21, 1992, if the EPA, at the time the new standard or requirement is promulgated, determines that non-major sources are deferred or exempt from the requirement to obtain a Title V permit.
- 110 **EXEMPTION RESIDENTIAL WOOD HEATERS:** This rule shall not apply to residential wood heaters.
- 111 **EXEMPTION ASBESTOS DEMOLITION AND RENOVATION:** This rule shall not apply to any demolition or renovation operation at an asbestos-containing source if the source is required to obtain a permit solely because it is subject to the demolition and renovation requirements in Section 301 of Rule 902, ASBESTOS.
- 112 **EXEMPTION NOTIFICATION REQUIREMENTS:** The requirements of Sections 401 through 408 shall not apply to the following:
 - 112.1 Administrative Title V permit amendments as defined in Section 202.
 - 112.2 Operational changes that are allowed under Section 308.

200 DEFINITIONS

- 201 **ACTUAL EMISSIONS:** Measured or estimated emissions which most accurately represent the emissions from an emissions unit.
- ADMINISTRATIVE TITLE V PERMIT AMENDMENT: A permit revision that is not a modification as defined by the District's new source review rule in the State Implementation Plan and is limited to the following:
 - 202.1 Corrects typographical errors;
 - 202.2 Identifies a change in the name, address, or phone number of any person identified in the permit, or provides a similar minor administrative change at the stationary source:
 - 202.3 Requires more frequent monitoring or reporting by the responsible official of the stationary source;
 - 202.4 Allows for change in ownership or operational control of a source where the Air Pollution Control Officer determines that no other change in the Title V permit is necessary, provided that a written agreement containing a specific date for transfer of Title V permit responsibility, coverage, and liability between the current and new responsible official has been submitted to the Air Pollution Control Officer; or
 - 202.5 Incorporates into the Title V permit the conditions of a preconstruction permit that is issued to an existing Title V stationary source through the District's new source review rule in the State Implementation Plan and meeting the procedural requirements specified in Sections 401 through 408 of this Rule and the compliance requirements in Section 305 of this Rule; or
 - 202.6 Removes equipment, provided that equipment removal does not result in an increase in emissions.

Administrative Title V permit amendments for purposes of the acid rain portion of the Title V permit shall be governed by regulations promulgated under Title IV (42 U.S.C. Section 7651 et Seq) of the Federal Clean Air Act.

- AIR POLLUTION CONTROL OFFICER: The air pollution control officer of the Sacramento Metropolitan Air Quality Management District (SMAQMD), or his or her designee.
- 204 **ALTERNATIVE OPERATING SCENARIOS**: Any alternative operating conditions of the permitted emissions units at the stationary source which are:
 - 204.1 Identified by the responsible official in the Title V permit application:
 - 204.2 Approved by the Air Pollution Control Officer;
 - 204.3 Specified in the Title V permit conditions; and
 - 204.4 In compliance with all applicable District, state, and federal requirements.
- 205 AMBIENT AIR QUALITY STANDARDS: National Ambient Air Quality Standards.
- APPLICABLE FEDERAL REQUIREMENT: All of the following as they apply to emissions units at a stationary source (including requirements that have been promulgated or approved by EPA through rulemaking at the time of issuance of the Title V permit but have future effective compliance dates):
 - 206.1 Any standard or other requirement provided for in the applicable state implementation plan approved by EPA or in the federal implementation plan promulgated by EPA;
 - Any term or condition of any preconstruction permit issued pursuant to regulations approved or promulgated through rulemaking under Title I, including parts C or D, or the Federal Clean Air Act, including permits issued pursuant to the District's new source review rule in the State Implementation Plan, or Rule 203, PREVENTION OF SIGNIFICANT DETERIORATION;
 - Any standard or other requirement under Section 112 (U.S.C. Section 7412) of the Federal Clean Air Act, including any requirement concerning accident prevention under Section 112(r) (42 U.S.C. Section 7412(r)(7) of the Federal Clean Air Act;

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- 206.4 Any standard or other requirement of the acid rain program under Title IV (42 U.S.C. Section 7651 et Seq) of the Federal Clean Air Act, or the regulations promulgated thereunder;
- 206.5 Any monitoring or other requirements established pursuant to Section 504(b) (42 U.S.C. Section 7661c(b) or Section 114(a)(3) (42 U.S.C. Section 7414(a)(3) of the Federal Clean Air Act;
- 206.6 Any standard or other requirement of the regulations promulgated to protect stratospheric ozone under Title VI of the Federal Clean Air Act, unless the EPA has determined that such requirements need not be contained in a Title V permit;
- 206.7 Any national ambient air quality standard or increment or visibility requirement under part C of Title I of the Federal Clean Air Act, but only as it would apply to temporary sources permitted pursuant to Section 504(e) (42 U.S.C. Section 7661c(e) of the Federal Clean Air Act;
- 206.8 Any standard or other requirement governing solid waste incineration under section 129 (42 U.S.C. Section 7429) of the Federal Clean Air Act;
- 206.9 Any standard or requirement or consumer and commercial products, under Section 183(e) (42 U.S.C. Section 7511b(e) of the Federal Clean Air Act; and
- 206.10 Any standard or other requirement under Section 111 (42 U.S.C. Section 7411) of the Federal Clean Air Act, including those adopted in Rule 801, NEW SOURCE PERFORMANCE STANDARDS.
- 207 **CODE OF FEDERAL REGULATIONS (CFR):** The United States Code of Federal Regulations.
- 208 **COMPLETE TITLE V PERMIT APPLICATION:** An application that meets all applicable requirements specified in the District's "LIST AND CRITERIA" for permit applications.
- 209 **CONTIGUOUS PROPERTY:** Two or more parcels of land with a common boundary or separated solely by a public roadway or other public right-of-way.
- 210 **DISTRICT:** The Sacramento Metropolitan Air Quality Management District.
- 211 **DRAFT TITLE V PERMIT:** The version of a Title V permit for which the Air Pollution Control Officer offers public participation pursuant to Section 403.
- 212 **EMISSION CAP:** A federally enforceable emission limit affecting one or more emission units at a stationary source.
- 213 **EMISSIONS UNIT:** An identifiable operation or piece of process equipment such as an article, machine, or other contrivance which controls, emits, may emit, or results in the emissions of any regulated air pollutant or HAP. For purpose of this rule, each source of fugitive emissions shall be treated as an emissions unit and shall be subject to all exemptions and requirements applicable to emissions units.
- 214 **FEDERALLY ENFORCEABLE:** All limitations and conditions which are enforceable by EPA, including:
 - 214.1 Requirements developed pursuant to 40 CFR Parts 60 (NSPS), 61 (NESHAPS), 63 (HAP), 70 (State Operating Permit Programs), and 72 (Permits Regulation, Acid Rain);
 - 214.2 Requirements contained in the State Implementation Plan (SIP), that are applicable to the District; and
 - 214.3 District permit requirements established pursuant to the District's new source review rule in the State Implementation Plan, or Rule 203, PREVENTION OF SIGNIFICANT DETERIORATION.
- 215 **FINAL TITLE V PERMIT:** The version of the Title V permit that is issued by the Air Pollution Control Officer that has completed all applicable review procedures required by Section 400.

- 216 **FUGITIVE EMISSIONS:** Emissions which could not reasonably pass through a stack, chimney, vent, or other functionally-equivalent opening.
- 217 **HAZARDOUS AIR POLLUTANT (HAP):** Any air pollutant listed pursuant to Section 112(b) (42 U.S.C. Section 7412(b) of the Federal Clean Air Act.
- 218 MAJOR STATIONARY SOURCE TITLE V: For the purpose of this rule, a major stationary source is defined as follows:
 - 218.1 Except as provided in Sections 218.2 and 218.3, a stationary source, with a potential to emit that equals or exceeds 100 tons per year of any regulated air pollutant;
 - 218.2 A stationary source, as defined in Section 112 (42 U.S.C. Section 7412) of the Federal Clean Air Act, with a potential to emit 10 tons per year, or more, of any hazardous air pollutant or 25 tons per year, or more, of any combination of hazardous air pollutants other than radionuclides, or such lesser quantity as the EPA may establish by rule. All fugitive emissions of hazardous air pollutants are included in determining the stationary source's potential to emit. For radionuclides, the definition of a major facility shall have the meaning specified by EPA by rule;
 - A stationary source with a potential to emit a regulated air pollutant in quantities equal to or exceeding any of the following thresholds:
 - a. 25 tons per year of nitrogen oxides;
 - b. 25 tons per year of volatile organic compounds; or
 - c. the major stationary source thresholds that are listed in Title I of the Federal Clean Air Act for nitrogen oxides or volatile organic compounds, the thresholds that are listed in 40 CFR Part 51 for carbon monoxide, or the thresholds that are listed in 40 CFR Part 52 for PM10 or sulfur dioxide which correspond to the nonattainment classification of the District.
 - 218.4 The fugitive emissions of a source shall not be considered in determining whether it is a major stationary source pursuant to Sections 218.1 or 218.3, unless the source belongs to one of the following categories of stationary sources:
 - 1. Coal cleaning plants (with thermal dryers);
 - 2. Kraft pulp mills;
 - 3. Portland cement plants;
 - 4. Primary zinc smelters;
 - 5. Iron and steel mills;
 - 6. Primary aluminum ore reduction plants:
 - 7. Primary copper smelters;
 - 8. Municipal incinerators capable of charging more than 250 tons of refuse per day:
 - 9. Hydrofluoric, sulfuric, or nitric acid plant;
 - 10. Petroleum refineries;
 - 11. Lime plants;
 - 12. Phosphate rock processing plants;
 - 13. Coke oven batteries;
 - 14. Sulfur recovery plants;
 - 15. Carbon black plants (furnace process);
 - 16. Primary lead smelters:
 - 17. Fuel conversion plants;
 - 18. Sintering plants;
 - 19. Secondary metal production plants:
 - 20. Chemical process plants The term chemical processing plant shall not include ethanol production facilities that produce ethanol by natural fermentation included in NAICS codes 325193 or 312140;
 - 21. Fossil-fuel boilers (or combination thereof) totaling more than 250 million British thermal units per hour heat input;
 - 22. Petroleum storage and transfer units with a total storage capacity exceeding 300,000 barrels;

