

**North Coast Unified Air Quality
Management District**
2300 Myrtle Ave. Eureka, CA 95501
Telephone: 707-443-3093 Fax: 707443-3099
www.ncuagmd.org



REGULAR MEETING OF THE NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT BOARD OF DIRECTORS

Thursday, January 8, 2015 at 10:00 a.m.
Eureka City Council Chambers, Eureka, CA. 95501

AGENDA

1. **10:00 A.M. Call to Order** *Board Chair*
2. **Roll Call** *Clerk of the Board*
3. **Additions and Deletions to Agenda** *Board Chair*

CONSENT AGENDA

4. **Consider Approving the Consent Agenda, Items for action, 4.1 through 4.3:** The Board may approve the Consent Agenda by single motion in whole or in part with or without further discussion.
Action Requested: Approve Consent Agenda Items 4.1 through 4.3: *Board Chair*
- 4.1 By Consent, Approve Minutes of December 5, 2014 Board Meeting.
- 4.2 By Consent, Accept and File District Activity Report.
- 4.3 By Consent, Approve Personnel Action For APCO

REGULAR AGENDA

- | | | |
|-----|---|--------------|
| 5. | Public Comment Period (pursuant to Government Code section 54954.3(a)). | Board Chair |
| 6. | 2015 Election of Officers <u>Action Requested:</u> Hold Election for Chair and Vice-Chair | Board Chair |
| 7. | 2015 Calendar of Meetings <u>Action Requested:</u> Accept and File | Interim APCO |
| 8. | FY 2013-2014 Auditor's Report <u>Action Requested:</u> Accept and File Auditor's Report | Interim APCO |
| 9. | FY 2014-2015 Mid-Year Budget Report <u>Action Requested:</u> Accept and File Report | Interim APCO |
| 10. | District Building Disposition <u>Action Requested:</u> Discuss and Provide Direction on District Property at 2300 Myrtle Ave., Eureka, CA | Interim APCO |
| 11. | APCO Report | Interim APCO |
| 12. | Board Member Reports | Board Chair |
| 13. | Adjournment | Board Chair |

The meeting rooms are ADA accessible. Accommodations and access to NCUAQMD meetings for people with special needs must be requested of the Clerk in advance of the meeting.

***The Next Board of Directors Meeting is scheduled for
February 12, 2015 at 10:00 a.m.
Eureka City Chambers, 531 K St., Eureka, CA 95501***

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***Minutes of the Special Meeting of the North Coast
Unified Air Quality Management District Governing
Board of Directors Meeting of
December 5, 2014***

The meeting was called to order by Chairman Ken Mierzwa at 1:32 a.m. at the Eureka City Chambers (531 K St., Eureka, CA).

MEMBERS PRESENT:

| | |
|---------------------|-----------------------------|
| Ken Mierzwa , Chair | City Representative |
| Rex Bohn | Humboldt County Supervisor |
| Mark Lovelace | Humboldt County Supervisor |
| Roger Gitlin | Del Norte County Supervisor |

MEMBERS ABSENT:

| | |
|-------------|---------------------------|
| Judy Morris | Trinity County Supervisor |
|-------------|---------------------------|

STAFF PRESENT:

| | |
|--------------|------------------------------|
| Brian Wilson | Acting APCO |
| Heather Emke | Clerk of the Board |
| Erin Squire | Special Projects Coordinator |

OTHERS PRESENT:

| | |
|----------------|------------------|
| Nancy Diamond | District Counsel |
| News Channel 3 | Media |

Agenda Item 1: Call to Order

Agenda Item 2: Roll Call

Agenda Item 3: Additions and Deletions to the Agenda

Acting APCO Wilson requested pulling Agenda Item 4.4 for discussion and clarification.

Agenda Item 4: Consider approving the Consent Agenda, Items for Action:
4.1: Approve Minutes of October 18, 2014 and October 21, 2014 Board Meeting

- 4.2: Accept and File District Activity Report
- 4.3: Approve Changes to MOU with Operating Engineer's Union (OE3)
- 4.4: Approve Changes to Personnel Manual
- 4.5: Accept Resignation of APCO and Appoint Deputy APCO as Interim APCO

A motion offered by Supervisor Lovelace duly seconded by Supervisor Gitlin that Consent Agenda Items 4.1-4.3 and Item 4.5 are hereby APPROVED by the North Coast Unified Air Quality Management District Board of Directors of this 5th day of December, 2014 by the following votes:

UNANIMOUS PASS by the following vote:

| | |
|----------|--|
| Ayes: | Councilman Mierzwa, Supervisor Gitlin, Supervisor Bohn and Supervisor Lovelace (4) |
| Nays: | None (0) |
| Abstain: | None (0) |
| Absent: | Supervisor Morris (1) |

Agenda Item 4.4: Approve Changes to the Personnel Manual

Acting APCO Wilson clarified the memo and provided handouts, noting that the major changes to the document were regarding coordinating medical leave and state disability.

District Council Diamond made note that the District has not yet received input from the Operating Engineer's Union (OE3) at the time the Board Packet was sent out. The Union has since approved the changes to the Personal Manual and the MOU.

Supervisor Gitlin asked questions about review of the Personnel Manual on an annual basis. Deputy Wilson noted he thought there would be more changes coming in January or March.

A motion offered by Supervisor Lovelace duly seconded by Supervisor Gitlin that Consent Agenda Item 4.4 is hereby APPROVED by the North Coast Unified Air Quality Management District Board of Directors of this 5th day of December, 2014 by the following votes:

UNANIMOUS PASS by the following vote:

Ayes: Councilman Mierzwa, Supervisor Gitlin, Supervisor Bohn and
Supervisor Lovelace (4)
Nays: None (0)
Abstain: None (0)
Absent: Supervisor Morris (1)

Agenda Item 5: Public Comment Period (pursuant to Government Code section 54954.3(a)).

There was no public comment.

Agenda Item 6: 2015 Calendar of Meetings

Acting APCO Wilson went over options for changes to the calendar next year. On behalf of Supervisor Morris, Councilman Mierzwa requested a discussion about changing the standing meeting date from the third Thursday, to another Thursday. Supervisor Gitlin noted that there have been quorum issues in the past that affected meeting business. Supervisor Lovelace added that he had spoken with Supervisor Morris and that the attendance issue was due to the meeting dates being held on the third Thursday.

Supervisor Gitlin stated how important it is to have meetings in each of the counties in the district and would like to see at least one meeting held in Del Norte and Trinity. Supervisor Gitlin asked that the Clerk ensure the meeting date in Crescent City was available.

Supervisor Bohn gave a summary of the discussion for the proposed meeting dates. He asked the approximate cost to the District to travel to meetings and noted that the cost wasn't exorbitant.

The Board members discussed the meeting start times, and the time it takes to travel to and from Weaverville.

The following changes to the 2015 Calendar of Meetings include:

- Continue the meetings in Trinity and Del Norte Counties;
- Moving the Del Norte meeting to the April date;
- Holding the May meeting in Eureka;
- No scheduled meetings in August or November;
- Moving the Regular meeting date to the second Thursday of each month at 10:00 am, with the exception of 11:00 am for Trinity and Del Norte.

A motion offered by Supervisor Bohn duly seconded by Supervisor Gitlin that the 2015 Calendar of Meetings is hereby APPROVED, with changes as noted above, by the North Coast Unified Air Quality Management District Board of Directors of this 5th day of December, 2014 by the following votes:

UNANIMOUS PASS by the following vote:

Ayes: Councilman Mierzwa, Supervisor Gitlin, Supervisor Bohn and
Supervisor Lovelace (4)
Nays: None (0)
Abstain: None (0)
Absent: Supervisor Morris (1)

There was no public comment.

Agenda Item 7: Amicus Update for Oceano Dunes

District Counsel Diamond provided an update on the Oceano Dunes lawsuit in which the District participated as an Amicus. A local Rule in San Luis Obispo requires the State Park to obtain a permit to regulate the particulate matter generated from the recreational vehicle park's emissions. The State Parks and a private group called Friends of the Dunes sued the Air District, lost, and subsequently appealed the decision.

This is the point where our air district, along with several others in the state joined as amicus to protect the right to issue permits to regulate PM, and to clarify that emissions can come from more than just a stack at a plant.

After the Appellate process, the Governor's office required settlement negotiations, which were successful. The State Parks and the San Luis Obispo APCD are now allied. Part of the settlement included Rules and Regulation system, rather than a permitting process; as well as dispute resolution.

However, Friends of the Oceano Dunes are refusing to ratify the settlement agreement. The appeal remains open.

Supervisor Lovelace had questions about what role the State Parks would now play in the amicus process. District Counsel Diamond was unsure of what form they would be joining with the Air District. The settlement agreement allows for the permit to remain in place.

The Board Members had a discussion about what effect this would have on vegetation removal on our district's dunes? Counsel Diamond said any operation that has air emissions as part of their process, such as asphalt batch plants, etc., may be subject to regulation. Any temporary construction project requires dust mitigation.

Supervisor Gitlin noted his continued opposition to the District joining in the Amicus, and a concern for potential costs to the State Parks system as well as the general public.

Supervisor Lovelace reminded us that the issue is jurisdictional, and not specific to recreational vehicles.

There was no public comment.

Agenda Item 8: APCO Report

The APCO provided a report on the following:

- District Office Move
- Wood Stove Incentive Grant Program
- Staff Training
 - Supervisor Gitlin posed a question about ethics training for District staff. Annual AB1234 compliance is tracked for District staff, as well as all Board members.
 - Supervisor Lovelace asked about the location of the trainings. Staff traveled to Crescent City and Chico to attend the workshops for Carl Moyer grants.
- Burn Permit Renewals
- Year-End Audit
- District staff welcomed a new baby boy to Permit Engineer Winslow Condon's family

Agenda Item 9: Closed Session

- **Conference for Labor Negotiations** (Government Code 54957.6)
Discussion concerning labor negotiations for unrepresented District employee, Acting APCO
- **Acting APCO Evaluation** (Government Code section 54956.9)

The Board adjourned to Closed Session at 2:17 pm and returned at 3:23 pm.

There was no public comment.

Agenda Item 10: Report Out From Closed Session

There was no report out.

Agenda Item 11: Board Member Reports

There were no Board Member Reports.

Agenda Item 12: Adjournment

The Governing Board Meeting was adjourned at 3:24 pm.

I hereby attest that this is a true and correct copy of the action taken by the North Coast Unified Air Quality Management District Board of Directors on December 5, 2014.

Chair Date

Erin Squire, training as Clerk of the Board Date

Heather Bitner, Clerk of the Board Date

The Next Board of Directors Meeting is scheduled for Thursday, January 8, 2015
at the
Eureka City Chambers (531 K St., Eureka)

The meeting rooms are ADA accessible. Accommodations and access to NCUAQMD meetings for people with special needs must be requested of the Clerk in advance of the meeting.

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TO: North Coast Unified Air Quality Management District Board

FROM: Chrystal Ales, Administrative Support

SUBJECT: By Consent, Accept and File District Activity Reports.

