

**Northern Sierra Air Quality Management District
Governing Board of Directors
Agenda
Regular Meeting**

**Monday
May 22, 2023
1:00 PM**

**Paul Roen, Chair
Sierra County Supervisor, District Three**

**Lee Adams, Vice-Chair
Sierra County Supervisor, District One**

**Hardy Bullock
Nevada County Supervisor, District Five**

**Ed Scofield
Nevada County Supervisor, District Two**

**Tom McGowan
Plumas County Supervisor, District Three**

**Dwight Ceresola
Plumas County Supervisor, District One**

**Alternates:
Susan Hoek, Nevada County Supervisor, District Four
Lila Heuer, Sierra County Supervisor, District Two
Jeff Engel, Plumas County Supervisor, District Five**

**Northern Sierra Air Quality Management District
Julie Hunter, Interim Air Pollution Control Officer**

**Grass Valley Office
200 Litton Drive, Ste 320
Grass Valley, CA 95945
(530) 274-9360**

**Portola Office
257 E. Sierra, Unit E.
Portola, CA 96122
(530) 832-0102**

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
BOARD OF DIRECTORS REGULAR MEETING**

May 22, 2023

1:00 P.M.

**This meeting will be held by videoconference/telephone at the following
locations:**

(Site A) VIDEOCONFERENCE/TELEPHONE CONFERENCE

Northern Sierra Air Quality Management District (Headquarters)

200 Litton Drive, Conference Room 316

Grass Valley, California

(Site B) VIDEOCONFERENCE/TELEPHONE CONFERENCE

Northern Sierra Air Quality Management District (Northern Office)

257 E. Sierra Street, Unit E

Portola, California

(Site C) VIDEOCONFERENCE/TELEPHONE CONFERENCE

112 State Highway 127

Shoshone, California

All items on the agenda may be acted upon by the Board of Directors. No action will be taken nor discussion held at the meeting on business not appearing on the posted agenda.

I. Standing Orders:

Call to Order.

Roll call and determination of quorum.

- A. **Public Comment:** For items **NOT** appearing on the agenda and within the jurisdiction of the Board. The public may comment on Agenda items as they are discussed.

II. Approval and/or Modifications to Agenda

- III. Consent Calendar** These Items Are Expected to Be Routine and Noncontroversial. They Will Be Acted on By the Board at One Time Without Discussion. Any Board Member, Staff Member, or Interested Party May Request That an Item Be Removed From the Consent Calendar for Discussion.

- A. Approval of regular meeting minutes – April 24, 2023
B. Payment Details by Vendor Board Report – April 2023

IV. Administrative Report (Action/Discussion Items)

- A. Financial Audit Ending June 30, 2022

- B. Public Hearing for FY 2023-2024 Preliminary Operating and Restricted Budget.
- C. Authorization for the addition of and to fill an APCS I full-time position.
- D. Authorization for the addition of and to fill a Targeted Airshed Grant Assistant I part-time position.

V. Director's Report (Informational Only)

- A. Portola PM2.5 Serious Nonattainment Area SIP and Proposed Nonattainment Area District Rule

VI. Staff Reports/Program Updates (Informational Only)

- A. Monitoring Network Update
- B. Planning Program Update
- C. Permitting Program Update
- D. Compliance/Enforcement Program Update
- E. Targeted Airshed Grant Update

VII. Concerns of Board - The Board may at this time bring up matters it wishes to discuss at the next Board Meeting, as long as no discussions are conducted and no actions are taken, in compliance with the Brown Act.

VII. Schedule next Meeting – June 26 @ 1:00 PM In Person - To Be Determined

VIII. Adjournment

PERSONS DESIRING TO ADDRESS THE BOARD

Meetings of the Board of Directors shall be conducted by the Chairperson in a manner consistent with the policies of the District. The latest edition of Robert's Rules of Order, Revised shall also be used as a general guideline for meeting protocol. District policies shall prevail whenever they are in conflict with Robert's Rules of Order, Revised.

All Board meetings shall commence at the time stated on the agenda and shall be guided by same.

PUBLIC COMMENT:

Provisions for permitting any individual or group to address the Board concerning any item on the agenda of a special meeting, or to address the Board at a regular meeting on any subject that lies within the jurisdiction of the Board of Directors, shall be as follows:

Three (3) minutes may be allotted to each speaker and a maximum of fifteen (15) minutes to each subject matter.

No boisterous conduct shall be permitted at any Board meeting. Persistence in boisterous conduct shall be grounds for summary termination, by the Chairperson, of that person's privilege of address.

No oral presentation shall include charges or complaints against any District employee, regardless of whether or not the employee is identified in the presentation by name or by another reference which tends to identify. All charges or complaints against employees shall be submitted to the Board of Directors under provisions contained in District Policy 1030.

Willful disruption of any of the meetings of the Board of Directors shall not be permitted. If the Chairperson finds that there is in fact willful disruption of any meeting of the Board, he/she may order the room cleared and subsequently conduct the Board's business without the audience present. In such an event, only matters appearing on the agenda may be considered in such a session.

After clearing the room, the Chairperson may permit those persons who, in his/her opinion, were not responsible for the willful disruption to re-enter the meeting room.

Duly accredited representatives of the news media, whom the Chairperson finds not to have participated in the disruption, shall be admitted to the remainder of the meeting.

Members of the public are given the opportunity to address the Board of Directors directly at each teleconference location.

POSTING AGENDA:

This agenda was posted at least 72 hours prior to the regular meeting at the following locations: Eric Rood Government Center in Nevada City, The Plumas County Courthouse in Quincy, the Litton Building in Grass Valley, Northern Air District office in Portola, the Plumas County Board of Supervisors Chambers in Quincy, Sierra County Courthouse Square in Downieville. **The agenda and board packet are available on-line prior to the Board Meeting at www.myairdistrict.com**

To: Northern Sierra Air Quality Management District Board of Directors

From: Julie Hunter, Interim Air Pollution Control Officer

Date: May 22, 2023

Agenda Item: II

Agenda Description: Approval and/or Modifications to Agenda

Requested Action: Discuss modifications to agenda, approve agenda with a roll call vote.

ROLL CALL VOTE REQUESTED

To: Northern Sierra Air Quality Management District Board of Directors

From: Julie Hunter, Interim Air Pollution Control Officer

Date: May 22, 2023

Agenda Item: III.A

Agenda Description: Approval of regular meeting minutes – April 24, 2023

Requested Action: Approve Draft Minutes

ROLL CALL VOTE REQUESTED

Attachments:

1. [Draft April 24, 2023 minutes](#)



DISTRICT HEADQUARTERS
200 Litton Drive, Suite 320
Mailing Address:
Grass Valley, CA 95945
(530) 274-9360 / FAX: (530) 274-7546
email: office@myairdistrict.com or www.myairdistrict.com

NORTHERN FIELD OFFICE
257 E. Sierra, Unit E
Mailing Address: P.O. Box 2227
Portola, CA 96122
(530) 832-0102 / FAX: (530) 832-0101

MINUTES

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
BOARD OF DIRECTORS MEETING**

April 24, 2023

1:00 p.m.

(Site A) VIDEOCONFERENCE/TELEPHONE CONFERENCE

Northern Sierra Air Quality Management District (Headquarters)

200 Litton Drive, Conference Room 316

Grass Valley, California

(Site B) VIDEOCONFERENCE/TELEPHONE CONFERENCE

Northern Sierra Air Quality Management District (Northern Office)

257 E. Sierra Street, Unit E

Portola, California

(Site C) VIDEOCONFERENCE/TELEPHONE CONFERENCE

Sierra County, Courthouse

100 Courthouse Square,

Downieville, California

Members Present:

**Supervisor Roen, Chair
Supervisor Adams, Vice-Chair
Supervisor Scofield
Supervisor Bullock
Supervisor Ceresola
Supervisor McGowan**

Members Absent:

none

I. A. Standing Orders:

Call to Order. Roll Call and Determination of Quorum.

Chair Roen called the meeting to order at 1:00 P.M. A quorum was confirmed. Also present; Julie Hunter, Interim APCO; Melissa Klundby, APCSII, Dawn Lunsford, Clerk of the Board, Howard Hughes, Collins Pines, Kit Elliott, Nevada County Counsel

B. Public Comment: For Items NOT Appearing on the Agenda and Within the Jurisdiction of the Board. The Public May Comment on Agenda Items As They Are Discussed. Both Teleconference Sites are Allowed an Opportunity for Public Comment.

Chair Roen called for public comment for items not appearing on the agenda. There was no public comment.

II. Approval and/or modification to the agenda

Chair Roen asked if there were any requested modifications to the agenda. Chair Roen made a request to pull item III.E (Resolution to approve a 6% COLA for Interim APCO) and item III.F (Budget Amendment) from the consent agenda for further discussion and action. Supervisor Ceresola made a motion to approve the agenda with the above modifications and Supervisor Adams seconded the motion. The motion was unanimously approved with a roll call vote.

III. Consent Calendar

Supervisor Adams made a motion to approve the consent calendar with the exception of items III.E and III.F. Supervisor Ceresola seconded the motion. The motion was unanimously approved with a roll call vote.

IV. Administrative Report

A. Public Hearing for Architectural Coating Rule

Chair Roen opened the public hearing and Ms. Hunter gave background on the rule. Chair Roen asked for public comment. There was no public comment. Chair Roen closed the public hearing and the Board discussed the rule. Following a brief discussion Supervisor Scofield made a motion to approve District Rule 230 by authorizing Resolution 2023-03. Supervisor Bullock seconded the motion. The motion was unanimously approved with a roll call vote.

B. Proposed Approval of CARL Moyer Contract (CMP 2023-01) for Collins Pines for \$74,438.00 of Carl Moyer funding to Replace a 1986 uncontrolled Diesel Forklift with a Tier 4 final Forklift.

Melissa Klundby explained the contract and introduced Collins Pines representative Mr. Howard Hughes, who was in attendance via zoom. Mr. Hughes gave further background on the replacement equipment. Following Board discussion, Supervisor McGowan made a motion to approve contract #CMP 2023-01 between Collins Pines Company and the Air District as presented. Supervisor Ceresola seconded the motion. The motion was unanimously approved with a roll call vote.

C. Vacant APCO Position - Continued Action/Discussion

Chair Roen reported that the Board would like to continue the current interim APCO contract before addressing this issue. No further action was taken.

D. CPS HR Assistance

Ms. Hunter presented the Board with a contract for services with an HR Consulting firm, CPS. Ms. Hunter reported that the District had no human resource assistance and was in need of this service. Ms. Hunter reported that the contract was for services as needed with

an hourly service rate and an annual not to exceed amount of \$15,000. The Board asked for clarification on this as a budgeted item and consulted with Rose Asquith, District Finance Officer. Ms. Asquith reported to the Board and explained that the \$15,000 was not currently in the budget and that the Board could approve a budget amendment for an additional \$10,000 from the operating budget be added to the professional fees budget line item. Following discussion, Supervisor Adams motioned to approve the CPS HR Consulting contract as presented with a do not exceed amount of \$15,000 annually and to request a budget amendment for an additional \$10,000 from the operating budget be added to the professional fees budget line item. Supervisor Bullock seconded the motion. The motion was approved unanimously with a roll call vote.

E. Approval of Northern Sierra Air Quality Management District's AB2766 DMV Surcharge Fund Program RFP – Grant Year 24

Julie Hunter opened the agenda item and asked for a report from employee Melissa Klundby. Ms. Klundby gave a brief background on this item and presented the Board with the RFP that included no available grant funds for Plumas County, \$205,2558 in grant funding available for Nevada County and \$5,763 For Sierra County in AB 2766 grant funding. Supervisor Scofield motioned to approve the Northern Sierra's AB2766 DMV Surcharge Fund Program proposal. Supervisor Bullock seconded the motion. The motion was unanimously approved with a roll call vote.

F. Resolution to approve a 6% COLA for Interim APCO

Ms. Hunter reported that a previous resolution approved COLA's for the District employees did not cover the listed position of Interim APCO. Supervisor Adams motioned to approve the 6% COLA for staff position of Interim APCO. Supervisor McGowan seconded the motion. The motion was unanimously approved with a roll call vote.

G. Budget Amendment

Ms. Hunter reported the agenda item was a Budget Amendment for the payout for Gretchen Bennitt's resignation from the District. Supervisor Adams motioned to approve a Budget Amendment for the payout amount of \$19,664.43. These funds came from the Permanent Salaries account. Supervisor Ceresola seconded the motion. The motion was unanimously approved with a roll call vote.

V. Director's Report

A. Program Staff Reports and Updates

Julie Hunter reported that she would like to begin bringing the Board monthly staff reports on numerous aspects of the District operation, the Board agreed to this new procedure.

VI. Concerns of the Board – Supervisor Bullock requested that page numbers be added to the agenda and linked back to the Agenda Item. The Board and Ms. Hunter agreed. Ms. Hunter will accommodate this request on the next Board Packet.

VII. Schedule next Meeting – Next meeting was scheduled for May 22, 2023, at 1:00 PM.

VII. Adjournment

The meeting was adjourned at 1:45 P.M.

To: Northern Sierra Air Quality Management District Board of Directors

From: Julie Hunter, Interim Air Pollution Control Officer

Date: May 22, 2023

Agenda Item: III.B

Agenda Description: Payment Details by Vendor Board Report – April 2023

Summary: Vendor Reports are available for the Board and Public to review

Requested Action: Review and approve reports.

ROLL CALL VOTE REQUESTED

Attachments:

1. [Payment Details by Vendor Board Report – April 2023](#)

8:10 AM

05/05/23

Northern Sierra Air Quality Management District Payment details by Vendor Board Report April 2023

Type	Date	Num	Memo	Account	Amount
Adecco					
Bill Pmt -Check	04/03/2023	257770	10-5318	10-1000 · Cash, Operating Ge...	-710.64
Bill Pmt -Check	04/06/2023	257901	10-5318	10-1000 · Cash, Operating Ge...	-710.64
Bill Pmt -Check	04/17/2023	258242	10-5318	10-1000 · Cash, Operating Ge...	-710.64
Bill Pmt -Check	04/20/2023	258335	10-5318	10-1000 · Cash, Operating Ge...	-710.64
Total Adecco					-2,842.56
ADP Fees					
Bill Pmt -Check	04/14/2023	235529	processing charges 4/6/23 pay...	10-1003 · Cash, Bank Payroll ...	-66.69
Bill Pmt -Check	04/21/2023	49650	enhanced payroll 4/13/23 chec...	10-1003 · Cash, Bank Payroll ...	-47.43
Bill Pmt -Check	04/28/2023	785498	Enhanced Payroll, check date ...	10-1003 · Cash, Bank Payroll ...	-55.18
Bill Pmt -Check	04/28/2023	866595	processing charges 4/27/23	10-1003 · Cash, Bank Payroll ...	-40.00
Total ADP Fees					-209.30
All Star Chimney, Eli Marchus					
Bill Pmt -Check	04/20/2023	V971522	TAG2015 Palmiter	20-1000 · Cash, Restricted Fu...	-160.00
Total All Star Chimney, Eli Marchus					-160.00
Asquith Business Service					
Bill Pmt -Check	04/06/2023	V971100	PPE 3/31/23 11 hours	10-1000 · Cash, Operating Ge...	-605.00
Bill Pmt -Check	04/20/2023	V971506	PPE 4/14/2023 , TAG 2 hours	10-1000 · Cash, Operating Ge...	-467.50
Total Asquith Business Service					-1,072.50
AT&T CALNET 3					
Bill Pmt -Check	04/17/2023	258292		10-1000 · Cash, Operating Ge...	-5.03
Bill Pmt -Check	04/20/2023	258397		10-1000 · Cash, Operating Ge...	-52.58
Bill Pmt -Check	04/20/2023	458399		10-1000 · Cash, Operating Ge...	-45.76
Total AT&T CALNET 3					-103.37
B of A					
Bill Pmt -Check	04/06/2023	V971038	PAYROLL	10-1000 · Cash, Operating Ge...	-21,188.72
Bill Pmt -Check	04/20/2023	V971429	Paydate 4/20/23	10-1000 · Cash, Operating Ge...	-16,580.53
Total B of A					-37,769.25
CALPERS (Health)					
Bill Pmt -Check	04/20/2023	912313	May 2023	10-1000 · Cash, Operating Ge...	-8,263.88
Total CALPERS (Health)					-8,263.88

8:10 AM

05/05/23

Northern Sierra Air Quality Management District Payment details by Vendor Board Report April 2023