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- 23. Taconite ore processing plants;
- 24. Glass fiber processing plants;
- 25. Charcoal production plants;
- 26. Fossil-fuel-fired steam electric plants of more than 250 million British thermal units per hour heat input; or
- 27. All other stationary source categories regulated by a standard promulgated under Section 111 or 112 (42 U.S.C. Section 7411 of 7412) of the Federal Clean Air Act, but only with respect to those air pollutants that have been regulated for that category.
- 219 **MINOR TITLE V PERMIT MODIFICATION:** A modification to a federally enforceable condition in a Title V permit to operate which:
 - 219.1 Is not a significant Title V permit modification;
 - 219.2 Is not an administrative Title V permit amendment; and
 - 219.3 Does not violate any applicable requirements which are federally enforceable.
- 220 **NESHAP:** National Emissions Standards for Hazardous Air Pollutants (40 CFR Part 61).
- 221 **NON-FEDERALLY ENFORCEABLE CONDITION:** A condition not subject to enforcement actions by EPA.
- **OWNER OR OPERATOR:** Any person who owns, leases, operates, controls, or supervises a stationary source.
- PERMIT MODIFICATION: Any revision to a Title V permit that cannot be accomplished under provisions for administrative Title V permit amendments pursuant to Section 409. A Title V permit modification for the purpose of the acid rain portion of the Title V permit shall be governed by 40 CFR Part 72 regulations promulgated under Title IV of the Federal Clean Air Act.
- 224 **PHASE II ACID RAIN FACILITY:** A facility that includes any affected unit listed in 40 CFR Part 72.6 that is subject to the Acid Rain Program.
- POTENTIAL TO EMIT: The maximum physical and operational design capacity to emit a pollutant during each calendar year. Limitations on the physical or operational design capacity, including emissions control devices and limitations on hours of operation, may be considered only if such limitations are federally enforceable or legally and practicably enforceable by the District.
- 226 **PRECONSTRUCTION PERMIT:** A permit authorizing construction of an emissions unit and includes the following:
 - 226.1 A preconstruction permit issued pursuant to Rule 203, PREVENTION OF SIGNIFICANT DETERIORATION; or
 - 226.2 An Authority to Construct permit issued pursuant to Rule 201, GENERAL PERMIT REQUIREMENTS and the District's new source review rule in the State Implementation Plan.
- 227 **PROPOSED TITLE V PERMIT:** The version of the Title V permit that the Air Pollution Control Officer proposes to issue and forwards to the EPA for review pursuant to Section 404.
- 228 **REGULATED AIR POLLUTANT:** Any of the following air pollutants:
 - 228.1 Any pollutant for which a national ambient air quality standard has been promulgated under Title I of the Federal Clean Air Act, including nitrogen oxides and volatile organic compounds as precursors to ozone;
 - Any pollutant that is regulated under any standard promulgated under Section 111(42 U.S.C. Section 7411) of the Federal Clean Air Act, including New Source Performance Standards in 40 CFR Part 60:

- 228.3 Any Class I or II substance subject to a standard promulgated under or established by Title VI of the Federal Clean Air Act;
- 228.4 Any pollutants regulated under Section 112 (42 U.S.C. Section 7412) of the Federal Clean Air Act, including Sections 112(g), 112(j), and 112(r) (42 U.S.C. Sections 7412(g), 7412(j), and 7412(r) of the Federal Clean Air Act, including the following:
 - a. Any pollutant subject to requirements under Section 112(j) (42 U.S.C. Section 7412(j) of the Federal Clean Air Act If EPA fails to promulgate a standard by the date established pursuant to Section 112(e) (42 U.S.C. Section 7412(j) of the Federal Clean Air Act, any pollutant for which a source would be major shall be considered to be a regulated air pollutant on the date 18 months after the applicable date established pursuant to Section 112(e) (42 U.S.C. Section 7412(e) of the Federal Clean Air Act; and
 - b. Any pollutant for which the requirements of Section 112(g)(2) (42 U.S.C. Section 7412(g)(2) of the Federal Clean Air Act have been met, but only with respect to individual sources subject to Section 112(g)(2) (U.S.C. Section 7412(g)(2) of the Federal Clean Air Act requirements.
- 229 **RESPONSIBLE OFFICIAL:** For the purpose of this rule, a responsible official shall mean one of the following:
 - 229.1 For a corporation: a president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation, or a duly authorized representative of such person if the representative is responsible for the overall operation of one or more manufacturing, production, or operating facilities applying for or subject to a Title V permit and either:
 - The facilities employ more than 250 persons or have gross annual sales or expenditures exceeding \$25 million (in second quarter 1980 dollars); or
 - b. The delegation of authority to such representatives is approved in advance by the Air Pollution Control Officer;
 - 229.2 For a partnership or sole proprietorship: a general partner or the proprietor, respectively;
 - 229.3 For a municipality, state, federal, or other public agency: either a principal executive officer or ranking elected official. For the purposes of this rule, a principal executive officer of a federal agency includes the chief executive officer having responsibility for the overall operations of a principal geographic unit of the agency (e.g., a Regional Administrator of EPA); or
 - 229.4 For phase II acid rain facilities subject to Title IV requirements:
 - a. The designated representative in so far as actions, standards, requirements, or prohibitions under Title IV of the Federal Clean Air Act or the regulations promulgated thereunder are concerned; and
 - b. The designated representative for any other purposes under 40 CFR Part 70 regulations.
- 230 **SCHEDULE OF COMPLIANCE:** A schedule of remedial measures, including an enforceable sequence of actions or operations, leading to compliance with an applicable implementation plan, emission standard, emission limitation, or emission prohibition.
- 231 **SEVERABILITY CLAUSE:** A statement in the Title V permit that, in the case of a challenge to any part of the Title V permit, the remaining parts of the Title V permit will remain valid.
- 232 **SIGNIFICANT TITLE V PERMIT MODIFICATION:** A modification to a federally enforceable condition in the Title V permit which:
 - 232.1 Involves any modification under Section 112(g) of Title I (42 U.S.C. Section 412(g) of the Federal Clean Air Act, or under EPA regulations promulgated pursuant to Title I of the Federal Clean Air Act, including 40 CFR Part 51, 52, 60, 61, and 63;

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- 232.2 Involves relaxation or significant change to existing monitoring, reporting or recordkeeping requirements in the Title V permit;
- 232.3 Involves case-by-case determination of an emission limit or other standard;
- 232.4 Involves a stationary source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis;
- 232.5 Attempts to set or change a Title V permit term or condition which allows a source to avoid an applicable federal requirement including:
 - a. A federally enforceable emission cap pursuant to Title I of the Federal Clean Air Act; or
 - b. An alternative HAP emission limit pursuant to Section 112(i)(5) (Section 42 U.S.C. Section 7412(j)(5) of the Federal Clean Air Act;
- 232.6 Involves a modification to a major stationary source which results in an increase in the potential to emit greater than: 25 tons per year of nitrogen oxides or 25 tons per year of volatile organic compounds when aggregated with all other increases in potential to emit over the period of five consecutive years before the application for modification, and including the calendar year of the most recent application; or 40 tons per year of sulfur dioxide, 100 tons per year of carbon monoxide, 15 tons per year of PM10, or 10 tons per year of PM2.5; or
- 232.7 Involves a modification to a major stationary source which results in an increase in the potential to emit greater than the levels as defined in 40 CFR 52.21(b)(49).
- **STATIONARY SOURCE:** Any building, structure, facility, or emissions unit which emits or may emit any regulated air pollutant or HAP.
 - 233.1 Building, structure, facility, or emissions unit includes all pollutant emitting activities which:
 - a. Belong to the same industrial grouping, and
 - b. Are located on one property or on two or more contiguous properties, and
 - c. Are under the same or common ownership, operation, or control or which are owned or operated by entities which are under common control.
 - 233.2 Pollutant emitting activities shall be considered as part of the same industrial grouping if:
 - They belong to the same two-digit standard industrial classification code, or
 - b. They are part of a common production process (Common production process includes industrial processes, manufacturing processes and any connected processes involving a common material).
 - 233.3 The emissions from loading and unloading of cargo carriers at the stationary source shall be considered emissions from the stationary source.
 - The emissions related to the cargo carriers will not be included when determining the applicability of the requirements of Section 101.
- SUBJECT SOLID WASTE INCINERATOR FACILITY: Any source that burns solid waste material (except sources required to have a permit under Section 3005 of the Solid Waste Disposal Act) from commercial, industrial or general public sources for which a NSPS has been promulgated.
- 235 **TITLE V PERMIT:** A permit issued, renewed, amended, or revised pursuant to Rule 207, TITLE V FEDERAL OPERATING PERMIT PROGRAM.
- 236 **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY (EPA):** The Administrator or appropriate delegee of the United States Environmental Protection Agency.
- VOLATILE ORGANIC COMPOUND (VOC): For the purposes of this rule, "volatile organic compound" has the same meaning as in Rule 101—GENERAL PROVISIONS AND DEFINITIONS.