DATE: January 8th, 2015

ACTION REQUESTED: Accept & File

SUMMARY:

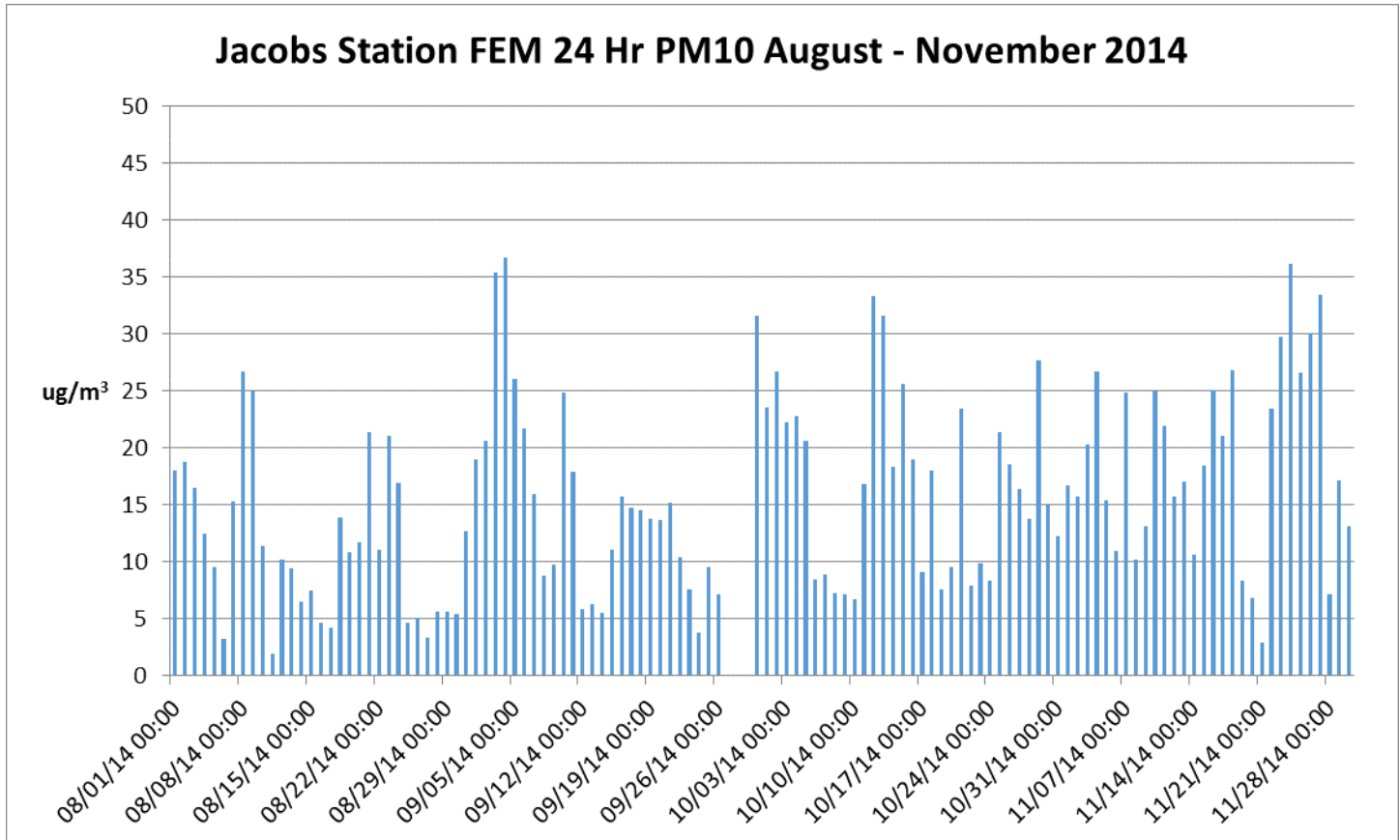
Attached is a summary of the major District activities logged during the reporting period.

| ITEM | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | YTD Total | 2013 Total |
|--|-----|------|------|------|-----|------|------|-----|------|-----|-----|-----|-----------|------------|
| Complaint Responses - General | 4 | 2 | 3 | 5 | 25 | 1 | 7 | 10 | 4 | 7 | 6 | 3 | 4 | 285 |
| Complaint Responses - Open Burning | 26 | 11 | 15 | 23 | 9 | 5 | 8 | 20 | 12 | 12 | 18 | 5 | 164 | 232 |
| Permissive Burn Days | 9 | 28 | 31 | 30 | 28 | 27 | 10 | 9 | 14 | 19 | 25 | 28 | 258 | 246 |
| Non-Permissive Burn Days ("No Burn Day") | 22 | 0 | 0 | 0 | 3 | 3 | 21 | 22 | 16 | 13 | 5 | 3 | 108 | 120 |
| Permissive Burn Days (%) | 30% | 100% | 100% | 100% | 90% | 90% | 32% | 29% | 47% | 61% | 84% | 92% | 71% | 65% |
| Standard (Residential) Burn Permits Issued | 912 | 355 | 333 | 279 | 138 | 49 | 7 | 71 | 20 | 127 | 645 | 838 | 3774 | 4846 |
| Non-Standard Burn Permits Issued | 580 | 290 | 244 | 224 | 63 | 23 | 5 | 3 | 5 | 114 | 322 | 412 | 2285 | 2750 |
| "No Burn Day" Permits Issued | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 8 | 3 | 2 | 1 | 0 | 8 |
| Smoke Management Plans (SMP) Reviewed | 8 | 12 | 6 | 6 | 2 | 1 | 1 | 3 | 10 | 10 | 12 | 3 | 74 | 92 |
| SMP Burn Authorizations Issued | 30 | 191 | 66 | 100 | 5 | 6 | 0 | 0 | 8 | 121 | 211 | 80 | 818 | 601 |
| Stationary Source Permit Apps. Received | 3 | 3 | 6 | 6 | 4 | 4 | 6 | 6 | 2 | 5 | 1 | 1 | 47 | 71 |
| Stationary Source Permits Issued (new) | 4 | 3 | 0 | 2 | 1 | 3 | 5 | 5 | 0 | 1 | 0 | 1 | 25 | 27 |
| Stationary Source Permits Issued (amended) | 1 | 2 | 1 | 1 | 7 | 1 | 5 | 0 | 0 | 0 | 0 | 0 | 18 | 25 |
| Inspections - Major Sources | 1 | 2 | 3 | 1 | 1 | 1 | 1 | 0 | 1 | 2 | 2 | 3 | 18 | 21 |
| Inspections - Minor Sources | 24 | 27 | 16 | 25 | 37 | 13 | 3 | 21 | 18 | 4 | 7 | 5 | 200 | 100 |
| Inspections - Mobile Sources | 2 | 1 | 3 | 41 | 30 | 6 | 0 | 10 | 11 | 0 | 10 | 16 | 130 | 90 |
| Inspections - Asbestos | 2 | 2 | 0 | 3 | 1 | 0 | 2 | 2 | 2 | 2 | 1 | 0 | 17 | 6 |
| Asbestos Notifications Processed | 5 | 3 | 6 | 11 | 5 | 9 | 10 | 6 | 3 | 4 | 3 | 5 | 70 | 72 |
| Notice(s) of Violation (NOVs) Issued | 1 | 4 | 0 | 5 | 0 | 0 | 2 | 6 | 4 | 1 | 0 | 1 | 24 | 54 |
| Environmental Documents Reviewed | 5 | 6 | 4 | 6 | 9 | 7 | 7 | 0 | 7 | 2 | 2 | 4 | 59 | 64 |
| Grants Paid (Moyer, Wood Stove, etc.) | 1 | 2 | 5 | 5 | 2 | 1 | 5 | 1 | 0 | 4 | 7 | 3 | 36 | 49 |

Air Monitoring Data Summary:

The purpose of this status report is to summarize the ambient air quality data available for the period of August through November 2014.

- There were no PM10 exceedances of the State or Federal Ambient Air Quality Standard recorded in Humboldt County during the period.
- There were no FRM PM_{2.5} exceedances of the State or Federal Ambient Air Quality Standard recorded in Humboldt County during the period.
- There were no FEM PM_{2.5} exceedances of the State and Federal Ambient Air Quality Standard recorded in Humboldt County during the period.



- 24 Hour California AAQS is 50 $\mu\text{g}/\text{m}^3$, Federal AAQS is 150 $\mu\text{g}/\text{m}^3$.
- California Annual Arithmetic Mean AAQS is 20 $\mu\text{g}/\text{m}^3$.
- Humboldt County is classified as non-attainment for this pollutant.

Law Offices of
Nancy Diamond

822 G Street, Ste. 3
Arcata, CA 95521
(707) 826-8540
ndiamond@ndiamondlaw.com

Memorandum

To: Honorable Chair and Members of the North Coast Unified Quality Air District Governing Board

From: Nancy Diamond, District Counsel

Date: January 8, 2015

Re: Interim APCO Brian Wilson, Personnel Action re Salary

ACTION REQUESTED:

Approve annual salary increase for the Interim APCO in the amount of \$10,000.00, retroactive to December 5, 2014.

DISCUSSION:

The Board appointed Deputy APCO Brian Wilson as its Interim APCO on December 5, 2014. The Deputy APCO classification annual salary range is \$80,967 - \$98,416, and Mr. Wilson is close to the high end at \$97,916. The APCO salary is set by the Board; the outgoing APCO base salary was \$157,728 (plus APCO-specific benefits). A salary increase of \$10,000 for the Interim APCO represents step up pay for taking on the additional duties of the APCO.

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TO: North Coast Unified Air Quality Management District Board

FROM: Brian Wilson, Interim APCO

SUBJECT: Board Officer Elections

DATE: January 8, 2015

ACTION REQUESTED: Hold Elections for Chair and Vice-Chair

SUMMARY:

The Governing Board of Directors conducts elections annually to identify a Chairperson and Vice-Chairperson to preside at each of the District Board meetings. For the calendar year 2014 those positions were filled by Ferndale Councilman Ken Mierzwa as Chairman and Humboldt County Supervisor, Rex Bohn as Vice-Chairman. It is recommended the Board hold elections for Chair and Vice-Chair for 2015.

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TO: North Coast Unified Air Quality Management District Board

FROM: Brian Wilson, Interim APCO

SUBJECT: 2015 Calendar of Meetings

DATE: January 8, 2015

ACTION REQUESTED: By Consent, Adopt the 2015 Calendar of Meetings

SUMMARY:

At the December 2014 meeting, the Board agreed to adjust the Regular meeting date from the third Thursday of each month to the second Thursday of each month. Additionally, the date for the Del Norte county meeting was moved to the April meeting date in Crescent City at 10:00am. The Trinity county meeting in Weaverville is to be held at 10:00am. There will be no scheduled meeting in August or November.

Please note that the Clerk discovered upon confirmation of meeting chambers availability that the Del Norte County Board of Supervisors Chambers Crescent City is unavailable on Thursday, April 9, 2015. Consequently instead, the meeting has been booked on Friday, April 10, 2015 at 10:00am at that location.

Attached is the Proposed 2015 Calendar of Meetings for your consideration.

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2015 Governing Board Meeting Calendar

| | |
|-------------------------|------------------------------|
| January 8 | Eureka |
| February 12 | Eureka |
| March 12 | Eureka |
| Friday, April 10 | Crescent City at 11am |
| May 14 | Eureka |
| June 11 | Eureka |
| July 9 | Eureka |
| August | No Meeting |
| September 10 | Weaverville at 11am |
| October 8 | Eureka |
| November | No Meeting |
| December 10 | Eureka |

**Eureka Council Chambers
531 K St., Eureka at 10am**

**Del Norte County Supervisor Chambers
981 H St., Suite 200, Crescent City at 11:00 AM**

**Weaverville Fire Protection District
125 Bremer St., Weaverville at 11:00 AM**

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TO: North Coast Unified Air Quality Management District Board

FROM: Brian Wilson, Interim APCO

SUBJECT: FY 2013-2014 Auditor's Report

DATE: January 8, 2015

ACTION REQUESTED: Accept and File

SUMMARY:

The accounting firm of Jackson & Eklund has completed the 2013-2014 audit of the District. Mr. Brad Williamson from Jackson & Eklund is scheduled to appear in person to summarize the audit and to answer any questions the Board may have.