Type	Date	Num	Memo	Account	Amount
CALPERS (Retirement)					
Bill Pmt -Check	04/06/2023	912277	PPE 3/31/23	10-1000 · Cash, Operating Ge...	-2,135.17
Bill Pmt -Check	04/06/2023	912276	Monthly ER Classic UAL contri...	10-1000 · Cash, Operating Ge...	-10,187.92
Bill Pmt -Check	04/06/2023	912278	PPE 3/31/23	10-1000 · Cash, Operating Ge...	-1,659.48
Bill Pmt -Check	04/06/2023	912280	Monthly ER PEPRA ual contri...	10-1000 · Cash, Operating Ge...	-133.75
Bill Pmt -Check	04/20/2023	912314	PPE 4/14/23	10-1000 · Cash, Operating Ge...	-2,135.17
Bill Pmt -Check	04/20/2023	912316	PPE 4/14/23	10-1000 · Cash, Operating Ge...	-1,208.08
Total CALPERS (Retirement)					-17,459.57
CALPERS 457 PLAN					
Bill Pmt -Check	04/06/2023	912279	PPE 3/31/23	10-1000 · Cash, Operating Ge...	-1,492.12
Bill Pmt -Check	04/20/2023	912315	PPE 4/14/23	10-1000 · Cash, Operating Ge...	-1,392.12
Total CALPERS 457 PLAN					-2,884.24
English Mountain Ranch					
Bill Pmt -Check	04/17/2023	V971351		10-1000 · Cash, Operating Ge...	-4,769.58
Total English Mountain Ranch					-4,769.58
Goicoechea, Dave					
Bill Pmt -Check	04/17/2023	258304	Farmers 2022-03/0265	20-1000 · Cash, Restricted Fu...	-61,285.67
Total Goicoechea, Dave					-61,285.67
Hahn, J. aka Wolf Creek Wood Stoves					
Bill Pmt -Check	04/03/2023	V970535		20-1000 · Cash, Restricted Fu...	-10,000.00
Total Hahn, J. aka Wolf Creek Wood Stoves					-10,000.00
Heat Tech Ind. LLC					
Bill Pmt -Check	04/03/2023	V970550	TAG2023-008 Rapacilo Heat ...	20-1000 · Cash, Restricted Fu...	-13,486.38
Total Heat Tech Ind. LLC					-13,486.38
Heat Transfer Systems					
Bill Pmt -Check	04/17/2023	V971381	TAG2018	20-1000 · Cash, Restricted Fu...	-26,998.00
Bill Pmt -Check	04/20/2023	V971536	TAG2018 2023-016 Morris	20-1000 · Cash, Restricted Fu...	-13,170.86
Total Heat Transfer Systems					-40,168.86
House of Print and Copy					
Bill Pmt -Check	04/03/2023	257790	Bus cards for Mikki Brown TA...	20-1000 · Cash, Restricted Fu...	-58.32
Total House of Print and Copy					-58.32

8:10 AM

05/05/23

Northern Sierra Air Quality Management District
Payment details by Vendor Board Report
April 2023

Type	Date	Num	Memo	Account	Amount
Hunter, Julie					
Bill Pmt -Check	04/06/2023	V971136	IAPCO Training	10-1000 · Cash, Operating Ge...	-144.10
Bill Pmt -Check	04/20/2023	V971547	IAPCO Training 4/6 & 4/7	10-1000 · Cash, Operating Ge...	-144.10
Total Hunter, Julie					-288.20
Intermountain Disposal, Inc. Vendor					
Bill Pmt -Check	04/06/2023	257967	Metal Hauling	20-1000 · Cash, Restricted Fu...	-165.00
Bill Pmt -Check	04/06/2023	257966	COMM'L WASTE CARTS	10-1000 · Cash, Operating Ge...	-33.03
Total Intermountain Disposal, Inc. Vendor					-198.03
James Merzon					
Bill Pmt -Check	04/17/2023	V971384	May 2023 rent	10-1000 · Cash, Operating Ge...	-555.00
Total James Merzon					-555.00
Melissa Klundby					
Bill Pmt -Check	04/06/2023	V971114	Dental	10-1000 · Cash, Operating Ge...	-1,250.00
Total Melissa Klundby					-1,250.00
Mikki Brown					
Bill Pmt -Check	04/20/2023	258420	mileage to Denver and PerDie...	20-1000 · Cash, Restricted Fu...	-187.16
Total Mikki Brown					-187.16
Quincy Hot Spot					
Bill Pmt -Check	04/17/2023	258263		20-1000 · Cash, Restricted Fu...	-14,935.32
Total Quincy Hot Spot					-14,935.32
R&B Com, Inc.					
Bill Pmt -Check	04/20/2023	258366	March 23	10-1000 · Cash, Operating Ge...	-1,749.97
Bill Pmt -Check	04/20/2023	258367	social media	20-1000 · Cash, Restricted Fu...	-1,221.00
Total R&B Com, Inc.					-2,970.97
Roberti Ranch					
Bill Pmt -Check	04/17/2023	258298	Farmers 2022-07/ 0269	20-1000 · Cash, Restricted Fu...	-176,000.00
Total Roberti Ranch					-176,000.00
Sonoma Technology					
Bill Pmt -Check	04/17/2023	V971386	TAG 2015/20118 split	20-1000 · Cash, Restricted Fu...	-7,333.33
Total Sonoma Technology					-7,333.33

8:10 AM

05/05/23

Northern Sierra Air Quality Management District
Payment details by Vendor Board Report
April 2023

Type	Date	Num	Memo	Account	Amount
Supervisor Adams					
Bill Pmt -Check	04/03/2023	257794	Board Meeting	10-1000 · Cash, Operating Ge...	-100.00
Total Supervisor Adams					-100.00
Supervisor Bullock					
Bill Pmt -Check	04/03/2023	V970541	Board Meeting	10-1000 · Cash, Operating Ge...	-100.00
Total Supervisor Bullock					-100.00
Supervisor Ceresola					
Bill Pmt -Check	04/03/2023	V970549	Board Meeting and Travel	10-1000 · Cash, Operating Ge...	-110.48
Total Supervisor Ceresola					-110.48
Supervisor Paul Roen					
Bill Pmt -Check	04/03/2023	257800	Board Meeting	10-1000 · Cash, Operating Ge...	-120.96
Total Supervisor Paul Roen					-120.96
Supervisor Scofield					
Bill Pmt -Check	04/03/2023	257807	Board Mtg	10-1000 · Cash, Operating Ge...	-100.00
Total Supervisor Scofield					-100.00
Tom McGowan					
Bill Pmt -Check	04/03/2023	257826	Jan, Feb and 2 Mar Board Me...	10-1000 · Cash, Operating Ge...	-617.46
Total Tom McGowan					-617.46
United Way of Nevada County					
Bill Pmt -Check	04/06/2023	257929	7 EV's event	10-1000 · Cash, Operating Ge...	-155.00
Total United Way of Nevada County					-155.00
US Bank					
Bill Pmt -Check	04/17/2023	258214		10-1000 · Cash, Operating Ge...	-5,525.59
Bill Pmt -Check	04/17/2023	258214		20-1000 · Cash, Restricted Fu...	-1,765.45
Total US Bank					-7,291.04
Wizix Technology Group					
Bill Pmt -Check	04/17/2023	258308	Ricoh/IMC3000	10-1000 · Cash, Operating Ge...	-123.60
Bill Pmt -Check	04/20/2023	258412	Savin C4540	10-1000 · Cash, Operating Ge...	-50.05
Total Wizix Technology Group					-173.65
TOTAL					-413,020.08

To: Northern Sierra Air Quality Management District Board of Directors

From: Julie Hunter, Interim Air Pollution Control Officer

Date: May 22, 2023

Agenda Item: IV.A

Agenda Description: Financial Audit Ending June 30, 2022

Summary: The annual audit for FY 2021-2022 was completed by Singleton Auman PC.

Clay Singleton will make a short presentation to the Board to recap the results of the audit and answer any questions from the Board.

Requested Action:

1. Approve the District's Financial Audit for the Fiscal Year Ending on June 30, 2022.

ROLL CALL VOTE REQUESTED

Attachments:

1. [Northern Sierra Air Quality Management District Audit Report June 30, 2022](#)
-

**NORTHERN SIERRA AIR QUALITY
MANAGEMENT DISTRICT**

Financial Statements, Management Discussion and Analysis,
and Independent Auditor's Report

AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Audited Financial Statements
June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northern Sierra Air Quality Management District
Grass Valley, CA

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Northern Sierra Air Quality Management District (District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Northern Sierra Air Quality Management District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

Susanville:

1740 Main Street, Suite A, Susanville, CA 96130
530.257.1040 Fax: 530.257.8876

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Chester:

PO Box 795, Chester, CA 96020
530.258.2272 Fax: 530.258.2282

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the schedule of proportionate share of the net pension liability, the schedule of pension contributions, the schedule of the District's proportionate share of the net OPEB liability, the schedule of the District's OPEB contributions, and schedule of changes in the District's OPEB liability and related ratios be presented to supplement the basic financial statements. Such information, although not a basic part of the 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 operation, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022 on our consideration of the 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 the 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 the District's internal control over financial reporting and compliance.

Respectfully submitted,


Singleton Auman, PC

Susanville, California
December 16, 2022

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
AS OF JUNE 30, 2022**

INTRODUCTION

Our discussion and analysis of Northern Sierra Air Quality Management District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. It should be read in conjunction with the District's financial statements (including notes and supplementary information), which follow this section.

The District's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Overview of District's Financial Activity

The District's mission is to preserve air quality and protect the public health and welfare in Nevada, Plumas and Sierra Counties. The District does this through programs implemented with the assistance of federal, state and local contributions. A major portion of the District's yearly annual revenue is through state subvention.

Pursuant to the joint powers agreement and amendments signed by the chairperson of each member county Board of Supervisors, the District receives funding from each of the Counties it serves. Each year, the District's Board of Directors adopts one method of calculating the current year's contribution. Methods are based on historical contributions, county populations, need, and inflation. Additional revenue comes from the following sources:

- State Subvention Funds
- AB 2766 DMV Surcharge Fees
- AB 923 DMV Surcharge Fees
- Stationary Source Fees
- Hearing Board Fees
- Open Burning Fees
- Woodstove Inspection Fees
- Fines Levied for Rule Infractions
- Interest on Reserves
- Subscriptions & Copies
- Contract with EPA to Monitor PM2.5
- Carl Moyer Program (grant pass-through only)
- EPA's 2015 Targeted Airshed Grant for the Plumas PM2.5 Nonattainment Area
- EPA's 2018 Target Airshed Grant for the Plumas PM2.5 Nonattainment Area
- Farmer Grant Funding

Assembly Bill 2766 (1991) Vehicle Registration Fee funds make up a significant portion of District revenue, however, these funds may be used solely to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988. The District collects \$4 per vehicle registration in Nevada County and Plumas County and \$2 registration in Sierra County.

The District receives revenues from the State which are restricted - funds which can only be used for exclusive purposes allocated by the Board and state requirements. Examples of continuing restricted funds are the pass-through grant programs of Board-approved AB2766 projects and Carl Moyer Heavy-Duty Diesel program. The District administers the expenditure of these monies (restricted expenditures) for worthy air pollution projects within the District's jurisdiction. All monies restricted for external grants only are placed in an account (Restricted Budget) separate from the District's Internal Operating Budget.

The External AB2766 grant cycle lags behind the fiscal year by 3 months, running from October 1st to September 30th. AB 2766 funding is encumbered in June (for previously approved grants) for use after June 30th. Typically, about half of originally allocated funds are used in these final months. During the first 3 months of the AB 2766 grant cycle, the opposite is true. As grantees gear up and since grant payments are reimbursement-based there is a lag of several months before payments are made to grantees. This irregular, unpredictable cash flow produces confusion to those trying to evaluate the District's reserves and can lead to overly optimistic estimations of the financial health of the District's reserves. In order to make this process easier to understand, the District places the granted portion of AB2766 funds in a separate account (Restricted Account) from the Operating Account. The AB 2766 projects must go through a competitive process and be approved by the District's Board of Directors. During FY 21/22, the District disbursed \$175,939.

EPA's Target Grant (for the Plumas PM2.5 Nonattainment area)

The District received a \$2.48, \$2.9, and \$2.65 million grant from the Targeted Air Shed Grants for 2015, 2018, and 2020, respectively for a wood stove change-out program. The grants are intended to improve air quality in areas of the U. S. with the highest levels of pollution. During fiscal year 21/22 the District expended \$308,292 on these grants.

Farmer

Funding for the FARMER grant program is provided by the California Air Resources Board. The program is administered by the Placer County Air Pollution Control District. The Placer County APCD chooses which projects get money and how much money those projects get. Those decisions are based on the air quality merits of the individual projects, specifically, how much pollution is reduced for the least amount of money, aka "cost effectiveness", and whether those projects benefit low-income or disadvantaged communities. Placer County APCD distributes the grant awards to the local Air Districts that are under contract with the Placer County APCD.

The contracts for the grant awards are administered by the local Air Districts. The role of the local Air District is to help the applicants fill out their grant applications. That includes help with wording, with choosing high value projects, with technical data and documentation and help with navigating the grant application process. Once a project has been awarded grant

money, the local Air District is responsible for putting that grantee under contract with the District. The local District ensures that the grantee complies with all the conditions in the contract and adheres to all the pre-, post- and dismantling inspection schedules. The Air District holds the grant money in its account until such time that the grantee is ready to purchase their new equipment. Once all the inspections have been performed, the Air District will provide the grantee with their grant award. The Air District also fills out all the reports required by the FARMER program and ensures that the grantees continue to adhere to the terms of their grant contract over the 5-year life of the project. The District disbursed \$158,402 during fiscal year 21/22.

Financial Highlights – Operating Budget

The operating fund reported an excess of expenditures over revenues this year of \$89,335. During the year, the District's non-grant expenses were \$1,143,441, while revenue for the unrestricted fund was \$1,054,106.

Operating Budget - Revenue

Revenues were \$1,054,106 which was less than expected revenue by \$112,871. This was largely due to less than expected intergovernmental revenue.

For Fiscal Year 22/23, the District expects revenue to be \$1,047,477.

Operating Budget - Expenditures

During FY 21/22, approximately 68% of expenditures (\$777,520) were utilized for Salaries and Benefits. During FY 22/23, the District expects \$896,280 (75% of total expenditures) for Salaries and Benefits.

Financial Highlights - Restricted Budget

The restricted fund reported an excess revenue over (under) expenses this year of \$35,589. During the year, the District's restricted revenue was \$758,091 while expenditures for the restricted fund were \$722,502.

Restricted Revenue

Total revenue for FY 21/22 was \$758,091. This revenue is from six government grant programs; AB2766, AB 617, EPA Target Grant, NOX Reduction Measure, Woodstove change-out and the Farmer's Shared Pool Program.

Restricted Expenditures

Total amount disbursed in FY 21/22 was \$722,502. Major disbursements were as follows:

- \$175,939 for the AB2766 program,
- \$53,878 for the NOX Reduction Measure.
- \$9,874 for the Woodsmoke Reduction Program,
- \$16,617 for the AB 617 Grant.
- \$308,292 for the EPA Target Grant and
- \$158,402 for the Farmer's Pooled Share program.

FINANCIAL HIGHLIGHTS

- Total net position was \$228,500 at June 30, 2022. This was an decrease of \$175,258 from the prior year.
- Overall revenues were \$1,812,197 which is less than expenses of \$1,865,943 by \$53,746.
- The General Fund reported a fund balance this year of \$1,491,208.
- The Restricted Fund reported a fund balance this year of \$661,892.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity’s overall financial position.
- **Fund financial statements** focus on reporting the individual parts of the District operations in more detail. The fund financial statements comprise the remaining statements.
 - **Governmental funds** statements tell how general government services were financed in the short term as well as what remains for future spending.
 - **Fiduciary fund** statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements. A comparison of the district’s budget for the year is included.

Government-Wide Statements

The government-wide statements report information about the District, as a whole, using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District’s net position and how it has changed. Net position, the difference between assets and liabilities, is one way to measure the District’s financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the tax base, and changes in program funding by the Federal and State governments, and the condition of the District's facilities.

The government-wide financial statements of the District include governmental activities. Most of the District's basic services are included here, such as air monitoring.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds-not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The Board of Directors establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues. The District has one kind of funds:

- Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the government funds statements that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's combined net position was \$228,500 at June 30, 2022. See Table 1. Cash increased due to the increase in payables and a decrease in receivables. Long term debt decreased due to the most recent actuarial valuation of the net pension liability.

**Table 1:
Net Position**

	Governmental Activities		Total Percentage
	2022	2021	Change 2022-2021
Assets			
Cash	\$ 2,759,417	\$ 2,489,309	10.85%
Accounts Receivable	324,039	398,198	-18.62%
Prepaid Expenses	26,814	26,138	2.59%
Security Deposit	1,214	1,214	100.00%
Capital Assets, Net Accumulated Depreciation	116,521	42,684	172.99%
Total Assets	\$ 3,228,005	\$ 2,957,543	
Deferred Outflows			
Pension Plan Contributions	\$ 240,033	\$ 253,764	-5.41%
OPEB Contributions	-	36,650	-100.00%
Total Deferred Outflows of Resources	\$ 240,033	\$ 290,414	
Liabilities			
Accounts Payable and Other Current	\$ 187,838	\$ 6,440	2816.74%
Unearned Revenue	780,283	701,574	11.22%
Long-Term Debt	1,659,906	2,103,465	-21.09%
Total Liabilities	\$ 2,628,027	\$ 2,811,479	
Deferred Inflows of Resources:			
Deferred Recognition of Pension Plan Earnings	\$ 611,511	\$ 32,194	1799.46%
Deferred Recognition of OPEB Earnings	-	526	-100.00%
	\$ 611,511	\$ 32,720	
Net Position			
Net Investment In Capital Assets	\$ 116,521	\$ 42,684	172.99%
Restricted	633,781	598,315	5.93%
Unrestricted	(521,802)	(237,241)	119.95%
TOTAL NET POSITION	\$ 228,500	\$ 403,758	

Changes in Net Position

The District's total revenues were \$1,812,197. A majority of the revenue comes from Federal and State aid for specific programs (92%) of total revenues.