VOLUNTARY EMISSIONS CAP: An optional federally enforceable emissions limit on one or more emissions unit(s) which a source assumes in order to avoid an applicable federal requirement. The source remains subject to all other applicable federal requirements.

300 STANDARDS

301 TIMING FOR SUBMITTAL OF A COMPLETE TITLE V PERMIT APPLICATION:

- 301.1 Application Submittal for New Stationary Sources: The owner or operator of a new stationary source which becomes subject to the requirements of this rule shall submit to the Air Pollution Control Officer a complete Title V permit application for a Title V permit to operate within 12 months of commencing operation.
- Application Submittal for Modified Stationary Sources: The owner or operator of an existing stationary source which becomes subject to the requirements of this Rule because of modifications to its operation shall submit to the Air Pollution Control Officer a complete Title V permit application for a Title V permit to operate within 12 months of commencing modified operation.
- 301.3 **Application Submittal for Renewal:** The owner or operator of a stationary source shall submit to the Air Pollution Control Officer a complete Title V permit application for renewal no later than 12 months prior to the expiration date of the Title V permit.
- 301.4 **Application Submittal for Acid Rain Facilities:** The owner or operator of an Acid Rain Facility shall additionally submit to the Air Pollution Control Officer a standard acid rain permit application and forms required by 40 CFR Part 72.
- 301.5 Application Submittal for Minor Title V Permit Modifications: The owner or operator of a the stationary source shall submit to the Air Pollution Control Officer a complete Title V permit application for minor Title V permit modification. The application shall be submitted after receiving any required preconstruction permit from the District and before commencing operation associated with the Minor Title V permit modification.
- 301.6 Application Submittal for Significant Title V Permit Modifications: The owner or operator of a stationary source shall submit to the Air Pollution Control Officer a complete Title V permit application for Significant Title V permit modification. The application shall not be submitted prior to receiving any required preconstruction permit from the District but no later than 12 months after commencing an operation associated with the Significant Title V permit modification. Where an existing federally enforceable Title V permit condition would prohibit such change in operation or the stationary source is not required to obtain a preconstruction permit, the owner or operator must obtain a Title V permit modification before commencing operation.
- 301.7 **Application Submittal for Acid Rain Permit Modification:** A permit modification of the acid rain portion of the Title V permit shall be governed by regulations promulgated pursuant to Title IV of the Federal Clean Air Act.
- 301.8 Application Submittal for Existing Stationary Sources that Become Subject to the Requirements of this Rule: The owner or operator of a stationary source that becomes subject to this Rule, because of a change in a federally enforceable permit term or condition, or because of EPA or District rulemaking shall submit to the Air Pollution Control Officer a complete Title V permit application within 12 months of the date of becoming subject to this Rule.

302 CORRECTING AND UPDATING OF A TITLE V PERMIT APPLICATION:

- 302.1 The applicant shall submit to the Air Pollution Control Officer timely updates to the Title V application as new requirements become applicable to the source.
- 302.2 The applicant shall submit to the Air Pollution Control Officer any additional information necessary to correct any incorrect information in the Title V permit application upon becoming aware of such incorrect submittal or if the applicant is notified by the Air Pollution Control Officer of such incorrect submittal.
- 302.3 The applicant shall submit to the Air Pollution Control Officer any additional information relating to the Title V application within 30 days if such information is requested in writing by the Air Pollution Control Officer.

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303 TITLE V APPLICATION SHIELD:

- 303.1 No stationary source may operate after the time that it is required to submit a timely and complete Title V application except in compliance with a Title V permit issued pursuant to this rule. Prior to final permitting action, an existing major stationary source shall not be in violation and shall not be subject to enforcement action for operating without a Title V permit to operate if the stationary source has complied with all of the following requirements:
 - a. The applicant has submitted to the Air Pollution Control Officer a complete
 Title V permit application in a timely manner required pursuant to Section
 301:
 - b. The applicant continues to submit to the Air Pollution Control Officer timely updates to the Title V permit application required pursuant to Section 302.1:
 - c. The applicant submits to the Air Pollution Control Officer any additional information required pursuant to Sections 302.2 and 302.3; and
 - d. The Title V permit has not been canceled, suspended or terminated.
- 303.2 Title V permit expiration terminates the stationary source's right to operate unless a timely and complete Title V permit application for renewal has been submitted and the stationary source complies with subsections 303.1a, b, c, and d. The Title V permit will not expire until the Title V permit renewal has been issued or denied.
- 304 **CERTIFICATION REQUIREMENTS:** Any Title V application form, report, or compliance certification submitted pursuant to these regulations shall contain certification by a responsible official. The certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.
- 305 **TITLE V PERMIT CONTENT:** A Title V permit shall contain all of the following information and provisions:
 - 305.1 **Standard Permit Requirements**:
 - a. **Emission Limitations and Standards:** The Title V permit shall include all operational requirements and limitations that assure compliance with all applicable federal requirements. The fugitive emissions shall be included in the Title V permit in the same manner as stack emissions.
 - b. **Alternative Operating Scenarios**: The Title V permit shall include conditions specifying compliance provisions for alternative operating scenarios pursuant to Section 308.1 if the responsible official identifies more than one operating scenario.
 - c. Referencing of Origin and Authority for Each Title V Permit Condition: The Title V permit shall specify and reference the origin of and authority for each term or condition, and identify any difference in form as compared to the applicable federal requirement upon which the term or condition is based.
 - d. Listing of Conflicting Requirements: The Title V permit shall state that, where an applicable federal requirement of the Federal Clean Air Act is more stringent than an applicable federal requirement of regulations promulgated under Title IV of the Federal Clean Air Act, both provisions shall be incorporated into the Title V permit and shall be enforceable by the EPA.
 - e. **Title V Permit Duration:** The duration shall be specified pursuant to Section 306.
 - f. **Monitoring Requirements:** The Title V permit shall contain conditions addressing the following requirements:
 - All emissions monitoring and analysis procedures or test methods required under the applicable requirements, including any procedures and test methods promulgated pursuant to Sections

- 114(a)(3) or 504(b) (42 U.S.C. Sections 7414(a)(3) or 7661c(b) of the Federal Clean Air Act.
- 2. Where an applicable requirement does not require periodic testing or instrumental or noninstrumental monitoring (which may consist of recordkeeping designed to serve as monitoring), periodic monitoring sufficient to yield reliable data from the relevant time period that are representative of the source's compliance with the Title V permit as reported pursuant to Section 305.1(g) and Section 501. Such monitoring requirements shall assure the use of terms, test methods, averaging periods, and other statistical conventions consistent with the applicable requirements;
- As necessary, requirements concerning the use, maintenance, and where appropriate, installation of monitoring equipment or methods; and
- 4. Compliance certification, testing, monitoring, reporting, and recordkeeping requirements sufficient to assure compliance with the terms and conditions of the Title V permit.
- g. **Recordkeeping Requirements:** The Title V permit shall including conditions for any applicable recordkeeping requirements including those specified in Section 502.
- h. **Reporting Requirements:** The Title V permit shall include conditions for any applicable reporting requirements including those specified in Section 501.
- i. **Title IV Sources:** A permit condition prohibiting emissions exceeding any allowances that the source lawfully holds under Title IV of the Federal Clean Air Act or the regulations promulgated thereunder which includes the following:
 - No Title V permit revision shall be required for increases in emissions that are authorized by allowances acquired pursuant to the acid rain program, provided that such increases do not require a Title V permit revision under any other applicable requirement;
 - 2. No limit shall be placed on the number of allowances held by the stationary source. The stationary source may not, however, use allowances as a defense to noncompliance with any other applicable requirement; and
 - Any such allowances shall be accounted for according to the procedures established in regulations promulgated under Title IV of the Federal Clean Air Act.
- j. Severability: A severability clause
- k. Permit Compliance Provisions: A provision in the Title V permit stating the following:
 - 1. The permittee must comply with all conditions of the Title V permit.
 - It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the Title V permit.
 - 3. The Title V permit may be modified, revoked, reopened, and reissued, or terminated for cause.
 - 4. The permittee shall furnish to the Air Pollution Control Officer, within a reasonable time, any information that the Air Pollution Control Officer may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit pursuant to Section 411 or to determine compliance with the Title V permit. Upon request, the permittee shall also furnish to the Air Pollution Control Officer copies of records required to be kept by the Title V permit conditions or, for information claimed to be confidential, the permittee may furnish such records directly to the EPA along with a claim of confidentiality.