**NORTH COAST UNIFIED AIR QUALITY
MANAGEMENT DISTRICT**

Financial Statements

June 30, 2014

DRAFT

**NORTH COAST UNIFIED AIR QUALITY
MANAGEMENT DISTRICT
June 30, 2014 and 2013**

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Independent Auditor's Report

The Governing Body
North Coast Unified Air Quality Management District

Report on the Financial Statements

We have audited the accompanying financial statements of the North Coast Unified Air Quality Management District, as of and for the year ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise North Coast Unified Air Quality Management District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

North Coast Unified Air Quality Management District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Governing Body
North Coast Unified Air Quality Management District

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of North Coast Unified Air Quality Management District, as of June 30, 2014 and 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison, retirement plan, and schedule of funding progress for the retiree health plan information on pages 22–25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Governing Body
North Coast Unified Air Quality Management District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014, on our consideration of North Coast Unified Air Quality Management District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Coast Unified Air Quality Management District's internal control over financial reporting and compliance.


DRAFT

December 12, 2014

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Governmental Fund Balance Sheet and Statement of Net Position
June 30, 2014

| ASSETS | Governmental Fund Balance Sheet | Adjustments | Statement of Net Position |
|--|--|--------------------|--|
| Current Assets | | | |
| Cash and Cash Equivalents | \$1,036,106 | | \$1,036,106 |
| Accounts Receivable | 23,166 | | 23,166 |
| Due From Other Governmental Agencies | 111,927 | | 111,927 |
| Interest Receivable | 1,000 | | 1,000 |
| Prepaid Expenses | 7,042 | | 7,042 |
| Assets Restricted for Special Projects and Programs: | | | |
| Cash and Cash Equivalents | 1,351,493 | | 1,351,493 |
| Due From Other Governmental Agencies | 55,964 | | 55,964 |
| Total Current Assets | 2,586,698 | | 2,586,698 |
| Noncurrent Assets | | | |
| Capital Assets, Net of Depreciation | | 1,218,192 | 1,218,192 |
| Total Noncurrent Assets | 0 | 1,218,192 | 1,218,192 |
| TOTAL ASSETS | \$2,586,698 | 1,218,192 | 3,804,890 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | \$41,381 | | \$41,381 |
| Accrued Liabilities | 23,030 | | 23,030 |
| Deferred Revenue | 27,200 | | 27,200 |
| Pass-Through to Other Agencies | 8,112 | | 8,112 |
| Current Portion of Accrued Compensated Absences | 56,489 | | 56,489 |
| Total Current Liabilities | 156,212 | \$0 | 156,212 |
| Noncurrent Liabilities | | | |
| Accrued Compensated Absences | | 44,277 | 44,277 |
| Other Postemployment Benefits Liability | | 3,266,412 | 3,266,412 |
| Total Noncurrent Liabilities | 0 | 3,310,689 | 3,310,689 |
| TOTAL LIABILITIES | 156,212 | 3,310,689 | 3,466,901 |
| FUND BALANCE (Note 8) | | | |
| Nonspendable | 7,042 | (7,042) | |
| Restricted | 1,407,457 | (1,407,457) | |
| Assigned | 1,015,987 | (1,015,987) | |
| TOTAL FUND BALANCE | 2,430,486 | (2,430,486) | 0 |
| TOTAL LIABILITIES AND FUND BALANCE | \$2,586,698 | | |
| NET POSITION | | | |
| Invested in Capital Assets, Net of Related Debt | | 1,218,192 | 1,218,192 |
| Restricted for Special Projects and Programs | | 1,407,457 | 1,407,457 |
| Unrestricted | | (2,287,660) | (2,287,660) |
| TOTAL NET POSITION | | \$337,989 | \$337,989 |

The accompanying notes are an integral part of these financial statements.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Governmental Fund Balance Sheet and Statement of Net Position
June 30, 2013

| ASSETS | Governmental Fund Balance Sheet | Adjustments | Statement of Net Position |
|--|--|--------------------|--|
| Current Assets | | | |
| Cash and Cash Equivalents | \$1,131,602 | | \$1,131,602 |
| Accounts Receivable | 24,835 | | 24,835 |
| Due From Other Governmental Agencies | 113,471 | | 113,471 |
| Interest Receivable | 1,023 | | 1,023 |
| Prepaid Expenses | 2,189 | | 2,189 |
| Assets Restricted for Special Projects and Programs: | | | |
| Cash and Cash Equivalents | 961,234 | | 961,234 |
| Due From Other Governmental Agencies | 89,735 | | 89,735 |
| Total Current Assets | 2,324,089 | | 2,324,089 |
| Noncurrent Assets | | | |
| Capital Assets, Net of Depreciation | | 1,228,559 | 1,228,559 |
| Total Noncurrent Assets | 0 | 1,228,559 | 1,228,559 |
| TOTAL ASSETS | \$2,324,089 | 1,228,559 | 3,552,648 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | \$45,508 | | \$45,508 |
| Accrued Liabilities | 21,216 | | 21,216 |
| Pass-Through to Other Agencies | 8,358 | | 8,358 |
| Current Portion of Accrued Compensated Absences | 52,356 | | 52,356 |
| Total Current Liabilities | 127,438 | \$0 | 127,438 |
| Noncurrent Liabilities | | | |
| Accrued Compensated Absences | | 39,970 | 39,970 |
| Other Postemployment Benefits Liability | | 2,549,038 | 2,549,038 |
| Total Noncurrent Liabilities | 0 | 2,589,008 | 2,589,008 |
| TOTAL LIABILITIES | 127,438 | 2,589,008 | 2,716,446 |
| FUND BALANCE (Note 8) | | | |
| Nonspendable | 2,189 | (2,189) | |
| Restricted | 1,050,969 | (1,050,969) | |
| Assigned | 1,143,493 | (1,143,493) | |
| TOTAL FUND BALANCE | 2,196,651 | (2,196,651) | 0 |
| TOTAL LIABILITIES AND FUND BALANCE | 2,324,089 | | |
| NET POSITION | | | |
| Invested in Capital Assets, Net of Related Debt | | 1,228,559 | 1,228,559 |
| Restricted for Special Projects and Programs | | 1,050,969 | 1,050,969 |
| Unrestricted | | (1,443,326) | (1,443,326) |
| TOTAL NET POSITION | | \$836,202 | \$836,202 |

The accompanying notes are an integral part of these financial statements.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Statements of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances
and Statement of Activities
For the Year Ended June 30, 2014

| | <u>Special Revenue Fund</u> | <u>Adjustments</u> | <u>Statement of Activities</u> |
|---|---------------------------------|----------------------|------------------------------------|
| Expenditures/expenses | | | |
| Current: | | | |
| Salaries and Employee Benefits | \$1,501,857 | | \$1,501,857 |
| Services and supplies | 1,169,496 | | 1,169,496 |
| Depreciation | | \$61,968 | 61,968 |
| Total Current: | <u>2,671,353</u> | <u>61,968</u> | <u>2,733,321</u> |
| Long-term: | | | |
| Long-term compensated absences | | 4,307 | 4,307 |
| Other post-employment benefits | | 717,374 | 717,374 |
| Total long-term: | <u>0</u> | <u>721,681</u> | <u>721,681</u> |
| Capital outlay | 51,601 | (51,601) | 0 |
| Total expenditures/expenses | <u>2,722,954</u> | <u>732,048</u> | <u>3,455,002</u> |
| Program revenues | | | |
| Charges for Services | 690,800 | | 690,800 |
| Intergovernmental - State | 2,171,299 | | 2,171,299 |
| Total program revenues | <u>2,862,099</u> | <u>0</u> | <u>2,862,099</u> |
| Excess of Program Revenues over Expenditures | <u>139,145</u> | <u>(732,048)</u> | <u>(592,903)</u> |
| General revenue | | | |
| Interest Income | 7,008 | | 7,008 |
| Penalties & Settlements | 60,361 | | 60,361 |
| Other Revenues | 27,321 | | 27,321 |
| Total General Revenue | <u>94,690</u> | <u>0</u> | <u>94,690</u> |
| Excess of revenues over < under > expenditures/ Change in net position | <u>233,835</u> | <u>(732,048)</u> | <u>(498,213)</u> |
| Fund Balance/ Net Position | | | |
| Beginning of the year | <u>2,196,651</u> | <u>(1,360,449)</u> | <u>836,202</u> |
| End of the year | <u>\$2,430,486</u> | <u>(\$2,092,497)</u> | <u>\$337,989</u> |

The accompanying notes are an integral part of these financial statements.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Statements of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances
and Statement of Activities
For the Year Ended June 30, 2013

| | <u>Special Revenue Fund</u> | <u>Adjustments</u> | <u>Statement of Activities</u> |
|---|---------------------------------|----------------------|------------------------------------|
| Expenditures/expenses | | | |
| Current: | | | |
| Salaries and Employee Benefits | \$1,427,219 | | \$1,427,219 |
| Services and supplies | 1,493,376 | | 1,493,376 |
| Depreciation | | \$77,733 | 77,733 |
| Total Current: | <u>2,920,595</u> | <u>77,733</u> | <u>2,998,328</u> |
| Long-term: | | | |
| Long-term compensated absences | | 10,102 | 10,102 |
| Other post-employment benefits | | 693,404 | 693,404 |
| Total long-term: | <u>0</u> | <u>703,506</u> | <u>703,506</u> |
| Capital outlay | 689,001 | (689,001) | 0 |
| Total expenditures/expenses | <u>3,609,596</u> | <u>92,238</u> | <u>3,701,834</u> |
| Program revenues | | | |
| Charges for Services | 703,660 | | 703,660 |
| Intergovernmental - State | 1,654,810 | | 1,654,810 |
| Total program revenues | <u>2,358,470</u> | <u>0</u> | <u>2,358,470</u> |
| Excess of Program Revenues over Expenditures | <u>(1,251,126)</u> | <u>(92,238)</u> | <u>(1,343,364)</u> |
| General revenue | | | |
| Interest Income | 8,500 | | 8,500 |
| Penalties & Settlements | 61,565 | | 61,565 |
| Other Revenues | 35,090 | | 35,090 |
| Total General Revenue | <u>105,155</u> | <u>0</u> | <u>105,155</u> |
| Excess of revenues over < under > expenditures/ Change in net position | <u>(1,145,971)</u> | <u>(92,238)</u> | <u>(1,238,209)</u> |
| Fund Balance/ Net Position | | | |
| Beginning of the year | <u>3,342,622</u> | <u>(1,268,211)</u> | <u>2,074,411</u> |
| End of the year | <u>\$2,196,651</u> | <u>(\$1,360,449)</u> | <u>\$836,202</u> |

The accompanying notes are an integral part of these financial statements.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The North Coast Unified Air Quality Management District (the “District”) is a California Special District formed on July 1, 1982 whose primary responsibility is controlling air pollution from stationary sources. The District is a joint powers agreement, created pursuant to State law, between the counties of Humboldt, Del Norte, and Trinity, located in the far northwestern portion of California.

Measurement Focus and Basis of Accounting

The financial statements of the District are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The District applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

Government-Wide Financial Statements

The District’s Government-Wide financial statements include a Statement of Net Position and Statement of Activities. These statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all of the District’s assets and liabilities including capital assets and long-term liabilities are included in the accompanying Statement of Net Position. Under the accrual method of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

The Statement of Activities demonstrates the degree to which direct expenses of a given functional activity offset program revenues directly connected with the functional activity. *Direct expenses* are those that are clearly identifiable with a specific functional activity. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational and capital requirements of a particular function or segment. Interest income and other items not properly included among program revenues are reported instead as *general revenues*.