The total cost of all programs and services was \$1,988,107. This reflects a decrease of \$1,771,066 in expenditures from the prior year.

**Table 2:
Changes in Net Position**

	Governmental Activities		Total Percentage
	2022	2021	Change 2022-2021
Revenues			
Permits & Fees	\$ 121,566	\$ 212,956	-42.91%
Government Funding	1,507,617	2,279,120	-33.85%
Grant Income	158,403	1,391,000	100.00%
Interest/Other Income	24,611	31,828	-22.68%
TOTAL REVENUES	1,812,197	3,914,904	-53.71%
Expenses:			
Air Quality Management	1,987,456	3,758,522	-47.12%
TOTAL EXPENSES	1,987,456	3,758,522	-47.12%
INCREASE/(DECREASE) IN NET POSITION	\$ (175,259)	\$ 156,382	-212.07%

Governmental Activities

Table 3 presents the cost of each of the District's functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by charges for services, operating grants and capital grants and contributions.

The total cost of all governmental activities this year was \$1,987,456.

**Table 3
Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Air Quality Management	\$ 1,987,456	\$ 3,758,522	\$ (199,870)	\$ 124,554
TOTAL	\$ 1,987,456	\$ 3,758,522	\$ (199,870)	\$ 124,554

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The overall financial performance of the District, as a whole, is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$2,153,100 which is below last year's ending fund balance of \$2,206,845.

General Fund Budgetary Highlights

Before each year the District budgets for that year operation. The Districts' budget was revised during the year. A schedule of the District's original and final budget amounts compared with actual revenues and expenses is provided in the supplemental section of the audited financial report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the District had invested \$116,522 in a broad range of capital assets, including furniture, equipment and vehicles. During the year, the District did invest in new capital assets. See Table 4.

Table 4
Capital Assets

	Governmental Activities		Total Percentage
	2022	2021	Change 2022-2021
Furniture	\$ 73,455	\$ 66,182	10.99%
Equipment	337,569	295,685	14.17%
Vehicles	72,662	101,662	-28.53%
Totals at Historical Cost	483,686	463,529	4.35%
Total Accumulated Depreciation	(367,164)	(420,844)	-12.76%
NET CAPITAL ASSETS	\$ 116,522	\$ 42,685	172.98%

The District expects to spend \$59,000 in capital expenditures for the 22/23 fiscal year for a vehicle and field equipment.

Long-Term Debt

At year end, the District had \$1,659,906 in debt, consisting of compensated absences, other post-employment benefits and net pension liability as shown in Table 5. More detailed information about the District's debt is presented in the notes to the financial statements.

Table 5
Long-Term Debt

	Governmental Activities		Change
	2022	2021	2022-2021
Compensated Absences	\$ 68,852	\$ 75,932	-9.32%
Net OPEB Liability	928,149	859,554	7.98%
Net Pension Liability	662,905	1,167,979	-43.24%
TOTAL LONG-TERM DEBT	\$ 1,659,906	\$ 2,103,465	-21.09%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health:

- The uncertainty of state funding can have a profound impact on the financial health of the District. Although no changes are currently anticipated, the state government could implement mid-year budget cuts and further cash deferrals.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact:

Air Pollution Control Officer
Northern Sierra Air Quality Management District
200 Litton Drive, Suite 320
Grass Valley, CA 95945
530-274-9360

**STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Governmental Activities</u>
Assets	
Cash on Hand and in Banks	\$ 440,857
Cash in County Treasury	2,318,560
Accounts Receivable	324,039
Prepaid Expenses	26,814
Security Deposit	1,214
Capital Assets:	
Furniture, Equipment, and Vehicles, Net	116,521
Total assets	<u><u>\$ 3,228,005</u></u>
 Deferred Outflows of Resources	
Deferred Recognition of Contributions to Pension Plan	\$ 240,033
Total Deferred Outflows of Resources	<u><u>\$ 240,033</u></u>
 Liabilities	
Accounts Payable	\$ 184,841
Unearned Revenue	780,283
Other Current Liability	2,997
Noncurrent Liabilities:	
Compensated Absences	68,852
Net OPEB Liability	928,149
Net Pension Liability	662,905
Total liabilities	<u><u>\$ 2,628,027</u></u>
 Deferred Inflows of Resources	
Deferred Recognition of Pension Plan Earnings	\$ 611,511
Total Deferred Inflows	<u><u>\$ 611,511</u></u>
 Net Position	
Net Investment in Capital Assets	\$ 116,521
Restricted	633,781
Unrestricted	(521,802)
Total Net Position	<u><u>\$ 228,500</u></u>

The accompanying notes are an integral part of this statement

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Governmental Activities</u>	Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions
			Total Governmental Activities
Air Quality Management	\$ 1,987,456	\$ 121,566	\$ 1,666,020
Total Governmental Activities	<u>\$ 1,987,456</u>	<u>\$ 121,566</u>	<u>\$ 1,666,020</u>
General Revenues:			
Interest			21,763
Other Income			2,848
Total General Revenue			<u>24,611</u>
Change in net position			(175,259)
Net position, beginning			<u>403,758</u>
Net position, ending			<u><u>\$ 228,499</u></u>

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

	<u>General Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Assets			
Cash on Hand and in Banks	\$ 440,857	\$ -	\$ 440,857
Cash in County Treasury	896,759	1,421,801	2,318,560
Accounts Receivable	225,257	98,782	324,039
Prepaid Expenses	26,814		26,814
Security Deposit	1,214		1,214
	<u>1,590,901</u>	<u>1,520,583</u>	<u>3,111,484</u>
Total Assets	<u>\$ 1,590,901</u>	<u>\$ 1,520,583</u>	<u>\$ 3,111,484</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	\$ 21,113	\$ 153,991	\$ 175,104
Other Current Liabilities	2,997		2,997
Unearned Revenue	53,315	726,968	780,283
	<u>77,425</u>	<u>880,959</u>	<u>958,384</u>
Total Liabilities	<u>77,425</u>	<u>880,959</u>	<u>958,384</u>
Fund Balance:			
Restricted		639,624	639,624
Committed	1,067,000		1,067,000
Unassigned	446,476		446,476
Total Fund Balance	<u>1,513,476</u>	<u>639,624</u>	<u>2,153,100</u>
Total Liabilities and Fund Balance	<u>\$ 1,590,901</u>	<u>\$ 1,520,583</u>	<u>\$ 3,111,484</u>

The accompanying notes are an integral part of this statement.

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

Total Fund Balances - Governmental Funds	\$ 2,153,100
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds	116,521
Payables for compensated absences which are not due in the current period are not reported in the funds	(68,852)
Deferred Outflows of resources in governmental activities are reported as expenditures in the funds	240,033
Deferred Inflows of resources in governmental activities are not reported in the funds	(611,511)
Payables for Pension Benefits which are not due in the current period are not reported in the funds	(672,642)
Payables for Other Post-Employment Benefits which are not due in the current period are not reported in the funds.	<u>(928,149)</u>
Total Net Position - Governmental Activities	<u><u>\$ 228,500</u></u>

The accompanying notes are an integral part of this statement.

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NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

	<u>General</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u>
Revenue:			
Permits & Fees	\$ 121,566	\$ -	\$ 121,566
Intergovernmental Revenue	916,504	591,113	1,507,617
Grant Income		158,403	158,403
Other Income	2,848		2,848
Interest Income	13,188	8,575	21,763
	<u>1,054,106</u>	<u>758,091</u>	<u>1,812,197</u>
Total Revenue			
	1,054,106	758,091	1,812,197
Expenditures:			
Air Quality Management			
Salaries	533,948	-	533,948
Benefits	243,572		243,572
Air Monitoring	26,889		26,889
AB617 Grant		16,617	16,617
AB 2776 Grants		175,939	175,939
NOX Reduction Measure Expense		53,378	53,378
Woodsmoke Reduction Program		9,874	9,874
EPA Target Grant - Wood Stoves		308,292	308,292
Farmer's Pooled Share Program		158,402	158,402
Professional Fees	55,397		55,397
Communications	17,324		17,324
Travel	14,015		14,015
Office	53,536		53,536
Rent and Utilities	61,139		61,139
Repairs and Maintenance	7,359		7,359
Dues and Subscriptions	5,728		5,728
Insurance	11,779		11,779
Pass-thru funds	5,252		5,252
Capital Outlay	107,503		107,503
	<u>1,143,441</u>	<u>722,502</u>	<u>1,865,943</u>
Total Expenditures			
	1,143,441	722,502	1,865,943
Revenue Over (Under) Expenditures	(89,335)	35,589	(53,746)
Fund Balance, July 1	<u>1,580,543</u>	<u>626,303</u>	<u>2,206,846</u>
Fund Balance, June 30	<u>\$ 1,491,208</u>	<u>\$ 661,892</u>	<u>\$ 2,153,100</u>

The accompanying notes are in integral part of this statement

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE AND EXPENDITURES
TO THE STATEMENT OF ACTIVITIES
AS OF JUNE 30, 2022**

Net Changes in fund balances - total governmental funds	\$ (53,746)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
The depreciation of capital assets used in governmental activities is not reported in the funds.	(33,666)
Other post-employment benefits are reported as the amount incurred in the SOA but as the amount paid in the funds.	(122,389)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(7,050)
Pension Expenditures used in governmental activities are not reported in the funds.	(65,911)
Capital Outlays are not reported as expenses in the SOA	<u>107,503</u>
Changes in net position of governmental activities - statement of activities	<u><u>\$ (175,259)</u></u>

The accompanying notes are an integral part of this statement

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northern Sierra Air Quality Management District (District) was founded on November 20, 1986 by an agreement between Nevada, Plumas and Sierra Counties and their corresponding Air Pollution Control Districts under provisions of Chapter 3 Part 3 Division 26 of the California Health and Safety Code. The District is responsible for attaining and maintaining the federal and state ambient air quality standards, and is therefore engaged in activities such as air monitoring, planning, enforcement, permitting, public education, and complaint investigation. Substantial funding for the District is from County established surcharges on vehicle registrations. These monies are collected by the California Department of Motor Vehicles and subsequently remitted to the District. Other sources of revenues include state subvention funding and fees from various permits, fines, and County general fund contributions. Over 50% of the District's revenue originates from or passes through departments of the State of California.

The District accounts for its financial transactions in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14 "The Financial Reporting Entity" and GASB Statement No. 39 "Determining Whether Certain Organizations Are Component Units," include whether:

- The organization is legally separate (can sue and be sued in its name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government
- The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization
- The economic resources received or held by an individual organization that the specific primary government is entitled to, or has the ability to otherwise access, are significant to that primary government

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB Statement.

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the district except those required to be accounted for in another fund.

Restricted Fund: This is the program fund of the District. It represents resources restricted to support of District air quality improvement and monitoring grants funded by AB 2766, Carl Moyer, Wood Stove Replacement Project, EPA PM2.5 Grant, and other government funding programs.

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

b. Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include county assessments, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Investment earnings are recorded as earned, since they are both measurable and available. Revenue from permits is not considered measurable until they are received and are recognized as revenue at that time because the renewal amount is based partially on actual emissions for the preceding period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Assets, Liabilities, and Equity

a. Deposits & Investments

Cash is composed of the following amounts as of June 30, 2022:

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Cash on hand and in banks	\$ -	\$ 440,857	\$ 440,857
Cash in Nevada County Treasury	1,421,801	896,759	2,318,560
Total Cash and Investments	<u>\$ 1,421,801</u>	<u>\$ 1,337,616</u>	<u>\$ 2,759,417</u>

Cash balances held in banks are insured to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Nearly all cash at June 30, 2022 is pooled for investment purposes and held by Nevada County. Interest is apportioned quarterly to the District based on the average daily balances on deposit with the County of Nevada. The Nevada County Treasury is an external investment pool for the District and the District is considered and involuntary participant. The investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy, however, the County's investment pool is not rated by a nationally recognized rating agency. By limiting its investments to the Nevada County Treasurers' investment pool, managed in accordance with the California Government Code, the District minimizes its exposure to custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Cash deposits are reported at carrying value which reasonably estimates fair value.

b. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Vehicles	5
Office Equipment	7
Field Equipment	5-7

Gain or loss is recognized when assets are retired from service or are otherwise disposed.

c. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

d. Deferred Outflows/Inflows of Resources

Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only two items that qualify for reporting in this category, deferred amounts from District pension contributions and deferred amounts from District OPEB contributions.

Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualifies for reporting in this category, unavailable amounts from the District portion of PERS pension earnings and unavailable amounts from OPEB earnings.

e. Compensated Absences

Accrued compensated absences for accumulated unpaid leave that is payable to employees upon termination include 100% of all employees' vacation time and compensated time off earned. In addition, 35% of sick time earned for employees who have been employed by the district for five years are also included. This liability is accrued in the Government-Wide financial statements but not on the Governmental Fund financial statements. The current portion of the liabilities is recognized in the General Fund at year end.

f. Budgetary Accounting

The District adopts its budget by July 1st of each year. Supplemental appropriations are adopted throughout the year as necessary.

g. Use of Estimates

The preparation of financial statements in conformity with Accounting Principles Generally Accepted in the United States of America requires the use of management's estimates. Actual results could differ from those estimates.

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

h. Components of Net Position

For Government-Wide Financial Statements, equity is classified in three components as follows:

Net Investment in Capital Assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of debt borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position consists of net assets with restrictions placed on the use either by external groups such as contributors, grantors or regulations of other governments, or law through constitutional provisions or enabling legislation.

Unrestricted Net Position consists of all other net assets that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

The District can assign balances for specific future uses; however, these assignments are not disclosed on the Statement of Net Position.

i. Equity Classifications

Fund balances of the governmental funds are classified as follows:

Non-spendable Fund Balance – represents amounts that cannot be spend because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District’s governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debts service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spend for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

j. Subsequent Event Evaluation

Management has evaluated subsequent events through December 16, 2022, the date the financial statements were available to be issued.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Net Assets of Individual Funds

Following are funds having deficit fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None	None	Not Applicable

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 – CAPITAL ASSETS

A summary of changes in fixed assets follows:

	<u>Balance</u> <u>6/30/2021</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>6/30/2022</u>
Furniture	\$ 66,182	\$ 16,371	\$ (9,098)	\$ 73,455
Equipment	295,685	91,132	(49,248)	337,569
Vehicles	101,662		(29,000)	72,662
Total Capital Assets	<u>463,529</u>	<u>107,503</u>	<u>(87,346)</u>	<u>483,686</u>
Accumulated Depreciation	<u>(420,844)</u>	<u>(33,666)</u>	<u>87,346</u>	<u>(367,164)</u>
Property, Plant and Equipment, Net	<u>\$ 42,685</u>	<u>\$ 73,837</u>	<u>\$ -</u>	<u>\$ 116,522</u>

Depreciation was charged to functions as follows:

Air Quality Management \$33,666

NOTE 4 – LONG TERM DEBT

Long Term Debt is summarized as follows:

	<u>Balance</u> <u>06/30/21</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>6/30/2022</u>
Other Post Employment Benefits	\$ 859,554	\$ 68,595	-	\$ 928,149
Compensated Absences	75,932		7,080	68,852
Net Pension Liability	1,167,979		505,074	662,905
Total Debt Payable	<u>\$ 2,103,465</u>	<u>\$ 68,595</u>	<u>\$ 7,080</u>	<u>1,659,906</u>
Less Current Portion				-
Long Term Portion of Debt Payable				<u>\$ 1,659,906</u>

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 – EXCESS OF EXPENSES OVER APPROPRIATIONS

<u>Appropriations Category</u>	<u>Amount</u>
General Fund:	
Air Monitoring	\$ 4,789
Total General Fund	<u>\$ 4,789</u>
Restricted Fund	
NONE	

Appropriations exceeded budget due to unanticipated costs in the general fund.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Litigation

The District is not currently involved in litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial statements.

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

NOTE 7 – RISK MANAGEMENT AND LITIGATION

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and customers; and natural disasters. The District has managed these risks by obtaining coverage from commercial insurance companies as well as providing employee education and prevention programs. All risk management activities are accounted for in the General Fund. Expenses and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported are considered.

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

The District's attorney estimates that the amount of actual or potential claims against the District as of June 30, 2022 will not materially affect the financial condition of the District. Therefore, the funds contain no provision for estimated claims. Information relating to an analysis of claims activities for the year was not available.

NOTE 8 – PENSION PLAN

Plan Description

The District, as the employer, participates in the cost-sharing, multiple-employer defined benefit pension plan administered by the California Public employees' Retirement System (CalPERS). The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members, and beneficiaries. A full description of the pension plan benefit provisions and assumptions for funding purposes can be obtained in Appendix B of the June 30, 2013 CalPERS actuarial evaluation report available at <https://www.calpers.ca.gov/page/forms-publications>.