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- Noncompliance with any Title V permit condition is grounds for Title V permit termination, revocation and reissuance, modification, enforcement action, or denial of the Title V permit renewal application. Any violation of the Title V permit shall also be a violation of Rule 207.
- 6. A pending Title V permit action or notification or anticipated noncompliance does not stay any permit condition.
- 7. The Title V permit does not convey any property rights of any sort, or any exclusive privilege.
- 8. The Title V permit shall prohibit emissions exceeding any allowances that the stationary source lawfully holds under Title IV of the Federal Clean Air Act or the regulations promulgated thereunder.
- 305.2 **Enforceability of Title V Permit Conditions:** The Air Pollution Control Officer shall specify in Title V permits all conditions which are federally enforceable.
- 305.3 **Inspection and Entry Requirements:** A provision for inspection and entry requirements pursuant to Section 413.1.
- 305.4 **Schedule of Compliance:** A provision for submitting a schedule of compliance pursuant to Section 413.2.
- 305.5 **Progress Reports:** A provision for submitting progress reports pursuant to Section 413.3.
- 305.6 **Compliance Certification:** A provision for compliance certification pursuant to Section 413.4.
- 305.7 **Payment of Fees:** A Title V permit shall contain a condition requiring the stationary source to pay appropriate fees in accordance with Rule 301, PERMIT FEES STATIONARY SOURCE. The condition shall require that the Title V permit shall be revoked if fees are not paid.
- TITLE V PERMIT TERM: A Title V permit shall have a 5-year fixed term from the date of issuance. The Title V permit shall have a new 5-year fixed term from the date of final action on reopening if the responsible official chooses to submit to the District a complete Title V application for renewal upon reopening of the Title V permit pursuant to Sections 411 or 412 and the Title V permit is renewed according to the administrative procedures listed in Sections 401 through 408.

307 TITLE V PERMIT SHIELD:

- 307.1 Except as provided in this Rule, the District may expressly provide in the Title V permit a provision stating that compliance with the conditions of the Title V permit shall be deemed compliance with any applicable requirements as of the date of the Title V permit issuance, provided that:
 - a. The Air Pollution Control Officer either:
 - Includes and specifically identifies such requirements in the Title V permit; or
 - Determines in acting on the Title V permit application or revision, in writing, that other requirements specifically identified are not applicable to the stationary source, and the Title V permit includes the determination or a concise summary thereof; and
 - b. The facility specifically requests a Title V permit shield and indicates the following:
 - 1. Specific process units for which a shield is sought;
 - 2. Reason that a Title V permit shield is sought; and
 - Proposed duration of the Title V permit shield.
- 307.2 The Title V permit must expressly state that a Title V permit shield exists. A Title V permit lacking such statement is presumed to have no shield. A shield shall not apply to changes under Section 502(b)(1) (42 U.S.C. Section 7661a(b)(1) of the Federal Clean Air Act, changes under Section 308.3 or any minor Title V permit modifications under Section 410.
- 307.3 The Title V permit shield shall not alter or affect any of the following:

- a. The provisions of Section 303 (42 U.S.C. Section 7603) of the Federal Clean Air Act, (Emergency Powers) including the authority of the EPA;
- b. The applicable requirements of the acid rain program, consistent with Section 408(a) (42 U.S.C. Section 7651g(a) of the Federal Clean Air Act;
- c. The liability of an owner or operator of a stationary source for any violation of regulatory requirements prior to, or at the time of, Title V permit issuance:
- The requirement of the stationary source to provide EPA with information if requested by EPA pursuant to Section 114 (42 U.S.C. Section 7414) of the Federal Clean Air Act;
- e. The applicability of state or District requirements that are not applicable federal requirements, at the time of Title V permit issuance but which apply to the stationary source, such as state laws concerning toxics;
- f. The applicability of any regulatory requirements that become applicable to the stationary source after the Title V permit issuance date; or
- g. The applicability of any regulatory requirements with compliance dates after the Title V permit issuance date.
- 307.4 A request for a Title V permit shield made outside an application for initial Title V permit or Title V permit renewal, shall be applied for as a significant Title V permit modification.
- OPERATIONAL FLEXIBILITY: The Air Pollution Control Officer shall allow changes in operation at the stationary source without requiring a Title V permit modification. Changes without a Title V permit modification are not allowed for minor Title V permit modifications or significant Title V permit modifications. This Section shall apply to:
 - 308.1 **Alternative Operating Scenarios:** The Air Pollution Control Officer shall allow the use of alternative operating scenarios provided that the terms and conditions applicable to each operating scenario are:
 - a. Identified by the applicant in the Title V permit application;
 - b. Approved by the Air Pollution Control Officer;
 - c. Specified in the Title V permit conditions; and
 - d. In compliance with all applicable District, state, and federal requirements including Rule 207, TITLE V FEDERAL OPERATING PERMIT PROGRAM.

The permittee shall maintain a contemporaneous log to record each change made from one operating scenario to another.

- 308.2 **Voluntary Emission Cap:** The Air Pollution Control Officer shall allow permit terms and conditions for emissions trading solely to meet a federally enforceable emissions cap independent of all other applicable federal requirements and District requirements within the stationary source if all existing emission limits and performance standards for emissions units and operations remain in effect, and the terms and conditions of the emissions cap are:
 - a. Identified by the applicant in the Title V permit application;
 - b. Approved by the Air Pollution Control Officer as terms and conditions that include replicable procedures that ensure trades are quantifiable and enforceable;
 - c. Specified in the Title V permit conditions; and
 - d. In compliance with all applicable District, State, and federal requirements.

Emissions trading shall not be allowed if it involves a significant Title V permit modification as defined pursuant to Section 232. The permittee shall provide a written notice to the Air Pollution Control Officer and EPA 30 days in advance for a change in operation that is allowed under Section 308.2. The notice shall describe the change in operation, identify the emissions unit which will be affected, the date on which the change will occur and the duration of the change, any change in emission of any air pollutant, whether regulated or not, and any new emissions of any air pollutant not emitted before the change, whether regulated or not and

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description of how the increases and decreases will comply with the terms of the Title V permit. The Air Pollution Control Officer shall not allow the emissions trade if one or more of the above conditions is not satisfied.

- 308.3 Contravening an Express Permit Condition: The owner or operator of a stationary source shall be allowed to make a change in operations that contravenes a Title V permit condition addressing an applicable federal requirement if the Air Pollution Control Officer receives written notice from the permittee at least 30 days before making the changes and if all of the following conditions are met:
 - a. The change does not cause or allow any exceedance of any emission limitation or emission standard which limits the quantity, rate, or concentration of emissions of regulated air pollutants on a continuous basis, including any requirement relating to the operation or maintenance of a facility or emission unit to assure continuous emission reduction and any design, equipment work practice or operational standard. The following changes are operational flexibility changes and may be made if they meet the requirements of Section 308. Example of such change includes but is not limited to the following:
 - 1. Change in the supplier of similar raw materials, fuels, or other coatings.
 - 2. Change in the sequence of the process.
 - 3. Change in the method of raw material addition.
 - 4. Change in the method for product packaging.
 - 5. Lengthening a paint drying oven to provide additional curing time.
 - b. The change is not a modification under any provision of the District's new source review rule in the State Implementation Plan, or Rule 203, PREVENTION OF SIGNIFICANT DETERIORATION or is not a significant Title V permit modification as defined in Section 232.
 - c. The change does not cause or allow any exceedance of any standard of performance that requires continuous emission reduction, including any requirement relating to the operation or maintenance of a facility or emission unit to assure continuous emission reduction.
 - d. The written notice is clearly marked as a request for operational flexibility under this Section and includes the following information:
 - 1. A description of the change.
 - 2. The date on which the change will occur and any change in emissions of any air pollutant.
 - 3. Any emissions of any pollutant not emitted before the change;
 - Any Title V permit term or conditions that will no longer be applicable.
 - e. The Air Pollution Control Officer does not provide the responsible official with a written denial of the request for operational change within 30 days of receipt of the request for operational change.
 - f. Such change does not violate applicable requirements or contravene federally enforceable permit terms and conditions that are monitoring (including test methods), recordkeeping, reporting, or compliance certification requirements.

The owner or operator shall not implement the proposed change if the Air Pollution Control Officer objects in writing to the proposal within the 30 day notice period. The notice period shall commence when the proposal is received by the Air Pollution Control Officer. The Air Pollution Control Officer shall object to the contravening of an express permit condition if any of the above conditions is not satisfied.

400 ADMINISTRATIVE REQUIREMENTS

The requirements of Sections 401 through 408 shall apply to initial Title V permits, Title V permit renewals, and minor and significant Title V permit modifications. No Title V permit, Title V permit modification, or renewal shall be issued until the requirements of Sections 305, 401, 403 (except for changes qualifying for minor Title V permit modification procedures), 404, and 405 are met. Modifications to the acid rain section of the Title V permit shall be governed by the 40 CFR Part 72 acid rain regulations or the EPA approved equivalent District regulations.

- 401 **COMPLETE APPLICATION:** The Air Pollution Control Officer shall determine whether the application is complete no later than 60 days after receipt of the application. If the Air Pollution Control Officer determines that the application is not complete, the applicant shall be notified in writing of the decision specifying the information required. Upon receipt of any re-submittal of the application, a new 60-day period to determine completeness shall begin. Completeness of an application or re-submitted application shall be evaluated pursuant to the requirements specified in the District's "LIST AND CRITERIA" which identifies information required of an applicant seeking a permit (authority) to construct or a permit to operate from the District. The Air Pollution Control Officer shall notify the applicant in writing of the decision on the application's completeness. If the Air Pollution Control Officer does not notify the applicant in writing within 60 days of application submittal that the application is incomplete, then the application shall be deemed complete.
- PRELIMINARY DECISION: Following acceptance of an application as complete, the Air Pollution Control Officer shall perform the evaluation required to determine compliance with all applicable federal requirements and make a preliminary written decision as to whether a Title V permit should be approved or denied.