Amounts paid to acquire capital assets are capitalized as assets in the Government-Wide financial statements rather than reporting them as expenditures.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain differences as a result of the integrated approach of GASB Statement No. 34 reporting. Governmental funds are accounted for on a *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year-end. Revenues from penalties are recorded when collected. Expenditures are recognized in the accounting period in which the related liability is incurred, if measurable, as well as expenditures related to compensated absences, which are recognized when due.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended rather than recording them as fund assets.

Fund Types

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses one governmental fund.

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental fund:

Special Revenue Fund

This fund is used to account for the proceeds of specific revenue sources, the expenditures for which are legally restricted for specific purposes. The District's special revenue fund is used to account for revenue and expenditures related to pollution control activities.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Budgets and Budgetary Accounting

The Executive Officer presents the proposed budget to the Board of Directors for approval. The budget is approved by resolution of the Board of Directors after two separate public hearings.

Budgets for the special revenue fund are adopted on a modified accrual basis consistent with the comparative actual amounts.

Budgeted amounts are as originally adopted, or as amended by the Board of Directors during the year.

Cash and Cash Equivalents

The District considers demand deposit accounts and its account administered by the County of Humboldt cash and cash equivalents.

The District has a pooled investment which is administered by the County of Humboldt. These approved investments are carried at cost, which approximates market value, and may be liquidated as needed. The investment pool has not been assigned a risk category since the District is not issued securities, but rather owns an undivided beneficial interest in the assets of the pool.

Investments

It is the District's policy to invest funds in a manner which will provide the highest investment return with maximum security while meeting the daily cash flow demands of District operations. The District policy allows investments allowed under California Government Code Section 53601. The District has no specific policy related to custodial credit risk.

Capital Assets and Depreciation

Land, buildings, improvements and equipment are recorded at cost. Capital asset purchases with values of at least \$5,000 are capitalized. The District does not possess any infrastructure.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capital Assets and Depreciation, Continued

Repairs and maintenance costs are charged to current expenditures as incurred. Equipment disposed of or no longer required for its existing use is removed from the records at actual or estimated historical cost.

Buildings, improvements and equipment of the District are depreciated using the straight-line method over the following useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|---------------|
| Buildings and Improvements | 20 – 39 years |
| Equipment | 5 – 7 years |

Compensated Absences

Regular full-time and regular part-time employees accumulate vacation, sick, compensatory and other leave time. Upon retirement, resignation, or dismissal, employees are paid in cash for all leave time except sick and bereavement leave. Upon retirement, the District will apply all accrued sick leave to the retirement formula of service. No other compensation for accrued sick leave upon retirement or termination is made. Accordingly, sick pay is charged to expenditures when taken. No provision has been made in the financial statements for unused sick leave.

The current portion of compensated absences at June 30, 2014 and 2013 amounted to \$56,489 and \$52,356, respectively. The non-current portion of compensated absences at June 30, 2014 and 2013 amounted to \$44,277 and \$39,970, respectively. Both have been reflected in the Statements of Net Position.

Long-Term Obligations

Long-term obligations are reported as liabilities in the government-wide Statements of Net Position.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Net Position and Fund Balance

The difference between fund assets and liabilities is called “net position” in the government-wide financial statements and it is called “fund balance” in the governmental fund financial statements.

Government-wide financial statements have the following categories of net position:

Investment in capital assets, net of related debt, represents capital assets, net of accumulated depreciation reduced by the outstanding principal balance of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position include amounts that can be spent only for specific purposes as stipulated by law, external resource providers, contract, or through enabling legislation.

Unrestricted net position are neither restricted nor invested in capital assets, net of related debt.

In accordance with the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the governmental fund financial statements have the following categories of fund balance:

Nonspendable fund balance includes amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balance includes amounts that can be spent only for specific purposes as stipulated by law, external resource providers, contract, or through enabling legislation.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

Net Position and Fund Balance, Continued

Committed fund balance includes amounts that can be spent only for specific purposes determined by a formal action of the District's governing body. Commitments may be changed or lifted only by the District's governing body taking the same formal action.

Assigned fund balance includes amounts that are intended to be spent for a specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be expressed by the District's governing body or by an official or body to which the governing body delegates authority.

Unassigned fund balance represents the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by committed, assigned, and unassigned resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through December 12, 2014, the date the financial statements were available to be issued.

Upcoming Governmental Accounting Standards Implementation

GASB Statement No. 68, Accounting and Financial Reporting for Pensions (as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date) improves accounting and financial reporting for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. The requirements of GASB No. 68 would require the District to recognize a liability for its proportionate share of the collective net pension liability related to its CalPERS pension plan. The requirements for GASB No. 68 are effective for fiscal year 2014-15

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENT

The District's funds invested and maintained by other agencies are as follows:

| <u>2014</u> | <u>Cash in Checking</u> | <u>Cash in County (Note 1)</u> | <u>Total Cash and Equivalents</u> |
|--------------------|------------------------------------|---|--|
| Insured by FDIC | \$ 250,000 | | \$ 250,000 |
| Uninsured | 1,445,773 | | 1,445,773 |
| Pooled with County | | \$691,981 | 691,981 |
| Undeposited Funds | 2,270 | | 2,270 |
| Outstanding Checks | <u>(2,425)</u> | <u> </u> | <u>(2,425)</u> |
| | <u>\$1,695,618</u> | <u>\$691,981</u> | <u>\$2,387,599</u> |
| Unrestricted | | | \$1,036,106 |
| Restricted | | | <u>1,351,493</u> |
| | | | <u>\$2,387,599</u> |
| | | | |
| <u>2013</u> | <u>Cash in Checking</u> | <u>Cash in County (Note 1)</u> | <u>Total Cash and Equivalents</u> |
| Insured by FDIC | \$ 250,000 | | \$ 250,000 |
| Uninsured | 1,052,735 | | 1,052,735 |
| Pooled with County | | \$ 790,822 | 790,822 |
| Undeposited Funds | 31,570 | | 31,570 |
| Outstanding Checks | <u>(32,291)</u> | <u> </u> | <u>(32,291)</u> |
| | <u>\$1,302,014</u> | <u>\$ 790,822</u> | <u>\$2,092,836</u> |
| Unrestricted | | | \$1,131,602 |
| Restricted | | | <u>961,234</u> |
| | | | <u>\$2,092,836</u> |

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

NOTE 3 CAPITAL ASSETS AND DEPRECIATION

Capital Assets for the District for the years ended June 30, 2014 and 2013 consisted of the following:

| <u>2014</u> | <u>Balance 06/30/13</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 06/30/14</u> |
|----------------------------------|-----------------------------|--------------------|--------------------|-----------------------------|
| Land | \$ 75,258 | | | \$ 75,258 |
| Building and Improvements | 1,078,590 | \$ 45,021 | | 1,123,611 |
| Furniture and Equipment | <u>573,886</u> | <u>6,580</u> | <u>\$ (10,199)</u> | <u>570,267</u> |
| Total | <u>1,727,734</u> | <u>51,601</u> | <u>\$ (10,199)</u> | <u>1,769,136</u> |
| Less: | | | | |
| Accumulated Depreciation | <u>(499,175)</u> | <u>(61,968)</u> | <u>\$ 10,199</u> | <u>(550,944)</u> |
| Net Book Value of Capital Assets | <u>\$ 1,228,559</u> | <u>\$ (10,367)</u> | <u>\$ 0</u> | <u>\$1,218,192</u> |
| | | | | |
| <u>2013</u> | <u>Balance 06/30/12</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 06/30/13</u> |
| Land | \$ 75,258 | | | \$ 75,258 |
| Building and Improvements | 412,244 | \$ 666,346 | | 1,078,590 |
| Furniture and Equipment | <u>551,231</u> | <u>22,655</u> | <u>\$ 0</u> | <u>573,886</u> |
| Total | <u>1,038,733</u> | <u>689,001</u> | <u>0</u> | <u>1,727,734</u> |
| Less: | | | | |
| Accumulated Depreciation | <u>(421,442)</u> | <u>(77,733)</u> | <u>0</u> | <u>(499,175)</u> |
| Net Book Value of Capital Assets | <u>\$ 617,291</u> | <u>\$ 611,268</u> | <u>\$ 0</u> | <u>\$1,228,559</u> |

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

NOTE 4 LONG-TERM OBLIGATIONS

Following is a summary of long-term obligations of the District for the years ended June 30, 2014 and 2013:

| <u>2014</u> | <u>Balance 06/30/13</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 06/30/14</u> |
|---|-----------------------------|-------------------|------------------|-----------------------------|
| Accrued Compensation Absences | \$ 39,970 | \$ 4,307 | \$ 0 | \$ 44,277 |
| Other Postemployment Benefits Liability | <u>2,549,038</u> | <u>717,374</u> | <u>0</u> | <u>3,266,412</u> |
| | <u>\$2,589,008</u> | <u>\$ 721,681</u> | <u>\$ 0</u> | <u>\$3,310,689</u> |
| | | | | |
| <u>2013</u> | <u>Balance 06/30/12</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 06/30/13</u> |
| Accrued Compensation Absences | \$ 29,868 | \$ 10,102 | \$ 0 | \$ 39,970 |
| Other Postemployment Benefits Liability | <u>1,855,634</u> | <u>693,404</u> | <u>0</u> | <u>2,549,038</u> |
| | <u>\$1,885,502</u> | <u>\$ 703,506</u> | <u>\$ 0</u> | <u>\$2,589,008</u> |

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

NOTE 5 INSURANCE

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees and natural disaster. The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created pursuant to California Government Code Sections 6500, et. seq. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the SDRMA. Each entity has an equal voice in the selection of a board which oversees the SDRMA. The following policies were in effect for the year ended June 30, 2014:

| | <u>Limits</u> |
|---|----------------------|
| General and Auto Liability, Public Officials' and Employees' Errors and Omissions and Employment Practices Liability (per occurrence) | \$ 2,500,000 |
| Employee Dishonest Coverage (per loss) | 400,000 |
| Property Loss (per occurrence) | Replacement Cost |
| Boiler and Machinery (per occurrence) | Replacement Cost |
| Public Officials Personal Liability (per occurrence) | 2,500,000 |
| Workers' Compensation Coverage (per occurrence) | 5,000,000 |
| Employers' Liability | 2,500,000 |

Condensed audited financial information of SDRMA for the year ended June 30, 2014 is as follows:

| | |
|--|---------------------------|
| Total Assets | \$ <u>103,447,984</u> |
| Total Liabilities | 50,078,187 |
| Net Position | <u>53,369,797</u> |
| Total Liabilities and Net Position | \$ <u>103,447,984</u> |
| Total Revenues | \$ 52,425,452 |
| Total Expenses | <u>54,701,152</u> |
| Net Increase in Net Position | \$ <u>(2,275,700)</u> |

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The District's Other Postemployment Benefits (OPEB) Plan is a single-employer defined benefit medical plan which provides for payment of health care insurance premiums for eligible retired employees. This coverage is available for employees who retire with the District on or after age 55 with at least 5 years of continuous service. The District contributes 100% of the medical insurance premiums for retirees and their spouse and children. The District has 15 eligible active employees and 4 retirees.