Contributions

The contribution requirements of the Plan are established by Section 20814(c) of the California Public Employees' Retirement Law, which requires that employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. For the measurement period ended June 30, 2022 the active employee contribution rate was 7% of annual pay, and the District's contribution rate was 10.152%. Contributions to the pension plan from the District were \$158,730 for the year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2022, the District reported a net pension liability of \$662,905 for its proportionate share of the total net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net pension liability was based on the District's contributions received by the pension plan relative to the total contributions received by the pension plan for all participating employers as of June 30, 2022. Based upon this information, the District's proportion was .01226%.

For the year ended June 30, 2022, the District recognized pension expense of \$158,730. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Assumptions		\$ -
Differences between Expected and Actual Experience	\$ 74,338	
Differences between Projected and Actual Investment Earnings		578,681
Differences between Employer's Contributions and Proportionate Share of Contributions		21,535
Change in Employer's Proportion	6,965	11,294
Pension Contributions made Subsequent to Measurement Date	158,730	
Total	<u>\$ 240,033</u>	<u>\$ 611,510</u>

\$158,730 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ended June 30,	<u>Deferred Outflows/(Inflows) of Resources</u>
2022	\$ 114,703
2023	122,314
2024	133,274
2025	159,918
2026	-
Total	<u>\$ 530,209</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all prior periods included in the measurement:

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Discount Rate:	7.15%
Inflation:	2.75%
Salary Increases:	Varies by Entry Age and Service
Investment Rate of Return:	7.50% net of Pension Plan Investment and Administrative Expenses
Mortality Rate Table:	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The table below reflects long-term expected real rates of return by asset class. The rate of return was calculated using the capital marked assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 ¹	Real Return years 11 + ²
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00	0.99	2.43
Inflation Sensitive	6.00	0.45	3.36
Private Equity	12.00	6.83	6.95
Real Estate	11.00	4.50	5.13
Infrastructure and Forestland	3.00	4.50	5.09
Liquidity	2.00	(0.55)	(1.05)

¹An expected inflation of 2.5% used for this period

²An expected inflation of 3.0% used for this period

NOTE 9– POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The District provides certain postretirement healthcare benefits, as established by board policy, to eligible employees through a single-employer plan governed by the Public Employees' medical & Hospital Care Act (PEMHCA) and administered by the District. The Plan is a single-employer defined benefit OPEB plan. Employees may receive this benefit until they reach Medicare age. Employees are eligible for this benefits after attaining the age of 55 with at least

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

10 years of service to the District. Benefits are provided by CalPERS in exchange for premiums paid by the District up to \$9,600 per year. Employees hired after July 1, 2014 are not eligible for District paid premiums. The plan does not issue a standalone report.

Authority to establish and amend the benefit terms and financing requirements lies with the District board of directors. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement NO. 75.

All contracts with District employees will be renegotiated periodically in the future, thus costs and benefits are subject to change. Benefits and contribution requirements for the OPEB plan are established by various labor agreements.

a. Funding Policy

The District currently pays for post-employment healthcare benefits on a pay-as-you-go basis. The District has not set aside any funds to accumulate assets for future retiree obligations. Due to the requirements of GASB No. 75, assets intended to fund future obligations are not considered to offset the unfunded benefit obligation until the assets are transferred to an irrevocable trust designed to pay for future OPEB obligations.

At July 1, 2021, the following retirees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	<u>3</u>
Active Employees	<u>3</u>
Total Number of Participants	<u>6</u>

b. Total OPEB Liability

The District's total OPEB liability of \$928,149 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumption and Other Inputs

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumption and other inputs, applied to all periods including in the measurement unless otherwise specified.

Percent Married	Actual Data
Salary Increases	3.00%
Discount Rate	1.92%

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Healthcare Cost Trend Rates	5.20%
Age Adjustment Factor	3.00%

Discount Rate

GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position (if any) is projected to be sufficient to make projected benefit payment and assets are expected to be invested using a strategy to achieve to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-years, tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the pan’s projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payment. The discount rate used to measure the District’s Total OPEB liability is based on these requirements and the following information:

Long–Term Expected Return of Plan Investments	4.00 %
Municipal Bond 20- Year High Grade Rate Index	2.45 %

Pre-retirement mortality rates were bases on the RP- 2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were bases on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Schedule of changes in Net OPEB Liability

Total OPEB Liability	
Service Cost	\$ 19,615
Interest	21,241
Changes of benefit terms	-
Difference between expected and actual experience	14,491
Changes of assumptions	37,785
Benefit Payments	(24,537)
Net Change in total OPEB liability	<u>68,595</u>
Total OPEB liability- beginning (a)	<u>859,554</u>
Total OPEB liability- ending (b)	<u><u>\$ 928,149</u></u>
 Plan Fiduciary Net Position	
Contributions- employer*	\$ 24,537
Net Investment income	-
Benefit Payments	(24,537)
Administrative expenses	-
Net Change in plan fiduciary net positions	<u>\$ -</u>
 Plan fiduciary net position- Beginning (c)	 -
Plan fiduciary net position- Beginning (d)	<u><u>\$ -</u></u>
 Net OPEB liability- beginning (c) - (a)	 <u>\$ 859,554</u>
Net OPEB liability- ending (d) - (b)	<u><u>\$ 928,149</u></u>

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (0.92 percent) or 1 percentage-point higher (2.92 percent) than the current discount rate:

	1% Decrease <u>(0.92%)</u>	Discount Rate <u>(1.92%)</u>	1% Increase <u>(2.92%)</u>
Net OPEB Liability (asset)	\$ 1,055,695	\$ 928,149	\$ 823,325

Sensitivity of the net OPEB liability to change in the healthcare cost trend rates. The following presents the net OPEB liability, as well as what net OPEB liability would be if it were calculated using healthcare cost trend that are 1- percentage-point lower (4.200

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

percent decreasing to 4.0 percent) or 1- percentage- point higher (7.00 percent decreasing to 6.2 percent) than the current healthcare cost trend rates:

	1% Decrease <u>(4.2%)</u>	Trend Rate <u>(5.2 %)</u>	1% Increase <u>(6.2 %)</u>
Net OPEB liability (assets)	\$ 819,711	\$ 928,149	\$ 1,058,717

c. OPEB Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$83,190.

Net OPEB Expense

Change in Net OPEB Liability	\$ 68,595
Change in Deferred Inflows	2,387
Change in Deferred Outflows	(12,329)
Employer Contributions	24,537
Net OPEB Expense	<u><u>\$ 83,190</u></u>

At June 30, 2022 the District report deferred outflows of resources related to the following sources:

Changes in Assumptions or Other Inputs	<u>Deferred Outflow of Resources</u> \$ 0
Difference between expected and actual experience	<u>Deferred Inflow of Resources</u> \$ 0

**NORTHERN SEIRRA AIR QUALITY MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – COMMITTED FUND BALANCE

As of June 30, 2022, the District through action by its board of Directors has internally committed portions of the unrestricted fund balance as follows:

Detail of Committed Fund Balance:

Other Post-Employment Benefits	\$ 500,000
Equipment Replacements / Depreciation	150,000
Leave Liability	90,000
Air Monitoring Program	50,000
Public Education Program	10,000
Leasehold Improvements	77,000
Emergency Fund	110,000
Litigation	80,000
Total	<u>\$ 1,067,000</u>

NOTE 11 – RELATED PARTY TRANSACTIONS

The District's Board is made up of members of the Board of Supervisors of Nevada, Plumas, and Sierra Counties. During the fiscal year ended June 30, 2021, Nevada County contributed \$51,622 Plumas County contributed \$10,457 and Sierra County contributed \$1,694 to support the District's operations.

NOTE 12 – JOINT POWERS AGREEMENT

The District participates in one joint venture under joint powers agreements (JPA's) with the Special District Risk Management Authority (SDRMA), a public entity risk pool established to provide health, liability, property, and workers' compensation insurance to its members. The boards control the operations of the JPA's including the selection of management and approval of the operating budget, independent of any influence by the member districts beyond their representation on the boards.

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NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
GENERAL FUND BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive / (Negative)
	Original Budget	Final Budget		
Revenue:				
Permits & Fees	\$ 153,500	\$ 125,000	\$ 121,566	\$ (3,434)
Intergovernmental Revenue	861,877	1,026,877	916,504	(110,373)
Interest Income	25,000	15,000	13,188	(1,812)
Other Income	100	100	2,848	2,748
Total Revenue	<u>1,040,477</u>	<u>1,166,977</u>	<u>1,054,106</u>	<u>(112,871)</u>
Expenditures:				
Air Quality Management				
Salaries	523,006	584,526	533,948	50,578
Benefits	274,132	262,612	243,572	19,040
Air Monitoring	16,000	22,100	26,889	(4,789)
Professional Fees	60,200	56,600	55,397	1,203
Communications	25,000	17,395	17,324	71
Travel	10,000	14,150	14,015	135
Office	37,800	53,855	53,536	319
Rent and Utilities	64,000	61,550	61,139	411
Repairs and Maintenance	3,500	7,400	7,359	41
Dues and Subscriptions	3,500	6,000	5,728	272
Insurance	12,700	11,800	11,779	21
Capital Outlay	83,200	124,200	107,503	16,697
Miscellaneous	31,150	5,500	5,252	248
Total Expenditures	<u>1,144,188</u>	<u>1,227,688</u>	<u>1,143,441</u>	<u>84,247</u>
Revenue Over (Under) Expenditures	<u>\$ (103,711)</u>	<u>\$ (60,711)</u>	<u>(89,335)</u>	<u>\$ (197,118)</u>
Fund Balance, July 1			<u>1,580,543</u>	
Fund Balance, June 30			<u>\$ 1,491,208</u>	

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NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
RESTRICTED FUND BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive / (Negative)
	Original Budget	Final Budget		
Revenue:				
Intergovernmental Revenue	\$ 465,000	\$ 465,000	\$ 158,403	\$ (306,597)
Grant Income	698,400	698,400	591,113	
Interest Income	1,500	2,500	8,575	6,075
Total Revenue	1,164,900	1,165,900	758,091	(300,522)
Expenditures:				
Air Quality Management				
AB-2015	16,867	16,867		16,867
AB-2016	18,032	18,032		18,032
AB-2018	39,542	39,542		39,542
AB-2020	21,174	21,174		21,174
AB-2021	42,685	42,685		42,685
AB 2766 Grants	219,230	219,230	175,939	43,291
Carl Moyer Diesel	449,915	449,915		449,915
Woodsmoke Reduction Program	45,000	45,000	9,874	35,126
AB 923	364,639	364,639		364,639
EPA Target Grant- Woodstove	698,400	698,400	308,292	390,108
Farmers Pooled Share Program	546,514	546,514	158,402	388,112
Nox Reduction Measure	70,212	70,212	53,378	16,834
AB 617	85,543	85,543	16,617	68,926
Total Expenditures	2,617,753	2,617,753	722,502	1,756,951
Revenue Over (Under) Expenditure	\$ (1,452,853)	\$ (1,451,853)	35,589	\$ (2,057,473)
Fund Balance, July 1			626,303	
Fund Balance, June 30			\$ 661,892	

**SCHEDULE OF THE NORTHERN SIERRA AIR QUALITY MANAGEMENT'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's Proportion of the Net Pension Liability/(Asset)	0.012260%	0.010730%	0.107000%	0.010720%	0.010662%	0.010697%	0.010831%	0.011622%
Districts Proportionate Share of the Net Pension Liability (Asset)	\$ 662,905	\$ 1,167,979	\$ 1,096,472	\$ 1,023,724	\$ 1,057,372	\$ 925,584	\$ 751,272	\$ 722,829
District's Covered-Employee Payroll	\$ 507,193	\$ 368,395	\$ 419,635	\$ 419,635	\$ 364,341	\$ 390,896	\$ 369,089	\$ 396,315
District's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Employee Payroll	130.70%	317.05%	261.29%	243.96%	290.21%	236.79%	203.55%	182.39%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's total Net Pension Liability	72.67%	73.44%	72.87%	74.03%	71.71%	75.87%	78.00%	76.79%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 158,730	\$ 147,036	\$ 129,379	\$ 112,679	\$ 73,545	\$ 84,594	\$ 77,441	\$ 64,684

Notes to Schedule:

Only the eight fiscal years are presented because 10-year data is not yet available.

**NORTHERN SIERRA AIR QUALITY MANAGEMENT'S
SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM**

	Fiscal Year 2021-22	Fiscal Year 2020-21	Fiscal Year 2019-20	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16	Fiscal Year 2014-15
Actuarially Determined Contribution	\$ 158,730	\$ 147,036	\$ 129,379	\$ 126,059	\$ 106,950	\$ 95,065	\$ 60,900	\$ 65,837
Contributions in Relation to the Actuarially Determined Contribution	(158,730)	(147,036)	(129,379)	(126,059)	(94,835)	(88,034)	(84,594)	(77,441)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ 12,115	\$ 7,031	\$ (23,694)	\$ (11,604)
Covered Employee Payroll	\$ 507,193	\$ 368,395	\$ 419,635	\$ 419,635	\$ 364,341	\$ 390,896	\$ 369,089	\$ 396,315
Contributions as a Percentage of Covered-employee Payroll	31.30%	39.91%	30.83%	30.04%	26.03%	22.52%	22.92%	19.54%

Notes to Schedule:

Only the eight fiscal years are presented because 10-year data is not yet available.

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY**

	Measurement Years Ended			
	2022	2021	2020	2019
	2022	2021	2020	2018
District's proportion of the collective net OPEB liability	100%	100%	100%	100%
District's proportionate share of the collective net OPEB liability	\$ 928,149	\$ 859,554	\$ 843,477	\$ 867,094
Total	<u>\$ 928,149</u>	<u>\$ 859,554</u>	<u>\$ 843,477</u>	<u>\$ 867,094</u>
District's covered-employee payroll	\$ 291,242	\$ 247,108	\$ 294,360	\$ 348,849
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	318.69%	347.85%	286.65%	248.56%
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	N/A	N/A	N/A

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule provides the information for those years for which information is available.

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS**

	Measurement Years Ended			
	2022	2021	2020	2019
Statutorily or contractually required District contribution	\$ 83,190	\$ 36,147	\$ 25,945	\$ 28,743
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	24,637	24,225	20,650	23,586
Contribution deficiency (excess)	<u>\$ 58,553</u>	<u>\$ 11,922</u>	<u>\$ 5,295</u>	<u>\$ 5,157</u>
District's covered-employee payroll	\$ 291,242	\$ 247,108	\$ 294,360	\$ 348,849
Contributions as a percentage of covered-employee payroll	28.56%	14.63%	8.81%	14.98%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule provides the information for those years for which information is available.

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
 SCHEDULE OF CHANGES IN THE DISTRICT'S
 OPEB LIABILITY AND RELATED RATIOS

	Fiscal Years Ended			
	2022	2021	2020	2019
Service Cost	\$ 19,615	\$ 19,455	\$ 16,893	\$ 29,097
Interest	21,241	26,634	31,630	27,305
Changes of Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience	14,491	-	(77,752)	-
Changes of Assumptions	37,785	(5,787)	26,262	(49,786)
Benefit Payments	<u>(24,537)</u>	<u>(24,225)</u>	<u>(20,650)</u>	<u>(23,586)</u>
Net Change in OPEB Liability	68,595	16,077	(23,617)	(16,970)
OPEB Liability - Beginning	<u>859,554</u>	<u>843,477</u>	<u>867,094</u>	<u>884,064</u>
OPEB Liability - Ending	<u>\$ 928,149</u>	<u>\$ 859,554</u>	<u>\$ 843,477</u>	<u>\$ 867,094</u>

There were no changes in benefit terms in 2022.

The following are the discount rates used in each period:

2022	1.92%
2021	2.45%
2020	3.13%
2019	3.62%
2018	3.13%

**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**

Board of Directors
 Northern Sierra Air Quality Management District
 Grass Valley, CA

We have audited, in accordance with the 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 and the major funds of the Northern Sierra Air Quality Management District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal controls that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design of operation of 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. We found no deficiencies that we considered to be material weaknesses.

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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. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies. See finding 2022-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of the Report

This 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



SingletonAuman PC

Susanville, CA

December 16, 2022

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
COMBINED SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2022**

EXECUTIVE SUMMARY

The Northern Sierra Air Quality Management District (District) was founded on November 20, 1986 by an agreement between Nevada, Plumas and Sierra Counties and their corresponding Air Pollution Control Districts under provisions of Chapter 3 Part 3 Division 26 of the California Health and Safety Code. The District is responsible for attaining and maintaining the federal and state ambient air quality standards and is therefore engaged in activities such as air monitoring, planning, enforcement, permitting, public education, and complaint investigation.

The quality of the District's internal controls is highly dependent upon involvement in the day to day operations by the District employees. Also, due to the limited number of employees of the District, there is an inability to segregate the custody of and accountability for District assets in the manner generally required for model systems of internal accounting controls. A summary of the auditors' results follows:

1. **Type of Auditors' Report on Financial Statements:** Unmodified
2. **Internal Control Findings:** 1 Significant Deficiency
3. **Material Noncompliance Noted:** None.