403 PUBLICATION AND PUBLIC COMMENT, PRELIMINARY DECISION:

- 403.1 Within ten (10) calendar days following the preliminary decision, the Air Pollution Control Officer shall publish in at least one newspaper of general circulation in the District a notice stating the preliminary decision of the Air Pollution Control Officer, noting how the pertinent information can be obtained, and inviting written public comments. The notice shall also be given to persons on a mailing list developed by the District, including those who request in writing to be on the mailing list and by other means (such as the District's Website, community groups, public meeting) when necessary to ensure that adequate notice is given.
- 403.2 The notice shall identify all of the following:
 - a. The name and address of the affected stationary source;
 - b. The name and address of the permittee:
 - c. The name and address of the District:
 - d. The activity or activities involved in the permit action;
 - e. The emissions change involved in any Title V permit modification;
 - f. The name, address, and telephone number of a person from whom interested persons may obtain additional information, including copies of the draft Title V permit, the Title V permit application, and all relevant supporting materials. Information submitted by the source which contains trade secrets shall be handled in accordance with Section 6254.7 of the California Government Code, and with relevant sections of the Administrative Code of the State of California:
 - g. A brief description of the comment procedures; and
 - h. The time and place of any hearing that may be held, including a statement of procedures to request a hearing (unless a hearing has already been scheduled).
- 403.3 The Air Pollution Control Officer shall provide at least 30 days for public comment and shall give notice of any public hearing at least 30 days in advance of the hearing.
- 403.4 The Air Pollution Control Officer shall keep a record of the commenters and also of the issues raised during the public comment period. All public comments

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- received by the District during the public comment period shall be available to the public for review upon request.
- 403.5 The Air Pollution Control Officer shall provide a statement that sets the legal and factual basis for the draft Title V permit conditions (including references to the applicable statutory or regulatory provisions). The Air Pollution Control Officer shall send this statement to EPA and to any other person who requests it.

404 TRANSMITTING INFORMATION TO EPA:

404.1 The Air Pollution Control Officer shall transmit to EPA a copy of each Title V permit application or summary (including any Title V permit application for modification), each proposed Title V permit, and each final Title V permit, unless EPA waives this requirement for specified categories of sources.

405 **EPA OBJECTION**:

- 405.1 The Air Pollution Control Officer shall not issue the Title V permit if EPA objects in writing to its issuance within 45 days from receipt of the proposed Title V permit and all necessary supporting information.
- 405.2 If the Air Pollution Control Officer and the applicant do not receive a written objection from EPA within 45 days of the notice provided pursuant to Section 404.1, describing the terms and conditions that the Title V permit shall include to respond to EPA's objection, the Air Pollution Control Officer shall issue the Title V permit.
- 405.3 If the Air Pollution Control Officer receives a written objection from EPA, the Air Pollution Control Officer shall revise and submit a proposed Title V permit in response to EPA objection no later than 90 days from EPA's objection date.

406 **PUBLIC OBJECTION**:

- 406.1 If EPA does not object in writing under Section 405, any person may petition the EPA within 60 days after the expiration of the EPA's 45-day review period to make such objection.
- 406.2 Any such petition shall be based only on objections to the Title V permit that were raised with reasonable specificity during the public comment period provided for in Section 403, unless the petitioner demonstrates that it was impracticable to raise such objections within such period, or that the grounds for such objection arose after the end of the review period.
- 406.3 If the Air Pollution Control Officer receives a written objection from EPA as a result of a petition filed under this Section, the Air Pollution Control Officer shall not issue the Title V permit until EPA's objection has been resolved, except that a petition for review does not stay the effectiveness of the Title V permit if the Title V permit was issued after the end of the 45-day review period and prior to an EPA objection.
- 406.4 If the Air Pollution Control Officer has issued the Title V permit prior to receiving a written objection from EPA pursuant to objections raised under this Section, the Title V permit may be reopened for cause by EPA pursuant to Section 412. If EPA notifies the Air Pollution Control Officer to modify, terminate, or revoke the Title V permit, the Air Pollution Control Officer shall revise the Title V permit and issue a revised Title V permit that satisfies EPA's objection. The Air Pollution Control Officer shall revise and submit a proposed Title V permit in response to EPA objection no later than 90 days from the EPA objection date.
- 406.5 In any case, the source will not be in violation of the requirement to have submitted a timely and complete Title V permit application.

407 FINAL ACTION ON TITLE V PERMITS:

- 407.1 **New Stationary Source:** The Air Pollution Control Officer shall take final action on the Title V permit application for a new stationary source within 18 months after receiving a complete application.
- 407.2 **Administrative Title V Permit Amendments:** The Air Pollution Control Officer shall take final action within 60 days after receiving a request for administrative Title V permit amendments.

- 407.3 **Minor Title V Permit Modifications:** The Air Pollution Control Officer shall take final action within 90 days after receiving a complete application for a minor Title V permit modification or 15 days after the end of EPA's 45-day review period, whichever is later.
- 407.4 **Significant Title V Permit Modifications:** The Air Pollution Control Officer shall take final action within 18 months after receiving a complete application for significant Title V permit modification.
- 407.5 **Phase II Acid Rain Sources:** The Air Pollution Control Officer shall take final action on a Title V application for a source subject to the acid rain program in accordance with the deadlines set forth in Title IV of the Federal Clean Air Act and the regulations promulgated thereunder.
- 407.6 **Title V Permit Renewal:** The Air Pollution Control Officer shall take final action within 12 months after receiving a complete application for Title V permit renewal.
- 407.7 Reopening of Title V Permit for Cause Due to a New Applicable Federal Requirement: The Air Pollution Control Officer shall take final action on a Title V permit reopened for cause because new requirements under the Federal Clean Air Act became applicable to the stationary source no later than 18 months after the promulgation of the applicable federal requirement.
- 407.8 **Modified Stationary Sources:** The Air Pollution Control Officer shall take final action on a Title V application from an existing stationary source which becomes subject to the requirements of this Rule because of modification to its operation within 18 months of receiving the complete Title V application.
- 407.9 Existing Stationary Sources that Become Subject to the Requirements of this Rule: The Air Pollution Control Officer shall take final action on a Title V application from an existing stationary source that becomes subject to this Rule, because of a change in a federally enforceable permit term or condition, or because of EPA or District rulemaking, within 18 months of receiving the complete Title V application.
- 408 **NOTIFICATION AND PUBLICATION OF FINAL ACTION:** The Air Pollution Control Officer shall provide written notice of the final action to the permittee and the EPA and shall publish such notice in a newspaper of general circulation in the District and shall make the notice and all supporting documents available for public inspection at the Air Pollution Control District's office.

409 **ADMINISTRATIVE TITLE V PERMIT AMENDMENTS:**

- 409.1 Within 60 days of receiving a written request for administrative Title V permit amendments, the Air Pollution Control Officer shall:
 - a. Take final action on the request incorporating the administrative amendments in the Title V permit without providing a notice to the public or affected states provided that the Air Pollution Control Officer designates any Title V permit revisions as having been made pursuant to this Section; or
 - b. Determine that the requested amendments do not meet the Administrative Title V permit amendments criterias and notify the applicant in writing.
- 409.2 The Air Pollution Control Officer shall submit a copy of the revised Title V permit to the applicant and EPA.
- 409.3 The stationary source may implement any such changes addressed in the request immediately upon submittal of the request.
- 410 **MINOR TITLE V PERMIT MODIFICATIONS:** The Air Pollution Control Officer shall take action on applications for minor Title V permit applications as follows:
 - 410.1 **EPA Notification:** Within 5 business days after receiving a complete application for modification, the Air Pollution Control Officer shall notify EPA in writing of the requested Title V permit modification.
 - 410.2 **EPA Review:** The Air Pollution Control Officer shall allow 45-days for EPA to review the Title V permit modification.

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- 410.3 **Final Action on Application for Minor Title V permit Modification:** Within 90 days after the Air Pollution Control Officer's receipt of the application for minor Title V permit modifications or 15 days after the end of the EPA's 45-day review period, whichever is later, the Air Pollution Control Officer shall:
 - a. Issue the Title V permit modification as proposed;
 - b. Deny the modification application and notify the applicant of reason for such action:
 - c. Determine that the requested modification does not meet the minor modification definition and review under the significant Title V permit modification procedures; or
 - Revise the draft Title V permit modification and send the revised version to EPA.
- 410.4 **Source Ability to Make Changes:** An applicant that has received the required preconstruction permit from the District may make the proposed changes at the stationary source as soon as the application for Title V minor permit modification has been filed with the Air Pollution Control Officer. After the applicant makes the changes allowed by the preceding sentence, and until the Air Pollution Control Officer takes final action on the application for minor Title V permit modification pursuant to Section 410.3, the stationary source must comply with both the applicable requirements governing the change and the terms and conditions of the preconstruction permit issued by the District. During this time period, the source need not comply with the existing Title V permit terms and conditions it seeks to modify. However if the stationary source fails to comply with the preconstruction permit issued by the District during this time period, the existing Title V permit terms and conditions it seeks to modify may be enforced against it.
- 411 **REOPENING OF TITLE V PERMIT FOR CAUSE:** The Air Pollution Control Officer shall reopen a Title V permit under the following circumstances:
 - 411.1 To include any new applicable federal requirements that become effective three years or more before the Title V permit renewal date;
 - 411.2 To include any new requirements that become applicable to acid rain sources under the acid rain program, such as nitrogen oxides requirements or excess emissions requirements:
 - 411.3 If the Air Pollution Control Officer or EPA determine that the Title V permit contains a material mistake or inaccurate statements were made in establishing the Title V permit conditions.
 - 411.4 If the Air Pollution Control Officer or EPA determine that the Title V permit must be revised or revoked to assure compliance with applicable federal requirements.