The Board of Directors has the authority to establish and amend benefit provisions of the Plan. The Plan does not issue a separate publicly available report. The District has implemented GASB Statement 45 beginning in the fiscal year ended June 30, 2010.

B. Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District's Board of Directors. The District is currently funding this OPEB obligation on a pay-as-you-go basis. For the year ended June 30, 2014, the District paid \$31,377 in health care costs for its retirees and their covered dependents.

C. Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The District has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a period not to exceed thirty years.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS, Continued

C. Annual OPEB Cost and Net OPEB Obligation, Continued

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Retiree Health Plan:

| | |
|--|--------------------|
| Annual required contribution | \$ 790,169 |
| Interest on net OPEB obligation | 63,726 |
| Adjustment to annual required contribution | <u>(105,144)</u> |
| | |
| Annual OPEB cost (expense) | 748,751 |
| Actual contributions made | <u>(31,377)</u> |
| | |
| Increase in net OPEB obligation | 717,374 |
| Net OPEB Obligation – Beginning of Year | <u>2,549,038</u> |
| | |
| Net OPEB Obligation – End of Year | <u>\$3,266,412</u> |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2014 and 2013 were as follows:

| <u>Fiscal</u> <u>Year</u> <u>Ended</u> | <u>Annual</u> <u>OPEB</u> <u>Cost</u> | <u>Actual</u> <u>Contribution</u> | <u>Percentage</u> <u>of Annual</u> <u>OPEB Cost</u> <u>Contributed</u> | <u>Net</u> <u>OPEB</u> <u>Obligation</u> |
|---|--|--|---|---|
| 06/30/14 | \$748,751 | \$ 31,377 | 4.19% | \$ 717,374 |
| 06/30/13 | \$727,514 | \$ 34,110 | 4.69% | \$ 693,404 |
| 06/30/12 | \$662,605 | \$ 41,941 | 6.33% | \$ 620,664 |

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS, Continued

D. Funded Status and Funding Progress

As of June 30, 2013, the second valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$4,742,876, and the actuarial value of assets was zero, resulting in an unfunded accrued liability (UAL) of \$4,742,876. The covered payroll (annual payroll of active employees covered by the plan) was \$967,992 and the ratio of the UAL to the covered payroll was 498.97%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2013 valuation, the entry age normal cost method was used. The actuarial assumptions included an investment interest rate of 2.5% per annum and projected salary increase of 3%. The health care cost trend rate was initially estimated at 8% reduced by decrements to an ultimate rate of 4.7% after ten years.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Notes to the Financial Statements
June 30, 2014 and 2013

NOTE 7 RECLASSIFICATIONS

Certain 2013 balances have been reclassified to conform to the 2014 presentation.

NOTE 8 FUND BALANCES

The District's nonspendable fund balance consists of amounts that are reported as prepaid expenses and are therefore considered nonspendable. The assigned fund balance is for the purpose of air pollution control activities. The restricted fund balance consists of amounts that are for specific purposes stipulated by contracted grants.

The Restricted fund balance accounts of the District as of June 30, 2014 and 2013 are as follows:

| | <u>2014</u> | <u>2013</u> |
|---------------------------------|--------------------------------|--------------------------------|
| Carl Moyer Program | \$ 444,042 | \$ 214,987 |
| DMV AB923 Program | <u>963,415</u> | <u>835,982</u> |
| Total Reserved Fund Balance | <u><u>\$ 1,407,457</u></u> | <u><u>\$ 1,050,969</u></u> |

The Carl Moyer Program is a state funded program that provides funds for projects using technologies that reduce emissions from on-road and off-road heavy duty vehicles. Projects may include engine repowers, the purchase of new vehicles using alternative fuels, and engine retrofit devices approved by the California Air Resources Board.

DMV AB923 Program revenue is a \$2 surcharge assessed on each vehicle registered within the District's boundaries. AB923 funds are to be used for projects similar to the grant funded Carl Moyer and Lower Emission School Bus programs.

**NORTH COAST UNIFIED AIR QUALITY
MANAGEMENT DISTRICT**

Required Supplementary Information

June 30, 2014

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

| | <u>Budgeted Amounts</u> | | Actual | Variance with |
|---|-------------------------|----------------------|--|---|
| | <u>Original</u> | <u>Final</u> | Amounts Budgetary Basis | Final Budget Positive (Negative) |
| Revenues | | | | |
| Intergovernmental - State | \$1,876,609 | \$1,876,609 | \$2,171,299 | \$294,690 |
| Permits | 593,100 | 593,100 | 494,534 | (98,566) |
| Fees | 251,600 | 251,600 | 196,266 | (55,334) |
| Penalties and Settlements | 51,200 | 51,200 | 60,361 | 9,161 |
| Interest | 9,000 | 9,000 | 7,008 | (1,992) |
| Miscellaneous Revenues | 42,500 | 42,500 | 27,321 | (15,179) |
| Total Revenues | <u>2,824,009</u> | <u>2,824,009</u> | <u>2,956,789</u> | <u>132,780</u> |
| Expenditures | | | | |
| Appropriation for Contingencies | 50,000 | 50,000 | 0 | 50,000 |
| Salaries and Wages | 953,221 | 953,221 | 974,099 | (20,878) |
| Payroll Taxes | 20,612 | 20,612 | 19,457 | 1,155 |
| Employee Benefits | 512,042 | 512,042 | 508,301 | 3,741 |
| Insurance | 15,000 | 15,000 | 12,098 | 2,902 |
| Professional Services | 122,075 | 99,575 | 79,201 | 20,374 |
| Repairs and Maintenance | 19,250 | 25,750 | 24,039 | 1,711 |
| Laboratory Supplies and Equipment | 6,600 | 6,600 | 646 | 5,954 |
| Transportation | 34,500 | 34,500 | 25,354 | 9,146 |
| Communications | 16,000 | 16,000 | 13,628 | 2,372 |
| Utilities | 5,000 | 9,500 | 9,449 | 51 |
| Special District Expenditures | 20,500 | 20,500 | 19,250 | 1,250 |
| Office Expense | 34,400 | 34,400 | 24,680 | 9,720 |
| AB2766 Wood Stove Replacement Grants | 10,000 | 10,000 | 10,000 | 0 |
| AB923 DMV Limited | 1,166,690 | 1,166,690 | 150,785 | 1,015,905 |
| Carl Moyer Program Expenditures | 255,592 | 255,592 | 375,000 | (119,408) |
| AB2588 Program Expenditures | 1,500 | 1,500 | 1,222 | 278 |
| Burn Permit Fees/Fire Agencies | 17,000 | 17,000 | 14,001 | 2,999 |
| Timber Grant | 392,491 | 392,491 | 390,000 | 2,491 |
| Bank Fees & Charges/Bad debt | 8,500 | 11,000 | 5,612 | 5,388 |
| Small Equipment | 1,750 | 4,250 | 4,017 | 233 |
| Small Equipment - Air Monitoring Program | 3,250 | 3,250 | 2,456 | 794 |
| Capital Outlay | 200,000 | 200,000 | 45,021 | 154,979 |
| Capital Outlay - Air Monitoring Program | 0 | 6,500 | 6,580 | (80) |
| Humboldt Hill Station Expenditures | 20,000 | 20,000 | 8,058 | 11,942 |
| Total Expenditures | <u>3,885,973</u> | <u>3,885,973</u> | <u>2,722,954</u> | <u>1,163,019</u> |
| Excess of Revenues over Expenditures | <u>(\$1,061,964)</u> | <u>(\$1,061,964)</u> | <u>\$233,835</u> | <u>\$1,295,799</u> |

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Retirement Plan
For the Year Ended June 30, 2014

Plan Description

The North Coast Unified Air Quality Management District's defined benefit pension plan, Miscellaneous Plan of the North Coast Unified Air Quality Management District, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Miscellaneous Plan of the North Coast Unified Air Quality Management District is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through resolutions of the Board of Directors.

Since the District's plan had less than 100 active members in at least one valuation since June 30, 2003, it is required to participate in a risk pool.

CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, CA 95814.

Funding Policy

The District contributes 7% of the active plan member's annual covered salary. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required contribution rate for fiscal 2013/14 was 11.750%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year 2013/14, the District's annual pension cost was \$181,780 and the District actually contributed \$181,780. A summary of principal assumptions and methods used to determine the contractually required contributions is shown below for the cost-sharing multiple-employer defined benefit plan.

| | |
|----------------------------|--|
| Valuation Date | June 30, 2011 |
| Actuarial Cost Method | Entry Age Actuarial Cost Method |
| Amortization Method | Level Percent of Payroll |
| Average Remaining Period | 20 Years as of the Valuation Date |
| Asset Valuation Method | 15 Year Smoothed Market |
| Actuarial Assumptions | |
| Investment Rate of Return | 7.50% (net of administrative expenses) |
| Projected Salary Increases | 3.30% to 14.20% depending on Age, Service, and type of employment |
| Inflation | 2.75% |
| Payroll Growth | 3.00% |
| Individual Salary Growth | A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%. |

The Pool that the District is included in had an unfunded liability of \$488,540,823 at June 30, 2012. The unfunded liability at June 30, 2013 and 2014 is currently not available.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Retirement Plan
For the Year Ended June 30, 2014

Three Year Trend Information for the Miscellaneous Plan of the North Coast Unified Air Quality Management District

| <u>Fiscal Year</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|--------------------|----------------------------------|--------------------------------------|-------------------------------|
| 06/30/12 | \$160,909 | 100% | 0 |
| 06/30/13 | \$165,628 | 100% | 0 |
| 06/30/14 | \$181,780 | 100% | 0 |

Pools History of Funded Status and Funding Progress

| <u>Actuarial Valuation Date</u> | <u>Entry Age Normal Accrued Liability</u> | <u>Actuarial Value of Assets</u> | <u>Unfunded Liability/ (Excess Assets)</u> | <u>Funded Status</u> | <u>Annual Covered Payroll</u> | <u>Unfunded Liability as % of Payroll</u> |
|---------------------------------|---|----------------------------------|--|----------------------|-------------------------------|---|
| 06/30/08 | \$2,780,280,768 | \$2,547,323,278 | \$232,957,490 | 91.6% | \$688,606,681 | 33.8% |
| 06/30/09 | \$3,104,798,222 | \$2,758,511,101 | \$346,287,121 | 88.9% | \$742,981,488 | 46.6% |
| 06/30/10 | \$3,309,064,934 | \$2,946,408,106 | \$362,656,828 | 89.0% | \$748,401,352 | 48.5% |
| 06/30/11 | \$3,619,835,876 | \$3,203,214,899 | \$416,620,977 | 88.5% | \$759,263,518 | 54.9% |
| 06/30/12 | \$4,175,139,166 | \$3,686,598,343 | \$488,540,823 | 88.3% | \$757,045,663 | 64.5% |

457(b) Plan

The District also maintains a 457 Deferred Compensation Plan in which employees may elect to defer a portion of their salary on a pre-tax basis.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Schedule of Funding Progress for the Retiree Health Plan
For the Year Ended June 30, 2014

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets (a)</u> | <u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u> | <u>Unfunded AAL (UAAL) (b - a)</u> | <u>Funded Ratio (a/b)</u> | <u>Covered Payroll (c)</u> | <u>UAAL as a Percentage of Covered Payroll [(b - a)/c]</u> |
|---|--|--|--|-------------------------------|------------------------------------|--|
| 06/30/13 | \$ 0 | \$4,742,876 | \$4,742,876 | 0.0% | \$967,992 | 489.97% |

**REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditor's Report

The Governing Body
North Coast Unified Air Quality Management District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities information of North Coast Unified Air Quality Management District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise North Coast Unified Air Quality Management District's basic financial statements, and have issued our report thereon dated December 12, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Coast Unified Air Quality Management District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Coast Unified Air Quality Management District's internal control. Accordingly, we do not express an opinion on the effectiveness of North Coast Unified Air Quality Management District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Governing Body
North Coast Unified Air Quality Management District

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control over financial reporting, described in the accompanying recommendations to management that we consider to be significant deficiencies in internal control over financial reporting. See current year recommendation 1. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Coast Unified Air Quality Management District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


DRAFT

December 12, 2014

-27-



**NORTH COAST UNIFIED AIR QUALITY
MANAGEMENT DISTRICT**

Management Letter and Recommendations

June 30, 2014

The Governing Body
North Coast Unified Air Quality Management District

In planning and performing our audit of North Coast Unified Air Quality Management District for the year ended June 30, 2014, we considered the District's internal control over financial reporting and compliance in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated December 12, 2014, on the financial statements of North Coast Unified Air Quality Management District. Also, any significant deficiencies or material weaknesses are also reported in the report dated December 12, 2014 on the internal control over financial reporting.