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
COMBINED SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

**YELLOW BOOK SECTION
Internal Control – Significant Deficiency**

Finding 2022-001: Financial Statement Preparation

Criteria upon which audit finding is based (Legal Citation):

The District is responsible for preparing complete and accurate financial statements, footnote disclosures, and management's discussion and analysis in accordance with Generally Accepted Accounting Principles (GAAP).

Finding (Condition):

The District does not have policies and procedures in place to ensure that complete and accurate financial statements, footnote disclosures, and management's discussion and analysis are prepared in accordance with GAAP prior to the annual audit for the newest GASB pronouncements, GASB 68 & GASB 75. Management relies upon the auditor to recommend footnote disclosures and required supplementary information schedules, for the financial statements and to prepare adjusting journal entries for approval in order to report financial information in accordance with GAAP.

Amount of Questioned Cost, How Computed and Prevalence:

None

Effect:

There is a risk that a financial statement misstatement may exist and not be prevented or detected by the District's system of internal control.

Cause:

This condition has always existed at the District and is being reported in accordance with AU-C Section 265, Communicating Internal Control Matters Identified in an Audit.

Recommendation:

We recommend that the District be aware of this control deficiency, despite reliance upon the audit to record this information.

District's Response:

The District concurs with this finding.

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(FINDINGS FROM THE JUNE 30, 2021 AUDIT REPORT)
JUNE 30, 2022**

Finding 2021-001

The District does not have policies and procedures in place to ensure that complete and accurate financial statements, footnote disclosures, and management's discussion and analysis are prepared in accordance with GAAP prior to the annual audit for the newest GASB pronouncements, GASB 68 & GASB 75. Management relies upon the auditor to recommend footnote disclosures and required supplementary information schedules, for the financial statements and to prepare adjusting journal entries for approval in order to report financial information in accordance with GAAP.

Status

Not Implemented. See the current year finding 2022-001.

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
CORRECTIVE ACTION PLAN
JUNE 30, 2022**

Person Monitoring Corrective Action Plan
Air Pollution Control Officer

Finding 2022-001: Financial Statement Preparation

Finding (Condition)

The District does not have policies and procedures in place to ensure that complete and accurate financial statements, footnote disclosures, and management's discussion and analysis are prepared in accordance with GAAP prior to the annual audit for the newest GASB pronouncements, GASB 68 & GASB 75. Management relies upon the auditor to recommend footnote disclosures and required supplementary information schedules, for the financial statements and to prepare adjusting journal entries for approval in order to report financial information in accordance with GAAP.

Corrective Action Planned

The District has determined that the costs of correcting this control weakness outweigh the benefits to be received. The District will continue to rely on the independent auditor to prepare its annual financial statements.

Expected Completion Date

Ongoing.

To: Northern Sierra Air Quality Management District Board of Directors

From: Julie Hunter, Interim Air Pollution Control Officer

Date: May 22, 2023

Agenda Item: IV.B

Agenda Description: Public Hearing for FY 2023-2024 Preliminary Operating and Restricted Budget

Summary: The District has issued a public notice for this hearing. The District's Capital Budget is comprised of two major components - 1) the Restricted Grants Budget and the 2) Operating Budget. Each budget has two separate fund accounts to facilitate the tracking of funds in both budgets and to allow the public better comprehension of the District's overall capital budget. A summary of the budget and a line-item spreadsheet of both the Restricted and Operating Budgets is attached.

Requested Action:

1. Open a public hearing to receive comments on the District's Preliminary FY 2023-2024 Budget
2. Provide direction to staff on Preliminary FY 2023-2024 Budget

ROLL CALL VOTE REQUESTED

Attachments:

1. [Preliminary FY 2023/2024 Budget Report](#)
 2. [Preliminary FY 2023/2024 Operating Budget](#)
 3. [Preliminary FY 2023/2024 Restricted Budget](#)
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-

DISTRICT HEADQUARTERS

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**FISCAL YEAR 2023/2024
CAPITAL BUDGET
Preliminary**

May 22, 2023

EXECUTIVE SUMMARY

The District's Capital Budget is comprised of two major components - 1) the Restricted Grants Budget and the 2) Operating Budget. Each budget has two separate fund accounts to facilitate the tracking of funds in both budgets and to allow the public better comprehension of the District's overall capital budget. A line-item spreadsheet of both the Restricted and Operating Budgets follows.

RESTRICTED GRANTS BUDGET

The Restricted Grants Budget is solely for pass-through grants from the State of California or the Federal Government (U.S. Environmental Protection Agency) to reduce air pollution emissions in areas where public health is most impacted. The District will be administering this budget through a variety of grant programs, incentives, rebates and public education in cooperation with other local agencies and businesses. For a detailed breakdown of all line items for the Restricted Grant Budget, please refer to the restricted budget spreadsheet.

AB2766 Grant Programs

The District administers the State's AB2766 DMV surcharge grant money to projects throughout all three counties of the District. This funding comes from a DMV surcharge fee for each registered vehicle in each county. Nevada and Plumas County charge a fee of \$4/vehicle. Sierra County charges a fee of \$2/vehicle.

The External AB2766 grant cycle lags behind the fiscal year by approximately 1.5 years to 2 years, running each calendar year as opposed to each fiscal year. For example DMV funds will be received January 2022 through December of 2022. These funds will be deposited fully by March of 2023 and are eligible to be spent in 2024. Meaning, that the funds generated in 2022 are then obligated to grantees and the restricted budget in 2023 and not available to be spent until January 2024.

The District therefore only awards monies that it has already deposited in its accounts, so as not to award money it does not currently have. In order to make this process easier to understand, the District places the granted portion of AB2766 funds in a separate account (Restricted Account) from the Operating Account.

The AB 2766 projects must go through a competitive process to request full or partial sponsorship for projects which reduce vehicle emissions and be approved by the District's Board of Directors. \$211,321 of AB2766 funding is slated for approval to be used during Fiscal Year 2023/24 for projects. This is only for the two counties of Nevada and Sierra. Plumas County's allocation of \$34,116 was allocated during the January 2023 Board meeting to the TAG 2020 match fund. Because of this allocation, there will be no remaining AB funds available for Plumas County during FY 2023/24. Final grant approvals will be made in September or October 2023. After the Board allocates funds for individual AB projects, any funds which are not allocated to a project go into each county's AB 2766 total allocation account as carryover. These amounts will be added back into each county's AB allocation in time for the following year's Board approval of projects.

In addition to the FY 2023/2024 AB projects, there is \$334,444 expected to be expended for various encumbered projects. These funds are earmarked in the Restricted Grants Fund Balance.

AB923 DMV Surcharge Fees and Programs

AB923 is only implemented in Plumas County. This funding comes from a DMV surcharge fee of \$2 per each vehicle registered in the county. The District receives 6.25% as an administrative fee. This year, the District expects to receive approximately \$40,000, of which \$3,125 is administrative funding. This funding is to be utilized for replacing old diesel school buses per the state's Lower Emission School Bus program or for reducing heavy duty diesel emissions, similar to the Carl Moyer program. Recently the state has approved that this funding can also be utilized for infrastructure for alternatively fueled, low emission school busses. The current fund balance of AB923 funding is \$402,295 providing a total of \$442,295 available for expenditure during FY 2023/2024.

Carl Moyer Heavy Duty Off Road Diesel Emission Reduction Program

The District administers the State's Carl Moyer Heavy Duty Diesel Program throughout all three counties in the District. This program is intended to provide incentives to owners of heavy duty diesel off road engines to retrofit or replace these engines to lower emitting models. This is easily one of the most cost-effective and pollution reducing programs that the State sponsors and the District administers.

For fiscal year 2023/2024, the District expects to receive revenue of Carl Moyer funding of \$200,000. The District receives 12.5% administrative fee, leaving \$175,000 for the grant program and \$25,000 administrative fee which is revenue for the internal operating budget. The current fund balance amount of Carl Moyer funding is \$254,759. An estimate of \$1,000 is expected to be earned on the interest, which goes back into the program. This provides a total \$254,759 available for expenditure during FY 2023/2024.

Carl Moyer Lawn and Garden Program

The District has received funds to administer a Lawn and Garden Program. This program is to be administered with similar reporting requirements as the State's Carl Moyer Heavy Duty Diesel Program throughout all three counties in the District. This program is intended to provide incentives to provide funding opportunities for owners of commercial and residential lawn and garden equipment to replace their older combustion powered lawn and garden equipment with zero-emission battery-electric equipment. This program has many funding restrictions determined by the state and staff is currently in development of a grant program to award these funds.

For fiscal year 2023/2024, the District expects to receive revenue of Carl Moyer funding of \$200,000. The District receives 12.5% administrative fee, leaving \$175,000 for the grant program and \$25,000 administrative fee which is revenue for the internal operating budget. The current fund balance amount of Lawn and Garden Program is \$176,171, due to interest. This includes an additional estimate of \$1,000 is expected to be earned from interest, which goes back into the program.

EPA's Targeted Air Shed Grants

In January 2015, the U.S. EPA designated the City of Portola and surrounding parts of Plumas County as a federal nonattainment area for the annual PM_{2.5} health-based standard. PM_{2.5} is the fine particle pollution found in smoke. Studies indicate that the main source of smoke in Portola is from residential woodstoves and fireplaces.

2015 EPA Targeted Airshed Grant: \$2,523,607

U.S. EPA grant funds are administered by the Air District and the California Air Resources Board for a five-year voluntary residential wood stove replacement program to encourage owners to replace older wood stoves with cleaner burning devices and significantly improve air quality and public health in the Portola area. In 2019, the EPA approved an amendment to the 2015 grant, extending the grant an additional two years and adding a new administrative position – the Burn Wise Coordinator. In 2022, the grant received an additional one-year extension. The 2015 EPA Targeted Airshed Grant is completed as of 2023.

2018 EPA Targeted Airshed Grant: \$3,172,238

The Targeted Airshed Grant program elements are as follows: increased public education (TAG Specialist), extension and expansion of woodstove changeout program, electric heat pump program, chimney sweep vouchers, residential yard waste collection, wood shed program, development of wood bank program, weatherization and an Enforcement Coordinator for enforcing the mandatory woodstove curtailment program. The District estimates approximately \$400,000 per year will be expended from the restricted budget and \$45,000 will be expended from the operating budget for administrative costs.

2020 EPA Targeted Airshed Grant: \$2,655,967.00

U.S. EPA grant funds are administered by the Air District and the California Air Resources Board for a five-year voluntary residential wood stove replacement program to encourage owners to replace older wood stoves with cleaner burning devices and significantly improve air quality and public health in the Portola area. This grant offers the same program elements as the 2018 TAG except that this grant allows pellet stove to new pellet stove installations. We expect to spend \$50,000 from the restricted budget.

Voluntary Nox Reduction Measure (VNRM)

The State California Air Resources Board has awarded various air districts a grant which shall be used to “voluntarily remediate potential past emissions through remedial measures supporting air district-level NO_x mitigation projects targeting engines, such as the replacement of existing diesel engines with lox Nox engines.” The VNRM program is modeled on the criteria and requirements in the Moyer Guidelines. The District has earmarked \$19,350 of funds to be utilized for local projects.

FARMER Shared Pool

California's state legislature allocated \$35 million to the California Air Resources Board (CARB) from Fiscal Year 2017-2018 through Assembly Bill 134 and 109. CARB staff developed the Funding Agricultural Reduction Measure for Emission Reductions (FARMER) Program to meet the Legislatures objectives and help meet the State's criteria,

toxic and greenhouse gas emission reduction goals. CARB created a Shared Allocation Pool of funding (\$5 million) that was specifically designated for 18 air districts with less than one percent of statewide agricultural equipment emission inventory to ensure farmers in those districts have the opportunity to access FARMER funding. The Shared Allocation Pool is managed by the Placer County Air Pollution Control District (Placer APCD) and the California Air Pollution Control Officers Association (CAPCOA). Placer APCD and NSAPMD entered into an independent contract for management and distribution of the FARMER Funds. The District had \$5,154 in the FARMER fund balance, from interest earned, which must be spent on future projects and received \$677,973 in FY 2022-2023. All funds received have been earmarked for projects and it is unknown what, if any, FARMER funds the District will receive in FY 23/24.

AB617

Assembly Bill 109 provides funding for the Community Air Protection Program. Assembly Bill 109 approved the Cap-and-Trade Expenditure Plan which appropriated approximately \$1.6 billion in discretionary funds. The Northern Sierra Air Quality Management District has been approved by the California Air Resources Board (CARB) for a grant under the Community Air Protection Program. The grant award is for expenses necessary for implementation of Assembly Bill 617. The AB 617 Incentive Grants require projects to be approved by the Board so as to receive public comments on the use of the funds. Funds can only be used in AB1550 areas. The Board approved that the funds should be used for projects similar to Carl Moyer projects. The District has \$73,000 remaining in project funds for AB617 Incentive.

Woodstove Reduction Program

The Woodstove Reduction Program is funding to replace woodstove and reduce woodstove emission outside of the Portola Woodstove Exchange Program. The District has agreed to receive an allocation of \$130,000 in funding the Woodstove Reduction Program (WRP) for FY 2023-24, and has a remaining balance of \$34,860. This brings the project funds for the Woodstove Reduction Program to \$164,860 balance to fund projects.

OPERATING BUDGET

The second major portion of the District's overall capital budget is the internal Operating Budget which is outlined in detail in the Operating Budget spreadsheet.

Operating Revenue

Overall, Expenditures exceed Revenues by \$265,047. There is a decrease of \$93,558 of predicted revenue from last year's budget. The main reason for the decrease is a \$25,000 decrease in predicted AB2766 DMV fees. There is also a \$6,500 decrease from the Title V sources in the District. This is because the biomass facility in Loyalton is not currently in operation, and Collins Pine reduced their emissions, so their fees are predicted to be reduced proportionately. Additionally, there was a reduction in the Subvention funding in the amount of \$17,000. The District did not assume any administrative funds from the FARMER grant. This is because FARMER grants are highly competitive and are not decided until Fall of 2023. The District may or may not receive a FARMER grant next year, but to be conservative, the District has assumed that no grants will be received.

AB 2766 revenue is approximately 30% of total operating revenue. This revenue is used internally for activities that are related to clean air planning and technical studies necessary to implement the California Clean Air Act, and these technical activities should be funded by AB 2766 funds proportionate to the relative contribution of mobile source emissions.

General Administration, the Planning Program, and the Air Monitoring Program don't have adequate fees to cover costs, and so are supported with State Subvention, county contributions, and miscellaneous revenue line items.

Operating Expenditures

There is an estimated increase of total expenditures from the previous fiscal year of \$15,130. Expenditures increased in Accounting services by \$11,000 and Financial Auditor fees by \$3,000.

The District provides certain postretirement healthcare benefits, as established by Board Policy, to eligible employees through a single-employer plan governed by the Public Employees' Medical & Hospital Care Act (PEMHCA) and administered by the District. Employees who retire from the District shall be eligible to be enrolled in a PERS-provided health insurance plan. If the retiree is enrolled in a PERS-provided health insurance plan, the District shall pay 100% of the first \$9,600 of the retiree's annual premium. Employees hired after July 1, 2014 shall still be eligible to be enrolled in a PERS-provided health insurance plan upon retirement, but the District shall pay 0% of the retiree's annual premium, upon retirement.

The District has two separate accounts to express health insurance expenditures. Account #10-5017 is for retired employees, and Account #10-5016 is for current employees. However, two current employees have elected not to utilize the PERS-provided health benefits plan. According to District Policy, in recognition of the subsequent cost savings to the District, the District will pay the employees 40% of the premium costs saved by the District, or \$3,840, whichever is less. Since there is one employee electing not to utilize the

PERS provided plan, this total amount is \$3,840. This \$3,840 expenditure is not included in the Health Insurance expenditure, instead it is included in Account #10-5021 TaxMed.

Staffing for Northern Sierra Air Quality Management District FY 23-24

The Air Pollution Control Officer (APCO) position is currently vacant, but the District plans to hire a new APCO in early FY 23-24. The Deputy APCO is planning to retire in December 2023, so this position will be vacant for 6 months. The APCS I (part-time) position is vacant.

Air Pollution Control Officer	(1 full-time position)
Deputy Air Pollution Control Officer	(1 full-time position)
Air Pollution Specialist III	(1 full-time position)
Air Pollution Specialist II	(1 full-time position)
Air Pollution Specialist I	(2 full-time position)
Air Pollution Specialist I	(1 part-time position)
Federal Targeted Airshed Specialist	(1 full-time position)
Accounting Clerk/Admin Assistant	(1 full-time position)

Fund Balance Accounts (Reserves)

Prudent fiscal management requires careful budgeting and stringent budget control to avoid over-expenditure. Successfully staying under budget for all budget line items means that fund balances (in the form of reserves) will occur at year-end. Such fund balances are saved in reserves for various uses, such as equipment replacements, litigation, contingencies, leave liability, etc. It is prudent that the reserves are placed in earmarked and encumbered fund balances. The Board approves the fund balances with the adoption of the budget. Program needs justify budgeting expenditures that sometimes exceed expected revenue on a short-term basis. Spending down reserves is then prudent, rather than increasing fees sporadically, as long as short-term short-falls don't place the District in a precarious fiscal position. Timely program cuts or revenue adjustments would eventually be needed to prevent over-erosion of reserves. The rule of thumb is to keep at least 6 months' worth of expenses in reserves.