The Air Pollution Control Officer shall notify the permittee at least 30 days prior to reopening the Title V permit. Proceedings to reopen and reissue the Title V permit for cause shall be consistent with the administrative procedures listed in Sections 401 through 408 of this rule and shall affect only those parts of the Title V permit for which cause to reopen exists.

- 412 **REOPENING OF TITLE V PERMIT FOR CAUSE BY EPA:** If the Air Pollution Control Officer receives a written request from EPA to terminate, modify, or revoke and reissue a Title V permit, then:
 - 412.1 The Air Pollution Control Officer shall, within 90 days after receipt of a written notification from EPA to reopen the Title V permit, forward to EPA a proposed determination of modification, termination, or revocation and reissuance, as appropriate. The EPA may extend the 90 day-period for an additional 90 days if a new or revised Title V permit application is necessary or if the Air Pollution Control Officer must require the responsible official to submit additional information.
 - 412.2 If the Air Pollution Control Officer does not receive a written objection from EPA (or does not additionally revise the Title V permit because of public comments) within 90 days after the Air Pollution Control Officer has submitted the revised Title V permit to EPA pursuant to Section 412.1, the Air Pollution Control Officer shall issue the Title V permit as proposed.

- 412.3 If the Air Pollution Control Officer receives a written objection from EPA after submitting a response to EPA pursuant to Section 412.1, the Air Pollution Control Officer shall, within 90 days from the receipt of the EPA objection, resolve any objection that EPA makes and terminate, modify, or revoke and reissue the Title V permit in accordance with the EPA's objection.
- 412.4 If the Air Pollution Control Officer fails to submit a proposed determination pursuant to Section 412.1 or fails to resolve any objection pursuant to Section 412.3, EPA may terminate, modify, or revoke and reissue the Title V permit after taking the following actions:
 - a. Providing at least 30 days notice to the responsible official in writing of the reasons for any such action. This notice may be given during the procedures in Sections 412.1 through 412.4; and
 - b. Providing the permittee an opportunity for comment on the EPA's proposed action and an opportunity for a hearing.

The Air Pollution Control Officer shall comply with the notification requirements for the public and affected states listed in Sections 403 through 404.

- 413 **COMPLIANCE REQUIREMENTS:** A stationary source shall comply with all of the following:
 - 413.1 **Inspection and Entry Requirements:** Upon presentation of credentials and other documents as may be required by law, the permittee shall allow the Air Pollution Control Officer or an authorized representative to perform all of the following:
 - a. Enter upon the stationary source's premises where a Title V source is located or emissions related activity is conducted, or where records must be kept under the conditions of the Title V permit;
 - b. Have access to and copy, at reasonable times, any records that must be kept under the conditions of the Title V permit;
 - c. Inspect at reasonable times the stationary source, equipment (including monitoring and air pollution control equipment), practices, operations regulated or required under the Title V permit; and
 - d. As authorized by the Federal Clean Air Act, sample or monitor at reasonable times substances or parameters for the purpose of assuring compliance with the Title V permit conditions or applicable federal requirements.
 - 413.2. **Schedule of Compliance:** The compliance schedule shall contain a compliance plan that contains the following:
 - a. A description of the compliance status of the stationary source with respect to all applicable requirements.
 - b. A description as follows:
 - 1. For applicable requirements with which the source is in compliance, a statement that the source will continue to comply with such requirements.
 - 2. For applicable requirements that will become effective during the Title V permit term, a statement that the source will meet such requirements on a timely basis. A statement that the source will meet in a timely manner applicable requirements that become effective during the Title V permit term shall satisfy this provisions, unless a more detailed schedule is expressly required by the applicable requirements.
 - 3. For requirements for which the source is not in compliance at the time of the Title V permit issuance, a narrative description of how the source will achieve compliance with such requirements.
 - 4. A schedule of compliance for sources that are not in compliance with all applicable requirements at the time of Title V permit issuance. Such schedule shall include a schedule of remedial measures, including an enforceable sequence of actions with milestones, leading to compliance with any applicable

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requirements for which the source will be in noncompliance at the time of Title V permit issuance. This compliance schedule shall resemble and be at least as stringent as that contained in any judicial consent decree or administrative order to which the source is subject. Any such schedule of compliance shall be supplemental to, and shall not sanction noncompliance with, the applicable requirements on which it is based.

- c. A schedule for submission of certified progress reports no less frequently than every 6 months for sources required to have a schedule of compliance to remedy violations.
- d. The compliance plan content requirements specified in this paragraph shall apply and be included in the acid rain portion of a compliance plan for an affected source, except as specifically superseded by regulations promulgated under Title IV of the Federal Clean Air Act with regard to the schedule and method(s) the source will use to achieve compliance with the acid rain emissions limitations.
- 413.3 **Progress Reports:** The permittee shall submit to the Air Pollution Control Officer progress reports on any compliance schedule in the Title V permit at least every six months or more frequently if required by an applicable federal requirement. The progress reports must be certified by the responsible official consistent with Section 304 and shall contain all of the following:
 - a. Dates for achieving the activities, milestones, or compliance required in the schedule of compliance, and dates when such activities, milestones or compliance are achieved; and
 - b. An explanation of why any dates in the schedule of compliance were not or will not be met, and any preventive or corrective measures adopted.
- 413.4 **Compliance Certification:** The permittee shall submit to the Air Pollution Control Officer and EPA on an annual basis, unless required more frequently by additional applicable federal requirements such as Section 114(a)(3) and 504(b) (42 U.S.C. Sections 7414(a)(3) and 7661c(b) of the Federal Clean Air Act, a certification of compliance by a responsible official with all terms and conditions contained in the Title V permit, including emission limitations, standards, or work practices. The compliance certification shall include the following:
 - a. The identification of each term or condition of the Title V permit that is the basis of the certification;
 - The compliance status and whether compliance was continuous or intermittent;
 - c. The method(s) used for determining the compliance status of the source, currently and over the reporting period;
 - d. Such other facts as the Air Pollution Control Officer may require to determine the compliance status of the source; and
 - e. In accordance with Section 305, a method for monitoring the compliance of the stationary source with its emissions limitations, standards, and work practices.

500 REPORTING AND RECORDKEEPING

- 501 **REPORTING REQUIREMENTS:** The permittee must comply with the following:
 - The permittee must submit reports of any required monitoring at least every 6 months. All instances of deviations from Title V permit conditions must be clearly identified in such reports. All required reports must be certified by a responsible official consistent with Section 304 and submitted within 30 days after the end of the 6-month period.
 - 501.2 The permittee shall report within 24 hours of detection any deviations from the Title V permit conditions.

502 RECORDKEEPING REQUIREMENTS:

- 502.1 The permittee shall maintain on site, records of operation for all emissions units included in the Title V permit. The records shall contain all of the following information and shall be made available to the Air Pollution Control Officer and EPA for review upon request:
 - a. Monitoring Records:
 - 1. The date, place as defined in the Title V permit, and time of sampling or measurements;
 - 2. The date(s) analyses were performed;
 - 3. The company or entity that performed the analyses;
 - 4. The analytical techniques or methods used;
 - 5. The results of such analyses; and
 - 6. The operating conditions existing at the time of sampling or measurement.
- 502.2 Recordkeeping for process weight, fuel usage, and operating hours as specified in the Title V permit conditions.
- 502.3 **Retention of Records**: All required monitoring data and support information must be kept by the stationary source for a period of at least 5 years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records and all original strip-chart recording for continuous monitoring instrumentation, and copies of all reports required by the Title V permit.

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Meeting Date: August 28, 2025 Report Type: CONSENT CALENDAR

Report ID: 2025-08-07



Title: Contract Amendment with Fluxx Labs Inc. for Clean Cars 4 All Program and Charlene McGhee Memorial Lawn and Garden Program

Recommendation: Authorize the Executive Director to amend the contract with Fluxx Labs, Inc. (Fluxx) to: 1) increase the contract amount by \$200,000 for a new not-to-exceed amount of \$550,000, 2) extend the contract until December 31, 2028, 3) update the scope, and 4) in consultation with the District Counsel, make minor revision so long as the action is consistent with the purpose of the contract and does not increase the maximum amount authorized by the Board.

Rationale for Recommendation: The District currently uses Fluxx data management software to administer the Clean Cars 4 All (CC4A) Program under a contract that expires December 31, 2026. This amendment would extend the contract to December 31, 2028 and incorporate support for the Charlene McGhee Memorial Lawn and Garden (L&G) Program into the same system. Adding the L&G Program will enable both voucher programs to be managed through a single, proven platform, streamlining document processing, application reviews, approvals, and participant communications.

As the CC4A and L&G programs continue to expand, robust data management capabilities are critical for efficient and accurate program administration. Fluxx has been an effective tool for CC4A, and the proposed scope update will enhance its functionality to meet the District's evolving needs. Under the District's Purchasing Policies, Board approval is required for non-incentive contracts exceeding \$200,000; therefore, this amendment requires Board authorization.