We will review the status of these comments during our next audit engagement, or sooner if we are engaged to do so. We have already discussed these comments and suggestions with various District personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our recommendations are detailed in the accompanying Management Recommendations.

This report is intended solely for the information and use of the Board of Directors, management, and others within the District and is not intended to be and should not be used by anyone other than these specified parties.

 **DRAFT**

December 12, 2014

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Management Recommendations
June 30, 2014

CURRENT YEAR RECOMMENDATIONS

THE CONTROLLER SHOULD DOCUMENT THE ACCOUNT CODING ON INVOICES FOR CASH DISBURSEMENTS.

During our audit, we noted the District does not document the account coding on invoices that are paid. The Controller posts to accounts based upon the nature of the invoice; however, the reviewer of the invoice and check signer do not have documentation as to what account the expenditure is being posted.

STATUS OF PRIOR YEAR RECOMMENDATIONS

RECOMMENDATION 1 (2011)

THE DISTRICT SHOULD RECORD ALL MATERIAL ADJUSTMENTS PRIOR TO AUDIT.

During our audit, we noted the District did not reconcile and post all adjustments prior to closing the fiscal year end. The liability accounts related to accrued payroll, OPEB liability and accrued compensated absences were not posted prior to audit. The District supplied the supporting documentation for the adjustments. This finding is not considered to be a material weakness.

Current Status: We noted significant improvement in this area; however, there was an adjustment to accounts payable that was material to the account. Full implementation is encouraged.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT
Management Recommendations
June 30, 2014

We wish to express our appreciation for the cooperation and courtesy extended to us by you and your staff. We would be pleased to discuss any of these matters with you further and to assist in their implementation, if you so desire.

**North Coast Unified Air Quality
Management District**
2300 Myrtle Avenue, Eureka, CA 95501
Telephone (707) 443-3093 FAX (707) 443-3099
<http://www.ncuaqmd.org>



TO: North Coast Unified Air Quality Management District Board

FROM: Brian Wilson, Interim APCO

SUBJECT: FY 2014-2015 Mid-Year Budget Report

DATE: January 8, 2015

ACTION REQUESTED: Accept and File the FY 2014-2015 Mid-Year Budget Report

SUMMARY:

Included with this memorandum is a Profit & Loss statement identifying the budgeted amount versus actual expenditures from July 1, 2014 through December 31, 2014. This report summarizes the funds received by the District for the various income streams, and the costs associated with operation of the District. The purpose of the mid-year budget report is to provide the Board with an overview of how the District is operating in relation to the budget approved by the Board at the beginning of the current fiscal year. In addition, it provides the Board the opportunity to adjust and correct account spending in various accounts as needed to insure District operations continue as directed by the Board.

For the FY 2014-2015 Mid-Year Budget Report, District operations are within the guidelines as approved by the Board in May 2014. Incidental costs associated with the office move (professional movers, onsite storage container, printing costs for address changes on business cards/letterhead, cleaning services, etc.) continue to be under budget. In addition, other expenditures as previously approved by the Board (contingency, professional services, alarm, telephone, equipment/furniture, etc.) have been met. Therefore, it is the recommendation of the Interim APCO that no significant changes need to be made to the current budget at this time.

North Coast Unified Air Quality Management District -- FY 14/15 Mid-Year Budget

| ACCOUNT NUMBER | ACCOUNT NAME | 2014-2015 Adopted Budget + Additions | 2014-2015 Actual Mid-Year | DESCRIPTION AND DETAILS OF ACCOUNTS |
|------------------------|-----------------------------------|--------------------------------------|---------------------------|--|
| REGULAR INCOME | | | | |
| 43000 - PERMITS | | | | |
| 43050 | Non-Residential & Ag Burn Permits | 85,000 | 26,200 | Current fees for non-standard permits are \$30 for burns less than one acre, \$60 for burns from 1 to 100 acres, and \$1000 for burns of more than one hundred acres. |
| 43100 | Residential Burn Permits | 80,000 | 17,700 | Current fee is \$15. The account tracks burn permit fees associated with residential activity and development of the State Air Toxic Control Measures (ATCM) for residential burn barrels. |
| 43150 | Title V Permits | 153,707 | 138,936 | The 1990 Amendments to the Federal Clean Air Act (CAA) include a comprehensive operating permit program in Title V (40 CFR Part 70). The Title V permit combines, in a single document, all Federal CAA requirements that apply to a source. The District has identified five facilities subject to the Title V permit program requirement: Fairhaven Power Company, Pacific Gas & Electric, Eel River Power, and Blue Lake Power. |
| 43160 | Synthetic Minor Permits | 16,406 | 15,486 | A new separate account. The District has identified four Synthetic Minor sources: California Redwood Company (Korbel), California Redwood Company (Brainard), Schmidbauer Lumber, and Sierra Pacific Industries. These permit fees were previously in the Permit to Operate account. |
| 43200 | Permits to Operate | 162,659 | 164,014 | District Regulations, adopted pursuant to Health & Safety Code (HSC) Section 42311, establish required permit fees for stationary sources. This account reflects initial and annual Permit to Operate renewal fees paid for permits to operate issued. |
| 43250 | Authority To Construct Permits | 15,000 | 7,407 | The District has continued to work toward improvement of an expedited permit program. This account is generally dynamic from year to year and determined substantially based on changes in local industry operations. Depending on the level of construction activity, these revenues vary from year to year. |
| 43300 | Vapor Recovery Permits | 52,436 | - | Permit fees established for vapor recovery permit evaluations and inspections. The activity includes Phase I vapor recovery (bulk truck off loading), Phase II vapor recovery (vehicle dispensing operations), and enhanced vapor recovery programs (State mandated electronic vapor leak surveillance programs). Presently the District has 84 permitted vapor recovery sources. In 2010, the District Board adopted an annual increase in fees for vapor recovery systems to insure the District offsets the cost of the program. This is year 4 of the prorated schedule. |
| 43350 | Misc. Permits, Transfer of Owner | 100 | 53 | |
| TOTAL | 43000 - Permits | 565,308 | 369,796 | |
| 44000 - FEES | | | | |
| 44050 | Emission Reduction Fees | 500 | - | Pursuant to federal, state, and local laws, voluntary, unrequired emission reductions initiated by stationary sources which are real, permanent and validated may be banked and used for offset credit toward non-attainment pollutants. |
| 44100 | Emission Testing Fees | 2,000 | 450 | Throughout the year the District performs various emission testing and compliance verification activity for stationary sources. This account is established to track the emission testing fees. A large portion of the activity for which fees are charged relate to visible emission evaluations charged at \$75 per hour per evaluation. Other costs are generally invoiced on an hourly basis. |
| 44150 | Application Fees | 1,300 | 1,471 | Fees for applications for new permits and existing permit revisions (Authority to Construct and Permits to Operate). It includes gasoline dispensing facility (GDF) applications, stationary sources, and other applications. |
| 44200 | ATCM Reg Fees | 500 | 225 | Naturally occurring asbestos mitigation plans. |

North Coast Unified Air Quality Management District -- FY 14/15 Mid-Year Budget

| ACCOUNT NUMBER | ACCOUNT NAME | 2014-2015 Adopted Budget + Additions | 2014-2015 Actual Mid-Year | DESCRIPTION AND DETAILS OF ACCOUNTS |
|----------------------------|--------------------------------------|--------------------------------------|---------------------------|--|
| 44250 | Asbestos NESHAP Fees | 25,000 | 9,000 | Pursuant to federal law (40 CFR Part 61) the EPA administrator has enacted requirements to minimize asbestos emission exposure through the National Emission Standards for Hazardous Air Pollutants (NESHAP). The asbestos NESHAP provisions require notification and inspection prior to building demolition activity. This account is established to track the fees required for this program. This includes a new fee for the review of applications that do not require and asbestos permit. |
| 44350 | GHG fees | 111,062 | 117,603 | Applies to sources which have potential to emit Greenhouse Gases (GHGs) such as stationary sources and those affected by the state refrigerant management program. This covers tracking, permitting, inspecting, and emission inventory management. |
| 44360 | GHG Verification Fees | 10,000 | 11,194 | A new account for providing Greenhouse Gas verification services for Blue Lake Power and DG Fairhaven. |
| 44375 | Mobile Source Enforcement | 100 | - | In a Memorandum of Understanding (MOU) with the California Air Resources Board (CARB), the District has agreed to conduct inspections of mobile sources in Northern California. |
| 44400 | Hearing Board & Excess Emission Fees | 500 | - | Under limited conditions, stationary sources may apply for a variance from District regulations by submitting a petition to the District Hearing Board. This account tracks Hearing Board petition fees and Excess Emission Fees. |
| 44510 | Hot Spots Emission Inventory | 500 | - | On a quadrennial basis, the District bills stationary sources for cancerous and non-cancerous health effects, in accordance with Regulation IV, Rule 407(3.2). The billing of \$125 per source covers the cost of updating emissions inventory per assembly bill 2588, Hot Spots. The next billing will be in February 2017. |
| 44600 | Air Monitoring Funds (Designated) | 75,001 | 13,718 | The District currently receives \$40 per non-GDF source (351 sources, \$14,040), \$20 per GDF source (85 sources, \$1,700), \$12,000 per Title V sources (\$48,000). The District has increased this account in anticipation of additional sources being permitted. |
| 44900 | Other Fees | 10,750 | - | Expedite fees, outside contractor engineering work for permitting, and other miscellaneous fees that do not fall into other fee accounts. This includes \$8750 for Woodstove Program from settlement. |
| TOTAL | 44000 - Fees | 237,213 | 153,661 | |
| 46000 - PENALTIES | | | | |
| 46050 | Settlements, Civil | 50,000 | 6,052 | Revenue collected from the District's Civil Penalty Fee Program established pursuant to Health & Safety Code Section 42402.5 and 42403. This insures that the District's enforcement program is not a significant revenue generating stream. |
| 46100 | Late Payments | 1,500 | 944 | Assessment of late payments on past due invoices. |
| TOTAL | 46000 - Penalties | 51,500 | 6,996 | |
| 47000 - STATE FUNDS | | | | |
| 47050 | Subvention, Base | 70,000 | 70,785 | Pursuant to Health & Safety Code Section 39802, the District receives funding from the California Air Resources Board (CARB), in the amount of \$1.00 for every dollar budgeted for use by a local air district. There are specific requirements and limits for which this money can be used. Subvention funding provided pursuant to this statute is subvented at a rate of up to 20.5 cents per capita with a minimum of \$18,000 for any one eligible district depending on the State funds provided in the respective year's State budget. |
| 47055 | Subvention, Supplemental | 70,000 | - | Supplemental subventions are State funds retained for special programs. This year's application for supplemental funds is targeted for staff training, public outreach, and the purchase of supplemental air monitoring equipment and supplies. |