Total monthly expense is estimated to be \$97,000/month, based upon average monthly expenditures. Six months equals \$582,500. For this fiscal year, it is projected that Expenditures will exceed Revenues by \$265,047. This amount is projected to decrease the Reserves (fund balance amounts) by \$265,047, which is at \$1,379,121 as of April 2023.

The District has committed to adding \$50,000 annually to the District's Other Post-Employment Benefits (OPEB) account. This account will increase by \$50,000 annually as required by GASB45. GASB 45 determines the annual OPEB financial obligations based upon the current number of eligible employees and retirees. The net OPEB obligation at the end of the year 2023 was determined to be \$919,807. The District's financial auditor recommended and the Board of Directors agreed that the District expend at least \$50,000/annually and add it to the Fund Balance specific to account until the obligation is fulfilled. Staff has recommended increasing the OPEB amount by \$50,000 during FY 23/24, bringing the total OPEB amount to \$550,000. This expense of \$50,000 will be repeated annually until the District's annually determined OPEB obligation is met.

1. Equipment Replacements/Fixed Assets

\$3,000 will be expended to purchase office equipment such as 2 new laptops, 1 new computer tower. The District keeps a list of equipment and their respective depreciation rates.

\$50,000 will be expended to replace the District vehicle, the Dodge pickup. This vehicle has had many issues during the last year, and vehicles are a key piece of equipment for District staff to respond to complaints, perform inspections, conduct air quality monitoring, and attend meetings and classes.

2. Air Monitoring Program

The Air District receives \$57,000 from the Environmental Protection Agency for the continued operation of the District's Federal Reference Method (FRM) Network for particulate matter. The District will also continue to pay rent for its monitoring laboratory and purchase miscellaneous equipment to continue to run its existing air quality monitoring network.

3. Public Education

The District will utilize \$10,000 to fund its public education program for FY 2023-2024. This includes purchasing ads for emission reductions, incentive and grant programs.

Summary

Expected operating expenditures exceeds expected operating revenues by \$265,047. The funds received in previous years are encumbered in the District's fund balance accounts, and will be utilized to demonstrate a balanced budget in the final summary, if needed.

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Final Operating Budget
Fiscal Year 2023 - 2024

Resource Report	
Operating fund cash balance April 2023	\$ 1,379,121

Fund Balance Accounts		<i>(Used to track earmarked or encumbered funds)</i>	
Account #	Description	FY 2022-23	FY 2023-24
10-3901	General Fund, Undesignated	1,308	355
10-3903	Other Post-Employment Benefits	500,000	550,000
10-3904	Equipment Replacements / Depreciation	150,000	110,000
10-3905	Leave Liability	90,000	70,000
10-3906	Air Monitoring Program	50,000	40,000
10-3907	Public Education Program	10,000	10,000
10-3908	Contingency, Leashold Improvements	77,000	40,000
10-3909	Contingency, Emergency Funds	110,000	56,000
10-3910	Contingency, Litigation	80,000	52,000
Fund Balance Accounts Totals		1,068,308	928,355

Revenue			
Account #	Description	FY 2022-23	FY 2023-24
10-4002	Fees, Permit to Operate	35,000	38,000
10-4004	Fees, Vapor Recovery	22,000	21,000
10-4005	Fees, Variance Application	3,000	1,000
10-4006	Fees, Source Test	9,000	2,250
10-4007	Fees, Prescribed Burning	22,000	20,000
10-4008	Fees, Woodstove Inspections	3,000	2,000
10-4010	Fees, Title V, Fed Op Permit	41,500	35,000
10-4013	Fees, Fire Dept Response	1,500	500
10-4100	Penalties, Permitted Source	10,000	10,000
10-4101	Penalties, Open Burning	2,500	2,500
10-4201	Gov't Funding, State Subvention	132,000	115,000
10-4202	Gov't Funding, Subvention Supplemental	3,500	3,500
10-4203	Gov't Funding, County Contribution	62,669	62,669
10-4204	Gov't Funding, EPA Monitoring	57,000	57,000
10-4206	Gov't Funding, AB 2766 DMV Fees	360,000	335,000
10-4207	Gov't Funding, PERP Pass thru	25,000	25,000
10-4208	Gov't Funding, AB 923 Operating	3,125	2,800
10-4209	Gov't Funding, EPA Target Airshed Grant 2015	75,000	-
10-4210	Gov't Funding, EPA Target Airshed Grant 2018	45,000	75,000
10-4225	Gov't Funding, EPA Target Airshed Grant 2020		1,000
10-4211	Gov't Funding, AB 197	8,583	8,600
10-4213	Rx Fire Funding, Staff	75,000	75,000
10-4212	Rx Fire Funding, Monitoring	1,000	1,000
10-4215	Carl Moyer, Admin Fee	25,000	25,000
10-4222	Farmer Pooled Share	-	-
10-4303	Other Income, Rules, Copies, Subscr.	100	100
10-4310	Other Income, Interest Earned	25,000	35,000
Revenue Total:		\$ 1,047,477	953,919

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Final Operating Budget
Fiscal Year 2023 - 2024

Expenditures		Salaries and Benefits (Object Level)	
Account #	Description	FY 2022-23	FY 2023-24
10-5002	Permanent Salaries	584,615	551,552
10-5021	TaxMed (elect not to utilize the District-provided health insur	7,681	3,840
10-5003	Overtime	1,000	1,000
10-5011	Medicare/FICA	8,699	9,505
10-5013	CA State Unemployment	784	1,120
10-5015	Workers' Comp Insurance	5,352	6,114
10-5016	PERS Health Insurance Active Employees	55,800	84,600
10-5017	PERS Health Insurance Retired Employees	27,900	29,280
10-5019	Dental/Vision Care	10,000	12,500
10-5020/5023	PERS Retirement (ER & EE Paid)	70,589	58,988
10-5022/5024	PERS Unfunded Accrued Liability	123,860	118,798
Salaries and Benefits Total:		\$ 896,280	877,297

Expenditures		Services and Supplies (Object Level)	
Account #	Description	FY 2022-23	FY 2023-24
10-5201	PM Monitoring Expenses (supplies)	8,700	12,000
10-5202	Office Supplies	7,000	10,000
10-5203	References, Subscriptions	300	300
10-5204	Postage, Shipping	650	800
10-5205	Memberships	5,000	5,500
10-5207	Office Equipment - non capitalized	3,400	3,400
10-5206	Ozone Monitoring Expenses	4,800	4,000
10-5251	Communications	22,000	17,500
10-5253	Rent, Structures - Grass Valley	33,000	35,259
10-5254	Rent, Structures - Portola	6,800	7,145
10-5255	Utilities, Grass Valley	2,700	3,000
10-5256	Utilities, Portola	2,500	2,700
10-5257	Rent, PM2.5 (Conf room and roof)	19,000	20,915
10-5258	Liability Insurance	14,000	12,000
10-5259	Legal Notices, Public	1,000	2,000
10-5301	Information Technology	22,000	35,000
10-5303	Maintenance: Office Equipment	500	1,500
10-5305	Maintenance: Vehicles	3,000	4,000
10-5311	Profession Services: Legal	3,000	3,000
10-5313	Profession Services: Accounting (Nevada County, Accountant, and ADP)	14,000	30,000
10-5318	Profession Services: TAG 2015 Assistance	3,933	-
10-5320	Profession Services: TAG 2018 Assistance	123	-
10-5314	Profession Services: Financial Auditor	15,500	18,500
10-5315	Profession Services: Board - Directors and Variance	4,000	3,500
	Profession Services: Human Resources Contractor	15,000	15,000
10-5351	Training, Tuition	3,000	3,000
10-5352	Travel	10,000	8,000
10-5353	Gasoline	7,000	7,000
10-5354	Private Car Mileage	2,000	2,000
10-5390	Miscellaneous	1,000	1,000
Services and Supplies Total:		\$ 234,906	\$ 268,019

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Final Operating Budget
Fiscal Year 2023 - 2024

Expenditures - Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)			
Account #	Description	FY 2022-23	FY 2023-24
10-5402	Alternate Commute Program	750	750
10-5404	ARB: AB 2588 Fees	1,400	1,400
10-5405	Public Education Program	10,000	10,000
10-5406	Fire Dept Response Reimbursement	1,500	1,500
Contribution to Other Agencies / Internal Grants Total:		\$ 13,650	\$ 13,650.00

Expenditures - Fixed Asset Purchases (Object Level)			
Account #	Description	FY 2022-23	FY 2023-24
10-5601	Office Equipment (3 laptops, 1 computer)	4,000	5,000
10-5602	Field Equipment (fixed assets over \$5,000)	5,000	5,000
10-5603	Vehicle	50,000	50,000
Fixed Asset Purchases Total:		\$ 59,000	60,000

Budget Summary - Available Funding & Expenditures			
Available Funding		Fy 2022-23	FY 2023-24
Fund Balance Total (<i>encumbered & earmarked reserves</i>)		1,068,308	928,355
Petty Cash		75	75
Revenue		1,047,477	953,919
Available Funding Total:		2,115,860	1,882,349
Salaries and Benefits (Object Level)		896,280	877,297
Services and Supplies (Object Level)		234,906	268,019
Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)		13,650	13,650
Fixed Asset Purchases (Object Level)		59,000	60,000
Expenditure Total:		\$ 1,203,836	1,218,966

**Final Restricted Budget
Fiscal Year 2023 - 2024**

Restricted Budget, Fund Balance			
Account #	Description	FY 2022-23	FY 2023-24
20-3901	Restricted Funds, AB2766 Encumbered	232,780	334,444
20-3902	Fund Balance, AB2766 Total Allocation - Nevada County	-	205,558
20-3903	Fund Balance, AB2766 Total Allocation - Plumas County	34,116	-
20-3904	Fund Balance, AB2766 Total Allocation - Sierra County	5,828	5,763
20-3906	Fund Balance, Carl Moyer	75,907	254,759
	Fund Balance Carl Moyer Lawn and Garden		176,171
20-3908	Fund Balance, AB923	357,552	402,295
	Fund Balance, Woodstove Reduction Program Encumbered	64,137	34,860
	Fund Balance, AB617 Incentive Funds	71,639	73,000
	Fund Balance, Nox Reduction Measure (NRM)	53,375	19,350
	Fund Balance, EPA Target Grant Match (2015)	23,656	-
	Fund Balance, EPA Target Grant Match (2018)	40,000	-
	Fund Balance, EPA Target Grant Match (2020)	40,000	39,256
	Fund Balance, FARMER	5,154	677,973
Restricted Budget, Fund Balance Accounts Totals:		\$1,004,144	\$2,223,429

Restricted Budget, Revenue			
Account #	Description	FY 2022-23	FY 2023-24
20-4500	Govt. Funding, AB 2766 DMV Fees (60% for District Admin)	232,780	221,000
20-4505	Govt. Funding, AB923 (6.25% for district admin)	50,000	40,000
20-4518	Govt. Funding, Carl Moyer HD Diesel (12.5% for district admin)	175,000	175,000
20-4519	Govt. Funding, Carl Moyer Program Interest	1,000	-
20-4535	Govt. Funding, Woodstove Reduction Program (~10% for district admin)	0	130,000
20-4536	Woodstove Reduction Program interest	300	200
20-4542	FARMER Pooled Share	0	-
20-4529	Govt. Funding, EPA Target Grant for Portola 2015	640,000	-
20-4540	Govt. Funding, EPA Target Grant for Portola 2018	300,000	400,000
20-4587	Govt. Funding, EPA Target Grant for Portola 2020		50,000
20-4600	Other Income, Interest, Restricted		-
Restricted Budget, Revenue Total:		\$1,399,080	\$1,016,200

Restricted Budget, Expenditures			
Account #	Description	FY 2022-23	FY 2023-24
20-5487	EPA Targeted Air Shed Grant 2020 (AB2024-01)		39,315
20-5402	Town of Truckee (AB 2018-04, \$39,542)	39,542	-
20-5402	Nevada County OES (AB2021-10, \$182,153)	7,851	-
20-5404	Inc. Senior Citizens of Sierra County (AB2022-01, \$5752)	5,752	-
20-5404	Inc. Senior Citizens of Sierra County (AB2023-02, \$5828)		5,828
20-5402	Tahoe-Truckee Unified S.D. (AB2022-02, \$75,000)	75,000	
20-5402	Town of Truckee (AB2022-03, \$50,000)	50,000	50,000
20-5402	Sierra Senior Services (AB2022-05, \$ 37,800)	37,800	
20-5402	All Phase Landscape and Excavation (AB2022-06, \$16,835)	16,835	
20-5402	Nevada County OES (AB2023-01, \$150,000)	150,000	
20-5442	Portola MOU (AB2016-08, 35,378)	6,077	
20-5401	AB2766 Planned Expenditures for 2023	39,944	245,129
20-5406	Carl Moyer	250,907	254,759
20-5492	Carl Moyer Lawn and Garden		176,171
20-5416	Farmer	5,154	677,973
20-5409	AB 923	407,552	452,295
20-5410	EPA Target Grant 2015	560,474	
20-5485	EPA Target Grant 2018	300,000	400,000
20-5487	EPA Target Grant 2020		50,000
	EPA Targeted Airshed Specialist (salary + .27 fringe)	79,526	-
5440, 5402	EPA Targeted AirShed Vehicle (will use both 2015 and 2018 Match)	63,656	-
20-5414	Woodstove Reduction Program	64,137	164,860
20-5417	Nox Reduction Measure (NRM)	53,375	19,350
20-5486	AB617 Incentive	71,639	73,000
Restricted Budget, Expenditures Totals:		2,285,221	\$ 2,569,365

To: Northern Sierra Air Quality Management District Board of Directors

From: Julie Hunter, Interim Air Pollution Control Officer

Date: May 22, 2023

Agenda Item: IV.C

Agenda Description: Authorization for the addition of and to fill an APCS I full-time position.

Summary: The Interim APCO is requesting authorization to add and fill a new Air Pollution Control Specialist I (APCS I) position to be located in the Grass Valley office.

District staff have worked hard to fulfill the District's annual goals and objectives and requirements from the Environmental Protection Agency (EPA) and the California Resources Board (CARB) as well as continuing to administer several grant programs. With the resignation of the APCO and upcoming resignation of the Deputy APCO, fulfilling the requirements with the Districts existing staff will be a strain on district resources. In order for new hires to train with experienced staff before retirements occur will be imperative to keep programs and projects on track.

Fiscal Analysis:

The District has included a spreadsheet that demonstrates the Permanent Salaries for 10 employees. This is a decrease in an increase in expenditures in the amount of \$33,063 due to the resignation of the APCO including the calculation of the retirement of the Deputy APCO in January.

Requested Action:

The Interim APCO recommends that the Board approve the hiring of one new entry-level full-time position (Air Pollution Control Specialist I) to be located in the Grass Valley.