Contact: Cindy Mahon, Program Supervisor, Transportation and Climate Change, (916) 207-3457

Presentation: No

Approvals/Acknowledgements

Executive Director or Designee: Alberto Ayala, Report Approved 8/21/2025

District Counsel or Designee: Kathrine Pittard, Approved as to Form 8/20/2025

Discussion / Justification: The District's contract with Fluxx is a sole-source agreement. For more than five years, the Fluxx data management system has supported the efficient and effective administration of the CC4A Program. Transitioning to a different system would be costly, resource-intensive, and disruptive to program operations.

The CC4 Program provides income-qualified residents in SB535 communities within Sacramento County the opportunity to retire an older, high-polluting vehicle and receive up to \$12,000 toward the purchase of a plug-in hybrid or battery-electric vehicle. Since launching in summer 2020, the program has helped more than 1,300 participants purchase or lease clean technology vehicles.

The L&G Program offers businesses, public agencies, and community organizations incentives to replace gaspowered lawn and garden equipment with battery-electric alternatives. Since its launch in April 2024, the program has replaced more than 900 pieces of polluting equipment in Sacramento County and is preparing to expand into residential lawn sector.

Fluxx software is a crucial part of the application and award process for both programs, enabling District staff and case managers to track, review, and process applications efficiently from start to finish. Incorporating the L&G Program into the existing Fluxx system will allow the District to manage both initiatives on a single, proven

platform, improving consistency, streamlining operations, and supporting the continued growth of these programs.

Summary of Plan / Rule / Amendment: The District is looking to integrate the L&G Program into the Fluxx grant management software and extend the contract agreement with Fluxx until December 31, 2028. This amendment will include services for both the CC4A and L&G programs. Additionally, the District is seeking to increase the contract amount by \$200,000, resulting in a new not-to-exceed amount of \$550,000.

Financial Considerations: This amendment will increase the contract amount by \$200,000 for the additional two-year term, resulting in a new not-to-exceed amount of \$550,000. This amount will go towards onboarding, subscription, and advanced services fees associated with both the CC4A and L&G programs.

The Fiscal Year 2025/26 incremental expenditures for the L&G Program are approximately \$52,000. While this amount was not specifically included in the FY 2025/26 approved budget, it will be offset by the Carl Moyer grant administrative funding. The incremental administrative funding is available from the Carl Moyer grant and will be used to offset the L&G Fluxx expenditures in the General Fund, resulting in a net zero impact to the expenditures budget. All other expenditures related to the Fluxx software program for CC4A are included in the FY 2025/26 approved budget.

Continuation of the contract beyond the current fiscal year will be subject to the availability of sufficient funds in the budget adopted for the applicable fiscal year.

Meeting Date: August 28, 2025

Report Type: DISCUSSION CALENDAR

Report ID: 2025-08-08



Title: Supplemental Environmental Projects Program Update

Recommendation: Receive and file a presentation on the Supplemental Environmental Projects Program.

Rationale for Recommendation: The Supplemental Environmental Projects Program allows a portion of a penalty assessed from an air quality violation to be used toward an environmentally beneficial project. This presentation will provide Board members with an update on supplemental environmental projects funded from a previous program solicitation and review projects selected from the District's most recent solicitation. These projects help provide funding to communities most in need and have a direct connection to areas the District supports through the AB 617 Community Air Protection Program.

Contact: Angela Thompson, Compliance Program Manager, Engineering and Compliance Division, (279) 207-1165

Presentation: Yes

Approvals/Acknowledgements

Executive Director or Designee: Alberto Ayala, Report Approved 8/21/2025

District Counsel or Designee: Kathrine Pittard, Approved as to Form 8/21/2025

Discussion / Justification: The District enforces air quality regulations and issues Notices of Violation when an air quality violation is observed. Typically, once a violator has come back into compliance, the District issues a monetary penalty that must be paid to fully settle the violation. Per California Health and Safety Code, the District must allow, at the discretion of the violator, for a portion of the penalty to be put toward an environmentally beneficial project known as a Supplemental Environmental Project or SEP.

The District created a SEP Program that would put funds and projects into certain communities that would benefit from these projects the most in two strategic ways: (1) Project applications can only be submitted by non-profits, educational institutions, and tribes and (2): projects must be implemented in designated AB 617 communities or in regions ranking medium-high to high in the Sacramento Municiple Utility District's Sustainable Communities Resource Priorities Map. These criteria ensure the funding and project work has a direct connection to communities most deserving.

Supplemental Environmental Projects Program Update

Sac Metro Air District Board Meeting August 28, 2025

Presenter: Angela Thompson Program Manager



Supplemental Environmental Project (SEP) Basics



- California law requires SEPs be an element in air quality enforcement programs
- Violators can choose to fund a SEP with up to 50% of the penalty amount
- District solicits projects from non-profits, community groups, public agencies etc.
- SEPs directly benefit public health, air quality and the environment
- District reviews, ranks and approves all projects
- SEP funding is limited



Demonstrating our Commitment to the Community





- Prioritize Projects that Support Communities most impacted by Air Pollution
- Resources go to where they are most needed and have the greatest impact
- Complimenting our AB 617
 Community Air Protection
 Program work

Completed Project: Mid Town Association





- Replaced two gas-powered trucks with zero-emission electric vehicles
- Swapped out a gas-powered generator for a solar-powered unit at Midtown Farmers Markets
- Installed 24 custom purple bike racks across six Midtown locations
- Added 28 large drought-resistant planters along the Alhambra Corridor
- Created a more pedestrian-friendly, sustainable public space

Completed Project: Sac 350 Air Filtration Project



- Project focused on community education and wildfire smoke protection for residents in South Sacramento
- Created education materials on air quality and pollution impacts
- Hosted DIY air filter workshops to assemble low-cost air filtrations systems
- Served 600 families and assisted them in improving their indoor air quality







In Progress Project: Mutual Assistance Network



- Together Outdoors Project at Firehouse
 Community Center in Del Paso Heights
- Reducing urban heat island effects and improving climate resilience:
 - Replacing asphalt with California native and drought-tolerant landscaping
 - Creating a welcoming green space for outdoor recreation and education
 - Improving environmental quality for residents in underserved area
- Completion expected Winter 2025



Latest SEP Solicitation



- Latest SEP solicitation closed in May 2025
- Solicitation emphasized communitydefined needs
- Received a great list of new project proposals
- Two community-focused projects selected for funding
- Projects prioritized to align with our AB 617 community goals and strategies

SEP Funding Available \$518,000

New Project: South Sac Tree Alliance









- Sacramento Tree Foundation partnering with United Latinos
- Project connects tree planting efforts with green workforce pathways and civic engagement
- Aligned with the Franklin Boulevard Complete Streets project and our AB 617 Community Emission Reduction Plan strategies
- Project Goals:
 - Plant 1,000 trees in South Sacramento neighborhoods
 - Host community tree planting and tree care events
 - Provide trees, shrubs, and planter boxes
 - Engage over 500 residents and businesses
 - Provide bilingual outreach and education

New Project: Sacramento Community EV-olution Campaign





- Focused on inclusive electric mobility and promote community uplift
- Highlight cost-saving electrification opportunities
- Leverage partnerships with local organization and faith-based groups
- Project Goals
 - Deliver 4 gatherings and 3-6 listening sessions
 - Provide education on electric mobility and electrification tailored to community needs
 - Engage the community and reduce barriers to participation

Program Highlights and Moving Forward



THEN: Successfully funded three community projects through the SEP program

NOW: Two newly funded projects will directly benefit our AB 617 communities

FUTURE: Projects on waiting list ready for future SEP funding





Thank You

Meeting Date: August 28, 2025

Report Type: DISCUSSION CALENDAR

Report ID: 2025-08-09



Title: Community Air Protection – New Portable Lab Air Monitoring Campaign

Recommendation: Receive an update on a new air monitoring campaign using our mobile laboratory starting soon in the South Sacramento-Florin community under the AB 617 Community Air Protection Program.

Rationale for Recommendation: The AB 617 South Sacramento Florin Steering Committee elected to move the portable air monitoring laboratory previously located at the Fern Bacon Middle School location in the South Sacramento-Florin community to an area in the expanded 2024 AB 617 community boundaries.

Contact: Janice Lam Snyder, Director of Community Air Protection, (916) 491-0929

Presentation: Yes

Approvals/Acknowledgements

Executive Director or Designee: Alberto Ayala, Report Approved 8/21/2025

District Counsel or Designee: Kathrine Pittard, Approved as to Form 8/20/2025

Discussion / Justification:

Since the launch of the Assembly Bill (AB) 617 Community Air Protection Program in 2018, the District has partnered with the South Sacramento–Florin Steering Committee to develop and implement a Community Air Monitoring Plan (CAMP). The CAMP included three phases:

- Phase 1: Deployment of portable sensors to monitor particulate matter
- Phase 2: Collection and analysis of volatile organic compounds (VOCs), toxic metals, and black carbon
- Phase 3: Use of professional-grade equipment in a portable air monitoring lab

From April 2023 to March 2025, the portable lab was stationed at Fern Bacon Middle School in the South Sacramento Florin community, where it monitored ozone, nitrogen dioxide, particulate matter, toxics, black carbon and meteorological conditions.

In 2024, the South Sacramento–Florin Steering Committee voted to expand its community air monitoring boundaries and to relocate the portable lab. The steering committee collaborated with the District to identify potential new sites including another school location, community center, locations with a high concentration of trucks, and later an alternative site near the Sacramento City Corporation Yard.