North Coast Unified Air Quality Management District -- FY 14/15 Mid-Year Budget

| ACCOUNT NUMBER | ACCOUNT NAME | 2014-2015 Adopted Budget + Additions | 2014-2015 Actual Mid-Year | DESCRIPTION AND DETAILS OF ACCOUNTS |
|---|---|--|------------------------------|---|
| TOTAL | 47000 - Subvention | 140,000 | 70,785 | |
| TOTAL | 47110 - Grant, Air Monitoring PM2.5 | 27,200 | 27,200 | This is a pass through grant to fund PM2.5 air monitoring in the district. |
| 47105 & 48150 - GRANT ADMINISTRATION FUNDS | | | | |
| 47105 | Carl Moyer Grant Administration | 28,413 | - | The California Air Resources Board allows for Carl Moyer Grant administrative costs at 10%. The expense for these funds is included in the Account #60050 Salaries & Wages. |
| 47355 | TIMBER Grant Administration | 43,499 | 50,528 | The California Air Resources Board allows for New Logging Truck Grant administrative costs. The expense for these funds is included in the Account #60050 Salaries & Wages. |
| 48150 | AB923 DMV Limited - Administration | 16,800 | 5,386 | Administration portion of the additional DMV Surcharge. The expense is included in Account #60050 Salaries & Wages. |
| TOTAL | 47105 & 48150 - GRANT ADMIN FUNDS | 88,712 | 55,914 | |
| TOTAL | 48000 -DMV Surcharge (\$4 per vehicle) | 635,000 | 215,454 | Pursuant to Health & Safety Code Section 44223 and 44225, this statute authorizes districts to collect up to \$4 per vehicle registered within the District's jurisdiction. |
| 49000 - MISCELLANEOUS FUNDS | | | | |
| 49200 | Sales, Other | 2,500 | - | The sale of minor, miscellaneous items not covered by other established sales accounts. |
| 49360 | Chargebacks Humboldt Hill | 40,000 | - | Pursuant to their Permit to Operate, PG&E shall reimburse the District for costs the air monitoring station sited near the PG&E power plant (known as the Humboldt Hill Station). The expense is reflected in the Humboldt Hill Station expense account. |
| TOTAL | 49000 - Misc. Funds | 42,500 | - | |
| 80000 - INTEREST | | | | |
| 80050 | Interest, General Account | 6,000 | 1,143 | Interest earned on funds held by the Humboldt County Treasurer. |
| TOTAL | 80000 - Interest | 6,000 | 1,143 | |
| TOTAL REGULAR INCOME | | 1,793,433 | 900,950 | |
| REGULAR EXPENSE | | | | |
| 58000 - APPROPRIATION FOR CONTINGENCIES | | 25,000 | - | Contingency funds are used to address unanticipated fiscal liabilities and changes in the operational activities of the District, which may occur in the course of the year. Contingency funds represent the District's budgeted non-obligated fund. |
| 60000 - SALARIES & WAGES | | | | |
| 60050 | Salaries & Wages | 1,002,360 | 522,289 | The salaries reflect the base wage costs for 14 1/2 permanent employees. The budgeted amount reflects potential merit increases and 12 months wages for all positions. (This account also reflects the expense of the Admin portion of grant funds. These amounts were reflected in the separate grant portions of the budget sheet in previous budgets, but are now totalled in this section.) |
| 60100 | Extra Help | 5,000 | - | Wages paid to extra help including temporary and part time employees who are not eligible for standard employee benefits. |
| 60125 | Overtime | 1,000 | 38 | Wages paid for overtime work. |

North Coast Unified Air Quality Management District -- FY 14/15 Mid-Year Budget

| ACCOUNT NUMBER | ACCOUNT NAME | 2014-2015 Adopted Budget + Additions | 2014-2015 Actual Mid-Year | DESCRIPTION AND DETAILS OF ACCOUNTS |
|--|---|--------------------------------------|---------------------------|--|
| 60150 | Retirement, PERS | 196,463 | 89,111 | The District pays both the employer's and the employees' costs for retirement. The combined cost is 18.317% of gross wages, excluding liaison pay (Employer 11.317% employee 7%). PERS rates are established through an actuarial valuation. |
| 60175 | Employees' Group Insurance | 253,360 | 104,231 | Currently, District employees are covered under PERS Choice (California Public Employees Retirement System's health insurance plan). |
| 60184 | Retirees' Group Insurance | 36,000 | 7,462 | This account reflects the cost for retirees' health insurance coverage. |
| 60186 | SDRMA Dental, Vision, Life Insurance | 20,700 | 8,813 | This account reflects the cost of the Special District Risk management Authority (SDRMA) ancillary benefits (which include Dental, Vision and Basic Life insurance for |
| 60190 | Workers' Compensation Insurance | 12,000 | 7,764 | Workers' compensation insurance is paid quarterly and is determined based on a combination of State rates and claims experience. The District earns a discount of up to 15% for either participating in various SDRMA programs or submitting specific information to them each year. |
| 60196 | District Match to CalPERS 457 Plan | 8,350 | 3,997 | The District matches 5% of the APCO's salary. This amount is estimated since future salary not known at this time. Combined with the APCO's personal contribution, the amount cannot exceed the limit set annually by the IRS. |
| 60197 | Life Insurance Expense | 7,500 | 2,721 | Life insurance for the APCO and his spouse. |
| TOTAL | 60000 - Salaries & Benefits | 1,542,733 | 746,425 | |
| 60200 - PAYROLL TAXES | | | | |
| 60225 | Medicare & Social Security Tax | 14,679 | 7,590 | The Medicare tax rate is 1.45% of taxable wages, with no wage limit. |
| 60250 | CA Taxes, Unemployment Insurance & ETT | 6,950 | 9 | These taxes are calculated by applying the 2013 contribution rates of 5.2% for State Unemployment Insurance (SUI) and 1% for Employment Training Tax (ETT) to the first \$7,000 wages per employee per calendar year period. |
| TOTAL | 60200 - Payroll Taxes | 21,629 | 7,598 | |
| 60300 - INSURANCE | | | | |
| 60350 | General Liability, E & O | 15,000 | 12,382 | Premiums for public liability, property damage including fire, burglary, and vehicle coverage, errors and omissions coverage, boiler and money insurance coverage. This expense also includes a rider for various air monitoring stations. The increase is for the addition of the new building. |
| TOTAL | 60300 - Insurance | 15,000 | 12,382 | |
| 60400 - PROFESSIONAL SERVICES | | | | |
| 60450 | Professional & Special Services | 105,000 | 56,195 | Professional services and specialized services including outside computer services, auditing services, legal services, and air monitoring calibrations. |
| TOTAL | 60400 - Professional Services | 105,000 | 56,195 | |
| 60500 - REPAIRS & MAINTENANCE | | | | |
| 60550 | Maintenance, Computers | 1,000 | 64 | General maintenance costs for computers and software programs. |
| 60575 | Maintenance, Building | 5,000 | - | Building maintenance and repair costs to building. |
| 60580 | Maintenance, Equipment & Miscellaneous | 6,500 | 2,356 | Maintenance activity for equipment not specified in other maintenance accounts (office furnishings, yard and lawn maintenance). |
| 60590 | Maintenance, Equip.& Misc.-Air Monitoring | 8,000 | 1,190 | Repairs and maintenance of air monitoring stations. |
| 60585 | Household & Janitorial | 4,250 | 1,581 | General janitorial costs for offices, garbage pick-up service, and general cleaning and maintenance supplies. |
| TOTAL | 60500 - Repairs & Maintenance | 24,750 | 5,191 | |
| 60800 - LABORATORY SUPPLIES | | | | |

North Coast Unified Air Quality Management District -- FY 14/15 Mid-Year Budget

| ACCOUNT NUMBER | ACCOUNT NAME | 2014-2015 Adopted Budget + Additions | 2014-2015 Actual Mid-Year | DESCRIPTION AND DETAILS OF ACCOUNTS |
|--|--|--------------------------------------|---------------------------|---|
| 60835 | Refrigerant Supplies | | - | Supplies needed to run compliance inspections for refrigerant sources. |
| 60840 | Mobile Source Supplies | | - | Supplies needed to run compliance inspections for mobile sources. |
| 60845 | Landfill Supplies | | - | Supplies needed to run compliance inspections for landfill sources. |
| 60855 | Safety Equipment | 1,000 | - | Safety equipment such as safety shoes for six staff members and gear for asbestos inspections including x-rays and respirators. |
| 60860 | Lab Supplies - Sample/Evidence | 100 | - | Costs associated with evidence collection, including gloves, sealable plastic bags and disposable cameras. |
| TOTAL | 60800 - Laboratory Supplies | 1,100 | - | |
| 60900 - TRANSPORTATION & TRAVEL | | | | |
| 60950 | Vehicles - Gas, Maintenance & Repairs | 12,000 | 4,669 | Costs of vehicles' gas, maintenance and repairs including fuel, auto detailings, annual safety checks, oil changes, and car washes. |
| 61050 | Transportation & Travel - Staff | 8,000 | 997 | Costs of all transportation including the reimbursement to staff for the costs of meals and lodging, commercial transportation, allowance for use of private vehicles and other travel costs. |
| 61060 | Transportation & Travel - APCO | 10,000 | - | Costs of all transportation associated with the APCO including the reimbursement to the APCO for the costs of meals and lodging, commercial transportation, allowance for use of private vehicles and other travel costs. |
| 61075 | Transportation & Travel - Board of Directors | 3,000 | 1,937 | Travel expenses for governing and hearing board members, such as mileage and lodging reimbursements. |
| TOTAL | 60900 - Transportation & Travel | 33,000 | 7,603 | |
| 62000 - COMMUNICATIONS | | | | |
| 62050 | Communications - General Office | 13,000 | 6,315 | Cost of communications services, including monthly telephone at the L Street office and cell phone costs. |
| 62060 | Communications - Internet | 3,000 | 1,457 | Cost of internet communications at various district sites. |
| TOTAL | 62000 - Communications | 16,000 | 7,772 | |
| 63000 - UTILITIES | | | | |
| 63050 | Utilities - Electric & Gas | 8,000 | 3,481 | Gas and electric service to the office & various air monitoring stations. |
| 63100 | Water & Sewer | 2,000 | 890 | Water and sewer service to the office. |
| TOTAL | 63000 - Utilities | 10,000 | 4,371 | |
| 64000 - SPECIAL DISTRICT EXPENSE | | | | |
| 64050 | Special District Expense - General | 9,000 | 3,692 | Pursuant to HSC 40154, expenses in this category include payments to Board members at \$100 per meeting. |
| 64075 | Training | 1,500 | 231 | Employee education and training expenses (registration and class fees). |
| 64100 | Memberships & Subscriptions | 6,000 | 3,585 | District costs of memberships in societies, associations of officials, trade and other organizations whose membership may meet and discuss issues related to the useful conduct of the District business. |
| 64150 | Public Education | 1,000 | 1,000 | Various public education programs and outreach maintained by the District. |
| TOTAL | 64000 - Special District Expense | 17,500 | 8,508 | |
| 65000 - OFFICE EXPENSE | | | | |
| 65050 | Postage | 8,000 | 3,233 | Stamps, metered mail and bulk mail postage. |
| 65100 | Office Supplies | 8,500 | 2,054 | Office supplies include expendable items such as pens, pencils, ink & toner cartridges, copy paper, binders, envelopes, filing supplies, etc. |
| 65200 | Publications & Legal Notices | 7,500 | 1,667 | District costs of publications legally required for reports and notices, and includes costs of public notices. |