ROLL CALL VOTE REQUESTED

Attachments:

1. [Comparison of costs for FY 23-24 for justification for additional employee.](#)
 2. [Preliminary FY 2023/2024 Operating Budget](#)
 3. [Preliminary FY 2023/2024 Restricted Budget](#)
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FY 2023-2024				
	Total for 10 Employees		Reimbursement from TAG	Totals
Permanent Salaries	\$651,688.88		\$100,136.96	\$551,551.92
TaxMed (elect not to utilize the District-provided health insurance program)	\$3,839.94			
Overtime	\$1,000.00			
Medicare/FICA is 1.45%	\$9,505.17			
CA State Unemployment is 1.6% up to the first \$7,000	\$1,120.00			
Workers' Comp Insurance	\$6,113.54	Estimate using rate FY 22/23		
PERS Health Insurance Active Employees	\$84,600.00			
PERS Health Insurance Retired Employees	\$29,280.48	Current rate 1/23-12/23		
Dental/Vision Care	\$12,500.00			
PERS Retirement (ER & EE Paid)	\$58,988.45			
PERS Unfunded Accrued Liability	\$118,798.00	PEPRA TBD		
			\$27,036.98	
Totals	\$977,434.46		\$127,173.94	\$850,260.52
b				

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Final Operating Budget
Fiscal Year 2023 - 2024

Resource Report	
Operating fund cash balance April 2023	\$ 1,379,121

Fund Balance Accounts (Used to track earmarked or encumbered funds)			
Account #	Description	FY 2022-23	FY 2023-24
10-3901	General Fund, Undesignated	1,308	355
10-3903	Other Post-Employment Benefits	500,000	550,000
10-3904	Equipment Replacements / Depreciation	150,000	110,000
10-3905	Leave Liability	90,000	70,000
10-3906	Air Monitoring Program	50,000	40,000
10-3907	Public Education Program	10,000	10,000
10-3908	Contingency, Leashold Improvements	77,000	40,000
10-3909	Contingency, Emergency Funds	110,000	56,000
10-3910	Contingency, Litigation	80,000	52,000
Fund Balance Accounts Totals		1,068,308	928,355

Revenue			
Account #	Description	FY 2022-23	FY 2023-24
10-4002	Fees, Permit to Operate	35,000	38,000
10-4004	Fees, Vapor Recovery	22,000	21,000
10-4005	Fees, Variance Application	3,000	1,000
10-4006	Fees, Source Test	9,000	2,250
10-4007	Fees, Prescribed Burning	22,000	20,000
10-4008	Fees, Woodstove Inspections	3,000	2,000
10-4010	Fees, Title V, Fed Op Permit	41,500	35,000
10-4013	Fees, Fire Dept Response	1,500	500
10-4100	Penalties, Permitted Source	10,000	10,000
10-4101	Penalties, Open Burning	2,500	2,500
10-4201	Gov't Funding, State Subvention	132,000	115,000
10-4202	Gov't Funding, Subvention Supplemental	3,500	3,500
10-4203	Gov't Funding, County Contribution	62,669	62,669
10-4204	Gov't Funding, EPA Monitoring	57,000	57,000
10-4206	Gov't Funding, AB 2766 DMV Fees	360,000	335,000
10-4207	Gov't Funding, PERP Pass thru	25,000	25,000
10-4208	Gov't Funding, AB 923 Operating	3,125	2,800
10-4209	Gov't Funding, EPA Target Airshed Grant 2015	75,000	-
10-4210	Gov't Funding, EPA Target Airshed Grant 2018	45,000	75,000
10-4225	Gov't Funding, EPA Target Airshed Grant 2020		1,000
10-4211	Gov't Funding, AB 197	8,583	8,600
10-4213	Rx Fire Funding, Staff	75,000	75,000
10-4212	Rx Fire Funding, Monitoring	1,000	1,000
10-4215	Carl Moyer, Admin Fee	25,000	25,000
10-4222	Farmer Pooled Share	-	-
10-4303	Other Income, Rules, Copies, Subscr.	100	100
10-4310	Other Income, Interest Earned	25,000	35,000
Revenue Total:		\$ 1,047,477	953,919

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Final Operating Budget
Fiscal Year 2023 - 2024

Expenditures		Salaries and Benefits (Object Level)	
Account #	Description	FY 2022-23	FY 2023-24
10-5002	Permanent Salaries	584,615	551,552
10-5021	TaxMed (elect not to utilize the District-provided health insur	7,681	3,840
10-5003	Overtime	1,000	1,000
10-5011	Medicare/FICA	8,699	9,505
10-5013	CA State Unemployment	784	1,120
10-5015	Workers' Comp Insurance	5,352	6,114
10-5016	PERS Health Insurance Active Employees	55,800	84,600
10-5017	PERS Health Insurance Retired Employees	27,900	29,280
10-5019	Dental/Vision Care	10,000	12,500
10-5020/5023	PERS Retirement (ER & EE Paid)	70,589	58,988
10-5022/5024	PERS Unfunded Accrued Liability	123,860	118,798
Salaries and Benefits Total:		\$ 896,280	877,297

Expenditures		Services and Supplies (Object Level)	
Account #	Description	FY 2022-23	FY 2023-24
10-5201	PM Monitoring Expenses (supplies)	8,700	12,000
10-5202	Office Supplies	7,000	10,000
10-5203	References, Subscriptions	300	300
10-5204	Postage, Shipping	650	800
10-5205	Memberships	5,000	5,500
10-5207	Office Equipment - non capitalized	3,400	3,400
10-5206	Ozone Monitoring Expenses	4,800	4,000
10-5251	Communications	22,000	17,500
10-5253	Rent, Structures - Grass Valley	33,000	35,259
10-5254	Rent, Structures - Portola	6,800	7,145
10-5255	Utilities, Grass Valley	2,700	3,000
10-5256	Utilities, Portola	2,500	2,700
10-5257	Rent, PM2.5 (Conf room and roof)	19,000	20,915
10-5258	Liability Insurance	14,000	12,000
10-5259	Legal Notices, Public	1,000	2,000
10-5301	Information Technology	22,000	35,000
10-5303	Maintenance: Office Equipment	500	1,500
10-5305	Maintenance: Vehicles	3,000	4,000
10-5311	Profession Services: Legal	3,000	3,000
10-5313	Profession Services: Accounting (Nevada County, Accountant, and ADP)	14,000	30,000
10-5318	Profession Services: TAG 2015 Assistance	3,933	-
10-5320	Profession Services: TAG 2018 Assistance	123	-
10-5314	Profession Services: Financial Auditor	15,500	18,500
10-5315	Profession Services: Board - Directors and Variance	4,000	3,500
	Profession Services: Human Resources Contractor	15,000	15,000
10-5351	Training, Tuition	3,000	3,000
10-5352	Travel	10,000	8,000
10-5353	Gasoline	7,000	7,000
10-5354	Private Car Mileage	2,000	2,000
10-5390	Miscellaneous	1,000	1,000
Services and Supplies Total:		\$ 234,906	\$ 268,019

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Final Operating Budget
Fiscal Year 2023 - 2024

Expenditures - Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)			
Account #	Description	FY 2022-23	FY 2023-24
10-5402	Alternate Commute Program	750	750
10-5404	ARB: AB 2588 Fees	1,400	1,400
10-5405	Public Education Program	10,000	10,000
10-5406	Fire Dept Response Reimbursement	1,500	1,500
Contribution to Other Agencies / Internal Grants Total:		\$ 13,650	\$ 13,650.00

Expenditures - Fixed Asset Purchases (Object Level)			
Account #	Description	FY 2022-23	FY 2023-24
10-5601	Office Equipment (3 laptops, 1 computer)	4,000	5,000
10-5602	Field Equipment (fixed assets over \$5,000)	5,000	5,000
10-5603	Vehicle	50,000	50,000
Fixed Asset Purchases Total:		\$ 59,000	60,000

Budget Summary - Available Funding & Expenditures			
Available Funding		Fy 2022-23	FY 2023-24
Fund Balance Total (<i>encumbered & earmarked reserves</i>)		1,068,308	928,355
Petty Cash		75	75
Revenue		1,047,477	953,919
Available Funding Total:		2,115,860	1,882,349
Salaries and Benefits (Object Level)		896,280	877,297
Services and Supplies (Object Level)		234,906	268,019
Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)		13,650	13,650
Fixed Asset Purchases (Object Level)		59,000	60,000
Expenditure Total:		\$ 1,203,836	1,218,966

**Final Restricted Budget
Fiscal Year 2023 - 2024**

Restricted Budget, Fund Balance			
Account #	Description	FY 2022-23	FY 2023-24
20-3901	Restricted Funds, AB2766 Encumbered	232,780	334,444
20-3902	Fund Balance, AB2766 Total Allocation - Nevada County	-	205,558
20-3903	Fund Balance, AB2766 Total Allocation - Plumas County	34,116	-
20-3904	Fund Balance, AB2766 Total Allocation - Sierra County	5,828	5,763
20-3906	Fund Balance, Carl Moyer	75,907	254,759
	Fund Balance Carl Moyer Lawn and Garden		176,171
20-3908	Fund Balance, AB923	357,552	402,295
	Fund Balance, Woodstove Reduction Program Encumbered	64,137	34,860
	Fund Balance, AB617 Incentive Funds	71,639	73,000
	Fund Balance, Nox Reduction Measure (NRM)	53,375	19,350
	Fund Balance, EPA Target Grant Match (2015)	23,656	-
	Fund Balance, EPA Target Grant Match (2018)	40,000	-
	Fund Balance, EPA Target Grant Match (2020)	40,000	39,256
	Fund Balance, FARMER	5,154	677,973
Restricted Budget, Fund Balance Accounts Totals:		\$1,004,144	\$2,223,429

Restricted Budget, Revenue			
Account #	Description	FY 2022-23	FY 2023-24
20-4500	Govt. Funding, AB 2766 DMV Fees (60% for District Admin)	232,780	221,000
20-4505	Govt. Funding, AB923 (6.25% for district admin)	50,000	40,000
20-4518	Govt. Funding, Carl Moyer HD Diesel (12.5% for district admin)	175,000	175,000
20-4519	Govt. Funding, Carl Moyer Program Interest	1,000	-
20-4535	Govt. Funding, Woodstove Reduction Program (~10% for district admin)	0	130,000
20-4536	Woodstove Reduction Program interest	300	200
20-4542	FARMER Pooled Share	0	-
20-4529	Govt. Funding, EPA Target Grant for Portola 2015	640,000	-
20-4540	Govt. Funding, EPA Target Grant for Portola 2018	300,000	400,000
20-4587	Govt. Funding, EPA Target Grant for Portola 2020		50,000
20-4600	Other Income, Interest, Restricted		-
Restricted Budget, Revenue Total:		\$1,399,080	\$1,016,200

Restricted Budget, Expenditures			
Account #	Description	FY 2022-23	FY 2023-24
20-5487	EPA Targeted Air Shed Grant 2020 (AB2024-01)		39,315
20-5402	Town of Truckee (AB 2018-04, \$39,542)	39,542	-
20-5402	Nevada County OES (AB2021-10, \$182,153)	7,851	-
20-5404	Inc. Senior Citizens of Sierra County (AB2022-01, \$5752)	5,752	-
20-5404	Inc. Senior Citizens of Sierra County (AB2023-02, \$5828)		5,828
20-5402	Tahoe-Truckee Unified S.D. (AB2022-02, \$75,000)	75,000	
20-5402	Town of Truckee (AB2022-03, \$50,000)	50,000	50,000
20-5402	Sierra Senior Services (AB2022-05, \$ 37,800)	37,800	
20-5402	All Phase Landscape and Excavation (AB2022-06, \$16,835)	16,835	
20-5402	Nevada County OES (AB2023-01, \$150,000)	150,000	
20-5442	Portola MOU (AB2016-08, 35,378)	6,077	
20-5401	AB2766 Planned Expenditures for 2023	39,944	245,129
20-5406	Carl Moyer	250,907	254,759
20-5492	Carl Moyer Lawn and Garden		176,171
20-5416	Farmer	5,154	677,973
20-5409	AB 923	407,552	452,295
20-5410	EPA Target Grant 2015	560,474	
20-5485	EPA Target Grant 2018	300,000	400,000
20-5487	EPA Target Grant 2020		50,000
	EPA Targeted Airshed Specialist (salary + .27 fringe)	79,526	-
5440, 5402	EPA Targeted AirShed Vehicle (will use both 2015 and 2018 Match)	63,656	-
20-5414	Woodstove Reduction Program	64,137	164,860
20-5417	Nox Reduction Measure (NRM)	53,375	19,350
20-5486	AB617 Incentive	71,639	73,000
Restricted Budget, Expenditures Totals:		2,285,221	\$ 2,569,365

To: Northern Sierra Air Quality Management District Board of Directors

From: Julie Hunter, Interim Air Pollution Control Officer

Date: May 22, 2023

Agenda Item: IV.D

Agenda Description: Authorization for the addition of and to fill a Targeted Airshed Grant Assistant I part-time position.

Summary: The Interim APCO is requesting authorization to add a new Targeted Airshed Grant Assistant I position to be located in the Portola office to assist primarily with the Targeted Airshed Grant (TAG).

With the hiring of a staff member specifically dedicated to the TAG (TAG Specialist) for the Portola Nonattainment area, the TAG program elements have been developed and additional program elements implemented leading to an increase of time and resources needing to be devoted to the TAG program. With the increasing needs of the TAG program and the designation of Portola from Moderate to Serious Nonattainment, additional resources will need to be placed towards this program. A contracted part-time employee has been 100% dedicated to assisting the TAG Specialist for the last year, however, there is a need and there is funding available to hire a part-time TAG employee.

Fiscal Analysis:

The District has included a spreadsheet that demonstrates the fiscal impact of hiring a TAG Assistant. TAG reimburses the District the hourly wage of the employee plus 27% fringe benefits for all employees that code hours to working on any portion of the TAG programs.

Requested Action:

The Interim APCO recommends that the Board approve the hiring of a part-time, new entry-level position TAG Assistant to be located in the Portola office.

ROLL CALL VOTE REQUESTED

Attachments:

1. [Comparison of costs for FY 23-24 for justification for additional employee.](#)
 2. [Preliminary FY 2023/2024 Operating Budget](#)
 3. [Preliminary FY 2023/2024 Restricted Budget](#)
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FY 2023-2024				
	Total for 10 Employees		Reimbursement from TAG	Totals
Permanent Salaries	\$651,688.88		\$100,136.96	\$551,551.92
TaxMed (elect not to utilize the District-provided health insurance program)	\$3,839.94			
Overtime	\$1,000.00			
Medicare/FICA is 1.45%	\$9,505.17			
CA State Unemployment is 1.6% up to the first \$7,000	\$1,120.00			
Workers' Comp Insurance	\$6,113.54	Estimate using rate FY 22/23		
PERS Health Insurance Active Employees	\$84,600.00			
PERS Health Insurance Retired Employees	\$29,280.48	Current rate 1/23-12/23		
Dental/Vision Care	\$12,500.00			
PERS Retirement (ER & EE Paid)	\$58,988.45			
PERS Unfunded Accrued Liability	\$118,798.00	PEPRA TBD		
			\$27,036.98	
Totals	\$977,434.46		\$127,173.94	\$850,260.52
b				

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Final Operating Budget
Fiscal Year 2023 - 2024

Resource Report	
Operating fund cash balance April 2023	\$ 1,379,121

Fund Balance Accounts		<i>(Used to track earmarked or encumbered funds)</i>	
Account #	Description	FY 2022-23	FY 2023-24
10-3901	General Fund, Undesignated	1,308	355
10-3903	Other Post-Employment Benefits	500,000	550,000
10-3904	Equipment Replacements / Depreciation	150,000	110,000
10-3905	Leave Liability	90,000	70,000
10-3906	Air Monitoring Program	50,000	40,000
10-3907	Public Education Program	10,000	10,000
10-3908	Contingency, Leashold Improvements	77,000	40,000
10-3909	Contingency, Emergency Funds	110,000	56,000
10-3910	Contingency, Litigation	80,000	52,000
Fund Balance Accounts Totals		1,068,308	928,355

Revenue			
Account #	Description	FY 2022-23	FY 2023-24
10-4002	Fees, Permit to Operate	35,000	38,000
10-4004	Fees, Vapor Recovery	22,000	21,000
10-4005	Fees, Variance Application	3,000	1,000
10-4006	Fees, Source Test	9,000	2,250
10-4007	Fees, Prescribed Burning	22,000	20,000
10-4008	Fees, Woodstove Inspections	3,000	2,000
10-4010	Fees, Title V, Fed Op Permit	41,500	35,000
10-4013	Fees, Fire Dept Response	1,500	500
10-4100	Penalties, Permitted Source	10,000	10,000
10-4101	Penalties, Open Burning	2,500	2,500
10-4201	Gov't Funding, State Subvention	132,000	115,000
10-4202	Gov't Funding, Subvention Supplemental	3,500	3,500
10-4203	Gov't Funding, County Contribution	62,669	62,669
10-4204	Gov't Funding, EPA Monitoring	57,000	57,000
10-4206	Gov't Funding, AB 2766 DMV Fees	360,000	335,000
10-4207	Gov't Funding, PERP Pass thru	25,000	25,000
10-4208	Gov't Funding, AB 923 Operating	3,125	2,800
10-4209	Gov't Funding, EPA Target Airshed Grant 2015	75,000	-
10-4210	Gov't Funding, EPA Target Airshed Grant 2018	45,000	75,000
10-4225	Gov't Funding, EPA Target Airshed Grant 2020		1,000
10-4211	Gov't Funding, AB 197	8,583	8,600
10-4213	Rx Fire Funding, Staff	75,000	75,000
10-4212	Rx Fire Funding, Monitoring	1,000	1,000
10-4215	Carl Moyer, Admin Fee	25,000	25,000
10-4222	Farmer Pooled Share	-	-
10-4303	Other Income, Rules, Copies, Subscr.	100	100
10-4310	Other Income, Interest Earned	25,000	35,000
Revenue Total:		\$ 1,047,477	953,919

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Final Operating Budget
Fiscal Year 2023 - 2024

Expenditures		Salaries and Benefits (Object Level)	
Account #	Description	FY 2022-23	FY 2023-24
10-5002	Permanent Salaries	584,615	551,552
10-5021	TaxMed (elect not to utilize the District-provided health insur	7,681	3,840
10-5003	Overtime	1,000	1,000
10-5011	Medicare/FICA	8,699	9,505
10-5013	CA State Unemployment	784	1,120
10-5015	Workers' Comp Insurance	5,352	6,114
10-5016	PERS Health Insurance Active Employees	55,800	84,600
10-5017	PERS Health Insurance Retired Employees	27,900	29,280
10-5019	Dental/Vision Care	10,000	12,500
10-5020/5023	PERS Retirement (ER & EE Paid)	70,589	58,988
10-5022/5024	PERS Unfunded Accrued Liability	123,860	118,798
Salaries and Benefits Total:		\$ 896,280	877,297