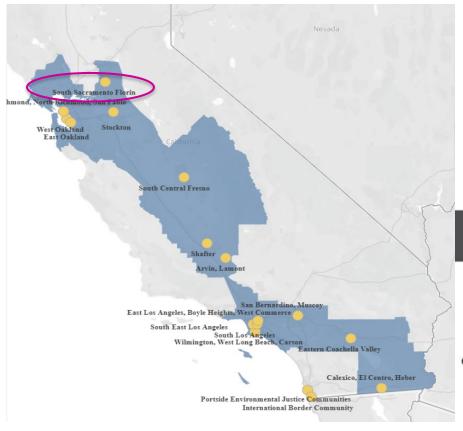
Next Phase of our Community Air Protection (AB617) New Portable Lab Air Monitoring Campaign Update

August 28, 2025

Levi Ford
Program Supervisor – Air Monitoring Section



Assembly Bill 617 (AB 617) – Community Air Protection



- Focus on community-level issues
- Bring strategies and funding to reduce localized emissions
- ▶ 19 communities were selected to develop plans

AB 617 ELEMENTS • Focus on Community Action



Community emissions reduction programs



Accelerated retrofit of pollution controls on industrial facilities



Community-level air quality monitoring



Enhanced emissions reporting



penalty provisions



Grants to local community groups

Community Air Monitoring Plan







South-Sacramento – Florin Community Air Monitoring Plan Arth Avenue 1/2 Mack Read 1/4 In Partnership with:

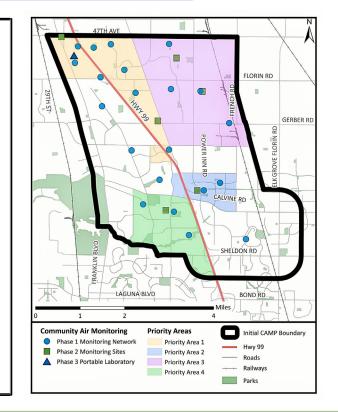
The South Sacramento - Florin Steering Committee

Sacramento Metropolitan Air Quality Management District

Prepared by:

July 1, 2020

Sacramento, California



Monitoring Implementation



Phase I July 2019 - Present

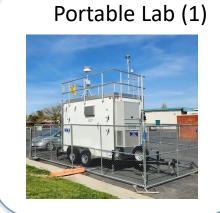
Phase II

August 2020 – November 2021

Phase III
April 2023 – March 2025

Particle Sensors (22)





Fern Bacon Middle Schoo



Portable Lab Debut: April 29, 2023



- Particulate Matter (PM_{2.5} and PM₁₀)
- Black carbon
- Air toxics
- Ozone
- Nitrogen oxides
- Meteorological conditions

Transition to CAMP & CERP Community (July 2024)





- Expanded community boundaries
- CSC discussed and suggested the relocation of the portable lab

New Portable Laboratory Location



North of Sac Executive Airport near the Sac City Corp Yard





Next Steps



- Contract with City of Sacramento
- Anticipated start date: Winter 2025
- Monitor for approximately 1 year
 - As resources are available
- Share data with the community





Questions?

Meeting Date: August 28, 2025

Report Type: DISCUSSION CALENDAR

Report ID: 2025-08-10



Title: 2025 Legislative Priorities and Budget Update by Arc Strategies

Recommendation: Receive and file a presentation on the California Governor's 2025-2026 Budget and the District's legislative efforts for 2025.

Rationale for Recommendation: The State of California preserves core climate and air quality investments while reallocating funds toward wildfire resilience, cap-and-trade, and CEQA-streamlined projects. A legislative update on the 2025-26 budget will keep the Board informed of the impacts on District funding, challenges, and opportunities.

Contact: Megan Shepard, Director of Administrative Services Division, 279-207-1143

Presentation: Yes

Approvals/Acknowledgements

Executive Director or Designee: Alberto Ayala, Report Approved 8/21/2025

District Counsel or Designee: Kathrine Pittard, Approved as to Form 8/20/2025

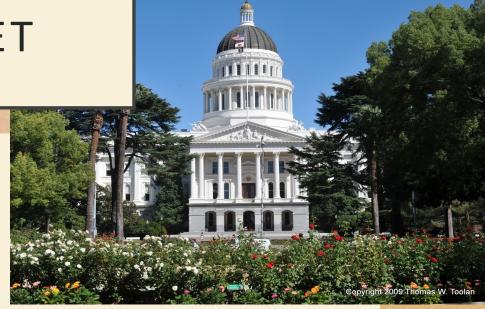
Discussion / Justification: Since 2018, the District has partnered with Arc Strategies, a full-service state advocacy firm, for legislative, regulatory, and budget-related advocacy and outreach. Their presentation to the Board will cover the following topics:

- 2025-26 State Budget Overview
- Air Quality & Wildfire Funding
- AB 617 Trailer Bill Language
- Clean Cars 4 All
- SB88 (Caballero) Biomass Utilization for Carbon Reduction Act



2025-26 STATE BUDGET

- \$321.1B in total spending
- \$15B in reserves:
 - \$11.2B in Rainy-Day Fund
- Deficit \$20B
 - Possibly higher next FY
 - \$6.5 billion bond funds from Prop 2 (Education Infrastructure) + Prop 4 (Climate bond)
- Does NOT account for federal cuts



2025-26 STATE BUDGET

Air Quality

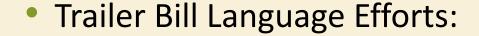
- \$132 million one-time from the Air Pollution Control Fund for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project
- \$2.3 million ongoing from the Air Pollution Control Fund to implement E15 Transportation Fuel Blend

2025-26 STATE BUDGET

Wildfires

- \$1.54B cost responsibility from GF to GGRF for CalFire
- \$31.5M for CalFire training center
- \$39M GF for Transition of Seasonal Firefighters to Permanent Firefighters in 2025-26 and \$78M General Fund in 2026-27
- A reversion of Home Hardening \$13M GF

AB 617



- Advocate for sustained funding for the implementation and incentive provisions for AB 617 CAP
- Working within the AB 617 Sacramento community
- Timing: September 12th

Clean Cars 4 All

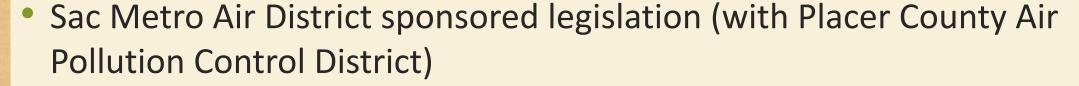
- Early action budget allocation
- Trailer bill language in the 2025–26 State budget:
 - Allows \$ to be allocated to disadvantaged communities
 - Unlocks unspent funds from prior years, allowing CARB to direct funds to districts with immediate need and efficiency
 - Provides flexibility to match funds
 - Transparency/accountability

Clean Cars 4 All



- Two Sac Metro Air District Priorities:
 - Fully implement the reallocation authority: "You don't use it, you lose it" to air districts with demand and pending applications
- Secure multi-year funding:
 - Start-and-stop funding disrupts delivery and creates uncertainty

SB 88 (Caballero)



- Requires CARB to develop methods/protocols to quantify the avoided emissions and beneficial uses of forest and agricultural biomass
- Directs CAL FIRE to require forest health projects to include a resource disposal component
- Directs the CEC to include biomass derived low- and negative-carbon fuels in certain reports

Board of Directors Regular Meeting - Thursday, August 28, 2025 - 174



Meeting Date: August 28, 2025

Report Type: AIR POLLUTION CONTROL OFFICER'S REPORT

Report ID: 2025-08-11



Title: August 28, 2025 Air Pollution Control Officer Presentation.

Recommendation: Receive and file a presentation from the Air Pollution Control Officer.

Rationale for Recommendation: A primary responsibility of the Air Pollution Control Officer / Executive Director (APCO) is to keep the Board of Directors informed of important or incidental matters related to the Air District. Therefore, the APCO regularly presents to the Board during public meetings noteworthy items such as past successes, progress of current activities and future endeavors, updates regarding relevant legislation, anticipated media events, and material internal changes.

Contact: Alberto Ayala, Executive Director/Air Pollution Control Officer, (279)207-1122

Presentation: Yes

Approvals/Acknowledgements

Executive Director or Designee: Alberto Ayala, Report Approved 8/22/2025

District Counsel or Designee: Kathrine Pittard, Approved as to Form 8/22/2025



Air Pollution Control Officer Report

Board of Directors Meeting August 28, 2025



August 21 Event at Folsom City Hall



Our region has met the 2008 ground-level ozone standand level ozone stan

Joining our Communities for National Night Out: August 5, 2025

- Deerfield Mesa Grande
- Franklin Boulevard Business District
- Jack Davis Park (invited by Director Serna)
- North Laguna Creek Valley Hi





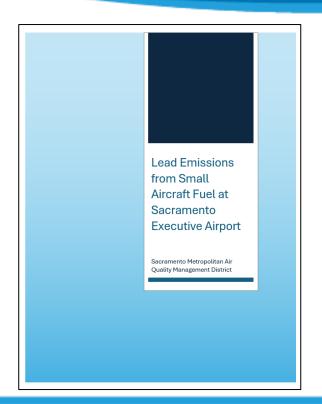




SACRAMENTO METROPOLITAN

Board of Directors Regular Meeting - Thursday, August 28, 2025 - 17

New Air Pollution Monitoring & the Sacramento Executive Airport



- Direct lead emissions only ~ 1/3 of those at busiest general aviation airport in nation (Van Nuys)
- Measured ambient levels of lead consistently well below federal standard
- More to come from our study