North Coast Unified Air Quality Management District -- FY 14/15 Mid-Year Budget

| ACCOUNT NUMBER | ACCOUNT NAME | 2014-2015 Adopted Budget + Additions | 2014-2015 Actual Mid-Year | DESCRIPTION AND DETAILS OF ACCOUNTS |
|---|---|--|------------------------------|---|
| 65225 | Printing Costs | 2,500 | 1,035 | Printing costs such as printing permit forms and other District publications. |
| 65250 | Rents & Leases - Building | 3,400 | 2,533 | Rental expense for storage unit at an estimated \$130 per month. |
| 65255 | Rents & Leases, Building - Air Monitoring | 600 | 300 | Jacobs Air Monitoring Station monthly rent at \$50 per month. |
| 65300 | Rents & Leases - Equipment | 1,200 | 479 | Rent and lease of equipment, including postage meter rent. |
| TOTAL | 65000 - Office Expense | 31,700 | 11,301 | |
| 66000 - CAPITAL OUTLAY | | | | |
| 66050 | Fixed Assets - Small Equipment < \$200 | 750 | 787 | Small tools and equipment valued at less than \$200 per item. |
| 66055 | Fixed Assets-Air Monitoring - Small Equipment < \$200 | 1,250 | 42 | Replacement of blower motors, timers and other air monitoring parts. |
| 66075 | Fixed Assets >\$200 <\$5,000 | 21,000 | 10,490 | Purchase of computer-related and office equipment. \$5000 (approved budget amount) plus additional funds approved at September Board meeting. |
| 66080 | Fixed Assets - Air Monitoring > \$200 < \$5,000 | 1,000 | - | Purchase of new replacement parts for monitoring stations. |
| 66100 | Fixed Assets > \$5000 | 284,540 | 192,216 | Real property costs and major modifications to real property. This amount reflects \$200,000 for renovations and transfer of District resources to the new building. Plus 84,540 for additional costs to new building approved at September Board meeting. |
| 66105 | Fixed Assets - Air Monitoring > \$5000 | 9,000 | 8,712 | |
| TOTAL | 66000 - Capital Outlay | 317,540 | 212,247 | |
| 67500 - Humboldt Hill Expense | | | | |
| 67500 | Humboldt Hill Expense | 20,000 | 1,088 | Operating costs incurred from this monitoring site. These costs are all reimbursed by PG&E. |
| TOTAL | 67500 - Humboldt Hill Expense | 20,000 | 1,088 | |
| 68000 - CONTRIBUTIONS TO OTHER AGENCIES | | | | |
| 68075 | AB 2766 Woodstoves | 8,750 | 6,000 | Grant funds allocated for Woodstove Changeout Program. |
| 68200 | AB 2588 Program - Toxic Hot Spots | 1,500 | 1,222 | Fees are collected by the District for pass through to the California Air Resources Board, Air Toxic "Hot Spots" Program. |
| 68290 | Burn Permit Fees to Fire Agencies | 14,000 | - | The District returns \$3.00 for every residential permit issued to local fire agencies. |
| TOTAL | 68000 - Contributions to Other Agencies | 24,250 | 7,222 | |
| 69000 - MISCELLANEOUS EXPENSE | | | | |
| 69100 | Uncategorized Expenses | - | - | |
| 69150 | Bad Debt/Unpaid Fees/Write-offs | - | - | Unpaid invoices and deductions in fees due to the District. |
| TOTAL | 69000 - Miscellaneous Expense | - | - | |
| 70000 - BANK FEES & INTEREST EXPENSE | | | | |
| 70100 | Interest Expense | - | - | |
| 70125 | Bank Fees & Charges | 2,000 | 559 | |
| 70130 | Credit Card Expense | 3,500 | 1,329 | Bank fees associated with credit card transactions. |
| 70150 | Late Fees | - | - | |
| TOTAL | 70000 - Bank Fees & Interest Expense | 5,500 | 1,887 | |
| | TOTAL REGULAR EXPENSE | 2,210,702 | 1,089,791 | Page 59 of 64 |

North Coast Unified Air Quality Management District -- FY 14/15 Mid-Year Budget

| ACCOUNT NUMBER | ACCOUNT NAME | 2014-2015 Adopted Budget + Additions | 2014-2015 Actual Mid-Year | DESCRIPTION AND DETAILS OF ACCOUNTS |
|----------------|--------------|--------------------------------------|---------------------------|-------------------------------------|
|----------------|--------------|--------------------------------------|---------------------------|-------------------------------------|

| | |
|---|------------------|
| Total 2014-2015 Mid-Year Expense | 1,089,791 |
| Total 2014-2015 Mid-Year Income | 900,950 |
| | -188,841 |

| GRANT & SPECIAL INCOME | | | | |
|--|-------------------------------------|------------------|----------------|---|
| CARL MOYER GRANT INCOME | | | | |
| 47100 | Carl Moyer Grant | 284,125 | 179,123 | Total proposed grant is \$489,014. The Carl Moyer program provides grant incentives for purchasing lower-emission heavy-duty diesel engines. Funding typically covers the cost difference between a new heavy-duty diesel engine and an alternative, clean fuel or lower-emission mode. |
| 47100 | Carl Moyer Grant Carryover | | - | |
| 80150 | Interest, Carl Moyer Program | 500 | 365 | Estimated interest earned on all Carl Moyer Program Grant funds while held in the Moyer checking account. All interest earned must be available for disbursement to qualified projects. |
| TOTAL CARL MOYER INCOME | | 284,625 | 179,489 | |
| TIMBER GRANT INCOME | | | | |
| 47350 | TIMBER Grant | 391,491 | 454,756 | |
| 47350 | TIMBER Grant Carryover | | - | |
| 80350 | Interest, TIMBER Grant | 500 | - | Estimated interest earned on New Logging Truck Grant funds. |
| TOTAL AB 923 DMV LTD INCOME | | 391,991 | 454,756 | |
| AB923 DMV LTD INCOME | | | | |
| 48100 | AB923 DMV Limited (\$2 per vehicle) | 335,690 | 102,341 | This fund is used for projects in accordance with HSC 44223. |
| 48100 | AB923 DMV Limited -Carryover | 731,000 | - | This amount is carry-over from 2012-2013. |
| 80200 | Interest, AB923 DMV Limited | 1,000 | 326 | Estimated interest earned on AB923 DMV Limited funds. |
| TOTAL AB 923 DMV LTD INCOME | | 1,067,690 | 102,667 | |
| TOTAL GRANTS & SPECIAL INCOME | | 1,744,306 | 736,911 | |
| GRANT & SPECIAL EXPENSE | | | | |

North Coast Unified Air Quality Management District -- FY 14/15 Mid-Year Budget

| ACCOUNT NUMBER | ACCOUNT NAME | 2014-2015 Adopted Budget + Additions | 2014-2015 Actual Mid-Year | DESCRIPTION AND DETAILS OF ACCOUNTS |
|--|-----------------------------|--------------------------------------|---------------------------|---|
| CARL MOYER GRANT EXPENSE | | | | |
| 68100 | Carl Moyer Grants | 284,625 | 320,000 | This grant expense includes regular grant funds, and earned interest. |
| 68100 | Carl Moyer Grant Carryover | | - | Carl Moyer carryover from 2012-2013. |
| TOTAL CARL MOYER GRANT EXPENSE | | 284,625 | 320,000 | |
| TIMBER GRANT EXPENSE | | | | |
| 68350 | TIMBER Grants | 391,991 | 120,000 | This grant expense includes regular grant funds, and earned interest. |
| 68350 | TIMBER Grant Carryover | | - | Logging Truck carryover. |
| TOTAL NEW LOGGING TRUCK GRANT EXPENSE | | 391,991 | 120,000 | |
| AB923 DMV LIMITED EXPENSE | | | | |
| 68055 | AB923 DMV Limited | 550,000 | 17,000 | This expense includes match funds for bus replacements, bus retrofits, and Carl Moyer projects. |
| 68055 | AB923 DMV Limited Carryover | 517,690 | - | |
| TOTAL DMV LIMITED EXPENSE | | 1,067,690 | 17,000 | |
| TOTAL GRANTS & SPECIAL EXPENSE | | 1,744,306 | 457,000 | |

| | |
|---|----------------|
| Total 14-15 Mid-Year Grant Expense | 457,000 |
| Total 14-15 Mid-Year Grant Income | 736,911 |
| | 279,911 |

**North Coast Unified Air Quality
Management District**
2300 Myrtle Avenue, Eureka, CA 95501
Telephone (707) 443-3093 FAX (707) 443-3099
<http://www.ncuaqmd.org>



TO: North Coast Unified Air Quality Management District Board

FROM: Brian Wilson, Interim APCO

SUBJECT: District Building Disposition

DATE: January 8, 2015

ACTION REQUESTED: Discuss and Provide Direction

SUMMARY:

Several months ago, the Board directed Staff to bring forward a discussion of what to do with the District building located at 2300 Myrtle Ave, Eureka.

Options ranging from leasing the property, to listing it for sale are both a possibility. Previous discussions with local commercial realtors indicate that it may be best to offer the property both for sale or lease, rather than limiting options. Although the building is now vacant, Staff plans to use the next month to clean up and prepare the building for disposition.

Staff requests a discussion on the matter and direction to move forward. A closed session may be needed at the next Board meeting to discuss specific details.

**North Coast Unified Air Quality
Management District**
2300 Myrtle Ave. Eureka, CA 95501
Telephone: 707-443-3093 Fax: 707443-3099
www.ncuaqmd.org



TO: North Coast Unified Air Quality Management District Board Members

FROM: Brian Wilson, Interim APCO

SUBJECT: APCO Report

DATE: January 8, 2015

The following information is provided as a summary of items of interest to the Board and District. Staff solicits and appreciates any feedback concerning these items or other items of interest from the Board or other interested parties.

- District Office Move:** The office move has been completed and the District has begun operation at the 707 L Street location. It has been accomplished under Board approved funding parameters. District staff has settled in and are mostly unpacked. An inventory of surplus furniture and other items will be conducted for disposition. Staff is hopeful to set a date within the month for a ribbon-cutting ceremony and press release for the new location.
- Burn Permit Renewals:** The renewal reminders have gone out to current burn permit holders including notification of our new address. District staff has been very busy processing the wave of renewals. Online renewals continue to be successful.
- Woodstove Change-out Grant:** The District's current round of woodstove change-out grants (\$500 each) is almost complete. In total, 17 grants will be provided: 12 grant awards have been provided to date, with another 5 currently being processed.
- RCEA Grant Partnership:** The District has partnered with the Redwood Coast Energy Authority (RCEA) to develop a Northwest California Alternative Fuels Readiness Plan under a California Energy Commission (CEC) grant. The joint work product will be developing a Northwest Alternative Transportation Fuels Readiness Project/Plan that benefits the regions of Humboldt, Del Norte, Trinity, Siskiyou, and Mendocino Counties. Presently, the other involved entities are the Mendocino Council of Governments (MCOG), Siskiyou Economic Development Council (SCEDC), and the Shatz Energy Research Center (SERC).

5. **Staff Training:** District staff has attended the following trainings: Erin Squire attended a webinar entitled Best Practices in Wood and Pellet Stove Incentive Programs.