Expenditures		Services and Supplies (Object Level)	
Account #	Description	FY 2022-23	FY 2023-24
10-5201	PM Monitoring Expenses (supplies)	8,700	12,000
10-5202	Office Supplies	7,000	10,000
10-5203	References, Subscriptions	300	300
10-5204	Postage, Shipping	650	800
10-5205	Memberships	5,000	5,500
10-5207	Office Equipment - non capitalized	3,400	3,400
10-5206	Ozone Monitoring Expenses	4,800	4,000
10-5251	Communications	22,000	17,500
10-5253	Rent, Structures - Grass Valley	33,000	35,259
10-5254	Rent, Structures - Portola	6,800	7,145
10-5255	Utilities, Grass Valley	2,700	3,000
10-5256	Utilities, Portola	2,500	2,700
10-5257	Rent, PM2.5 (Conf room and roof)	19,000	20,915
10-5258	Liability Insurance	14,000	12,000
10-5259	Legal Notices, Public	1,000	2,000
10-5301	Information Technology	22,000	35,000
10-5303	Maintenance: Office Equipment	500	1,500
10-5305	Maintenance: Vehicles	3,000	4,000
10-5311	Profession Services: Legal	3,000	3,000
10-5313	Profession Services: Accounting (Nevada County, Accountant, and ADP)	14,000	30,000
10-5318	Profession Services: TAG 2015 Assistance	3,933	-
10-5320	Profession Services: TAG 2018 Assistance	123	-
10-5314	Profession Services: Financial Auditor	15,500	18,500
10-5315	Profession Services: Board - Directors and Variance	4,000	3,500
	Profession Services: Human Resources Contractor	15,000	15,000
10-5351	Training, Tuition	3,000	3,000
10-5352	Travel	10,000	8,000
10-5353	Gasoline	7,000	7,000
10-5354	Private Car Mileage	2,000	2,000
10-5390	Miscellaneous	1,000	1,000
Services and Supplies Total:		\$ 234,906	\$ 268,019

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Final Operating Budget
Fiscal Year 2023 - 2024

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10-5406	Fire Dept Response Reimbursement	1,500	1,500
Contribution to Other Agencies / Internal Grants Total:		\$ 13,650	\$ 13,650.00

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Fixed Asset Purchases Total:		\$ 59,000	60,000

Budget Summary - Available Funding & Expenditures			
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Fixed Asset Purchases (Object Level)		59,000	60,000
Expenditure Total:		\$ 1,203,836	1,218,966

**Final Restricted Budget
Fiscal Year 2023 - 2024**

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	Fund Balance, FARMER	5,154	677,973
Restricted Budget, Fund Balance Accounts Totals:		\$1,004,144	\$2,223,429

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20-4519	Govt. Funding, Carl Moyer Program Interest	1,000	-
20-4535	Govt. Funding, Woodstove Reduction Program (~10% for district admin)	0	130,000
20-4536	Woodstove Reduction Program interest	300	200
20-4542	FARMER Pooled Share	0	-
20-4529	Govt. Funding, EPA Target Grant for Portola 2015	640,000	-
20-4540	Govt. Funding, EPA Target Grant for Portola 2018	300,000	400,000
20-4587	Govt. Funding, EPA Target Grant for Portola 2020		50,000
20-4600	Other Income, Interest, Restricted		-
Restricted Budget, Revenue Total:		\$1,399,080	\$1,016,200

Restricted Budget, Expenditures			
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20-5402	Town of Truckee (AB 2018-04, \$39,542)	39,542	-
20-5402	Nevada County OES (AB2021-10, \$182,153)	7,851	-
20-5404	Inc. Senior Citizens of Sierra County (AB2022-01, \$5752)	5,752	-
20-5404	Inc. Senior Citizens of Sierra County (AB2023-02, \$5828)		5,828
20-5402	Tahoe-Truckee Unified S.D. (AB2022-02, \$75,000)	75,000	
20-5402	Town of Truckee (AB2022-03, \$50,000)	50,000	50,000
20-5402	Sierra Senior Services (AB2022-05, \$ 37,800)	37,800	
20-5402	All Phase Landscape and Excavation (AB2022-06, \$16,835)	16,835	
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20-5406	Carl Moyer	250,907	254,759
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20-5416	Farmer	5,154	677,973
20-5409	AB 923	407,552	452,295
20-5410	EPA Target Grant 2015	560,474	
20-5485	EPA Target Grant 2018	300,000	400,000
20-5487	EPA Target Grant 2020		50,000
	EPA Targeted Airshed Specialist (salary + .27 fringe)	79,526	-
5440, 5402	EPA Targeted AirShed Vehicle (will use both 2015 and 2018 Match)	63,656	-
20-5414	Woodstove Reduction Program	64,137	164,860
20-5417	Nox Reduction Measure (NRM)	53,375	19,350
20-5486	AB617 Incentive	71,639	73,000
Restricted Budget, Expenditures Totals:		2,285,221	\$ 2,569,365

To: Northern Sierra Air Quality Management District Board of Directors

From: Julie Hunter, Interim Air Pollution Control Officer

Date: May 22, 2023

Agenda Item: V.A

Agenda Description: Portola PM2.5 Serious Nonattainment Area SIP and Proposed Nonattainment Area District Rule

Background and Summary: On November 1, 2022, the EPA issued a notice of failure to attain the 2012 annual PM2.5 NAAQS by the statutory attainment date of December 31, 2021 (Proposed Rule; FR 65719). On December 29, 2022, the EPA issued a Final Rule (FR 80076) of failure to attain and the reclassification from Moderate to Serious Nonattainment. The reclassification to Serious Nonattainment initiated a timeline for the District to submit a revision to its State Implementation Plan (SIP) that complies with the statutory and regulatory requirements for Serious PM2.5 nonattainment areas. This rule became effective January 30, 2023, with an attainment date of December 31, 2025.

District staff is working with CARB and the EPA to revise the Moderate SIP to meet the regulatory requirements of the Portola Serious Nonattainment Area. Additionally contingency measures to reduce emissions will be required to be implemented to meet the more stringent requirements of Serious Nonattainment.

One contingency measure discussed between District Staff, CARB and EPA is a Portola PM2.5 Serious Nonattainment District Rule (District Rule). This District Rule will be developed based on the Portola City Ordinance Number 359 and will be focused strictly on mandatory curtailment of burning in non-EPA certified wood stoves during a curtailment day throughout the entire nonattainment area, not just within the Portola City limits. This differs from the current mandatory curtailment applying only to the Portola City limits. The District Rule will include the current implemented contingency measures of curtailment season being extended to September through April and the curtailment called at the PM2.5 level of 20 µg/m³.

The Serious SIP is due to EPA July 30, 2024, with the District Rule included as a contingency measure. Staff will continue to update the Board on the progress of the Serious SIP as needed and will be brought to the Board for approval.

Requested Action: None, informational only

Attachments:

1. [FR 65719](#)
 2. [FR 80076](#)
 3. [Portola Moderate Nonattainment SIP 2017](#)
 4. [Portola City Ordinance 359](#)
-

ORDINANCE NO. 359

AN ORDINANCE OF THE CITY OF PORTOLA, COUNTY OF PLUMAS
AMENDING CHAPTER 15.10 OF THE CITY OF PORTOLA MUNICIPAL CODE
PROVIDING FOR REGULATION OF WOOD STOVES AND FIREPLACES AND THE
PROHIBITION OF THE OPEN BURNING OF YARD WASTE

The Council of the City of Portola, California, does ordain as follows:

Section 1. Chapter 15.10 of the Portola Municipal Code is hereby amended to read as follows:

Title 15- BUILDINGS AND CONSTRUCTION

Chapter 15.10- WOOD STOVE AND FIREPLACE ORDINANCE AND THE PROHIBITION OF
THE OPEN BURNING OF YARD WASTE

Sections:

- 15.10.010 Purpose.**
- 15.10.020 Definitions.**
- 15.10.025 Prohibition of the Open Burning of Yard Waste.**
- 15.10.026 Exceptions for Prohibition of Open Burning**
- 15.10.030 Requirements for New Wood Burning Devices.**
- 15.10.040 Requirements for Existing Wood Burning Devices.**
- 15.10.050 Permitted Fuels in Wood Burning Devices, Wood Burning Fireplaces, Wood-Fired Cookstoves, Wood-Fired Fire Pits.**
- 15.10.060 Mandatory Curtailment of Wood Burning Heaters, Wood Burning Fireplaces, Wood-Fired Fire Pits and Wood-Fired Cookstoves During Stagnant Conditions.**
- 15.10.070 Curtailment Levels and Period.**
- 15.10.080 Outdoor Wood-Fired Boiler Installation Prohibited.**
- 15.10.090 Wood Stove Retailers/Contractors Required to Provide Educational Materials.**
- 15.10.100 Violations.**
- 15.10.110 Continuing Violations- Each day being a separate violation.**

15.10.010 Purpose.

- A. This chapter shall be cited as the “Wood Burning Device and Open Burning Ordinance”
- B. This chapter is enacted for the purpose of improving the air quality within the City limits and protecting the general welfare of the citizens and residents of Portola. The EPA officially designated the Greater Portola area as federal nonattainment for the federal annual standard for PM 2.5 (Particulate Matter with an aerodynamic diameter of 2.5 microns or less), on April 15, 2015. High PM2.5 levels are mostly due to impacts from residential wood burning. The City Council finds there is a need to regulate and reduce harmful emissions of exhaust gases from wood-burning heaters and fireplaces, and that an appropriate method of regulation is a wood burning device ordinance.

15.10.020 Definitions.

As used in this chapter:

- 1. “Air District” means the Northern Sierra Air Quality Management District.

2. "Building" means any residence, mobile home, commercial property, or other structure.
3. "Certificate of Compliance" means a document issued by the Control Officer certifying that a building has no more than two wood burning heaters which are EPA-certified and no uncertified wood burning heaters.
4. "City" means the City of Portola.
5. "Control officer" means the official designated by the City Manager.
6. "Debris" means wastes resulting from land clearing operations. Debris include but are not limited to stumps, wood, brush, leaves, soil, and road spoils.
7. "EPA" shall mean the United States Environmental Protection Agency.
8. "EPA - Certified" means any wood burning heater with a Phase II certification or a more stringent certification as currently enforced in the NSPS.
9. "EPA-Qualified Fireplace" means any fireplace model or retrofit device that has been qualified by EPA under EPA's Voluntary Fireplace Program as emitting no more than 5.1. g/kg.
10. "Fireplace" means any permanently installed indoor or outdoor masonry or factory-built device used for aesthetic or space-heating purposed and designed to operate with an air to fuel ratio greater than or equal to 35 to 1.
11. "New Construction" means any single or multi-family housing unit, for which construction began on or after the effective date of this ordinance. Construction is deemed to occur when the foundation for the structure is installed.
12. "Notice of Exemption" means a document issued by the Control Officer certifying that a building has no wood burning heaters.
13. "NSPS" means New Source Performance Standard. For purposes of this rule the NSPS is the Code of Federal Regulations, Title 40, Part 60, Subpart AAA.
14. "Open Burning" The burning of combustible material of any types outdoors in the open, not in any enclosure, where the products of combustion are not directed through the flue.
15. "Outdoor Wood-fired Boiler" or "Hydronic Heater" means a fuel burning device designed: (1) to burn primarily wood or wood pellet fuel; (2) not to be located inside structures ordinarily occupied by humans; and (3) to heat spaces or water by the distribution through pipes of a fluid, typically water or water and antifreeze mixture, heated in the device.
16. "Pellet Fueled Wood Heater" means a pellet-fueled heater, comprising a forced draft heater with an automatic feed which supplies appropriately sized feed material or compressed pellets of wood, corn, or other biomass material to the firebox.
17. "Permanently Inoperable" means modified in such a way that the wood burning heater can no longer function as a wood burning heater or easily be remodified to function as a wood burning heater. Conversion to other fuels, such as propane, is permitted.
18. "Recreational Fire" means an outdoor fire burning dry, seasoned wood, manufactured logs, or charcoal briquettes where the fuel being burned is not contained in an incinerator, outdoor fireplace, portable outdoor fireplace, barbeque grill or barbeque pit and has a total fuel area of 3 feet (914mm) or less in diameter and 2 feet (610 mm) or less in height for pleasure, religious, ceremonial, cooking, warmth or similar purposes. These fires must be at least 25 feet from any structure or other combustible fuel source. Burning of yard waste (branches, shrubbery, or wet wood) is not allowed.
19. "Wood Burning Device" means any wood burning heater or fireplace. Wood burning devices do not include wood-fired residential or commercial barbecue devices, wood-fired fire pits, or wood-fired cookstoves.
20. "Uncertified Wood Burning Device" means any wood burning device that does not meet the performance and emissions standards of a Phase II certification or a more stringent

certification as currently enforced in the NSPS. Uncertified wood burning devices do not include wood-fired residential or commercial barbecue devices, wood-fired fire pits, or wood-fired cookstoves.

21. “Wood-Fired Cookstove” means a wood-fired appliance that is designed primarily for cooking food and that has the following characteristics:
 - a. An oven, with a volume of 0.028 cubic meters (1 cubic foot) or greater,
 - b. A device for measuring temperatures,
 - c. A flame path that is routed around the oven,
 - d. A shaker grate,
 - e. An ash pan,
 - f. An ash clean-out door below the oven, and
 - g. The absence of a fan or heat channels to dissipate heat from the appliance.
22. “Wood Burning Heater” means an enclosed wood-burning device capable of and intended for space heating such as a wood stove, pellet-fueled wood heater, or wood-burning fireplace insert.
23. “Yard waste” means grass, grass clippings, bushes, shrubs, and clippings from bushes and shrubs that come from residential, commercial/retail, institutional, or industrial sources as part of maintaining yards or other private or public lands.

15.10.025 Prohibition of the Open Burning of Yard Waste.

A. All open burning of yard waste and debris, except as otherwise authorized in Section 15.10.026 shall be banned within the city limits of the City of Portola.

15.10.026 Exceptions for Prohibition of Open Burning

- A. Nothing in this rule shall be construed as prohibiting open outdoor fires used only for cooking food for human consumption or for recreational fires.
- B. Training Burns: Fire Department training burns may be permitted with the prior written approval of the Fire Chief and the Northern Sierra Air Quality Management District.
- C. Special Permits: The Fire Chief and the Northern Sierra Air Quality Management District may issue special burn permits to authorize the burning of combustibles for the health and safety of the public.

15.10.030 Requirements for New Wood Burning Devices.

- A. Installation of Wood Burning Devices.
 1. Wood Burning Heaters: No person shall advertise, sell, offer for sale, supply, transfer or install in any residence or other structure any wood burning heater within the City limits unless it is an EPA certified wood burning heater at the time of sale or transfer.
 - a. No local government authority within the City limits may issue a building permit to any person to install an uncertified wood burning heater; and
 - b. Certified devices shall have a label permanently affixed to them from the United States Environmental Protection Agency (USEPA) which states that the stove is certified to comply with the NSPS standards.
 2. Wood Burning Fireplaces: No local government authority within the City limits may issue a building permit to any person to install a wood burning fireplace unless it is an EPA-qualified fireplace or EPA-certified fireplace.
- B. Limitation on Number of Wood Burning Devices in New Construction and Remodels.

1. The number of EPA certified wood burning heaters installed on any residential or non-residential property for which a building permit is required shall not exceed one per individual dwelling unit; and
2. The number of EPA-qualified fireplaces installed on any residential or non-residential property for a which a building permit is required shall not exceed one per individual dwelling unit; and
3. No local government authority within the City limits may issue a building permit to any person to install a wood burning device in new construction or remodel, unless it is an EPA-qualified fireplace or EPA certified fireplace or wood heater certified to the level of the current NSPS; and
4. Wood burning devices shall not be considered the sole source of heat in any new construction within the City limits; and
5. The above limitations do not apply to devices that are defined as low emitting:
 - a. EPA-certified pellet fueled wood heater;
 - b. Devices that are exclusively gaseous- or liquid-fueled; and
 - c. EPA-certified wood burning devices that meet a certified emission rate of 1 gram/hour or less of particulate matter.

15.10.040 Requirements for Existing Wood Burning Devices.

- A. Existing Wood Burning Heaters and Change of Ownership.
 1. In order to complete any escrow transaction, on any residential or commercial property, the current property within the City limits owner must obtain either a 1) Certificate of Compliance or a 2) Notice of Exemption.
 2. It is prohibited for any person to complete, or allow the completion of any Escrow transaction upon any residence or mobile home, or other parcel containing a building within the City limits unless each building on the parcel has been issued a Certificate of Compliance by the Control Officer as having no more than two wood burning heaters which are EPA-Certified and no uncertified wood burning heaters.
 3. A Certificates of Compliance or Notice of Exemption shall be issued by the Control Officer only upon physical inspection or documentary evidence that reliably establishes compliance with this section.
 4. A Certificate of Compliance shall identify all of the following:
 - a. Owner's name.
 - b. Model number and manufacturer for each wood burning heater in the building.
 - c. The street address, Assessor's parcel number, or legal description of the parcel of real property where the building is located.
 - d. The location of the building and the specific location in the building where the wood burning heater is located.
 5. A Notice of Exemption shall identify all of the following:
 - a. Owner's name.
 - b. The street address, Assessor's Parcel number, or legal description of the parcel of real property where the building is located.
 - c. The location of the building and whether a space heat source is exclusively utilized, and if so, what heat source is exclusively utilized.
 6. The buyer and seller of any real property within the City limits shall observe this section and any disclosure statements supplied by the real estate agents relating to the

- requirement under this regulation for the inspection of any wood burning heater installed in a building on the property.
7. If the disclosure report indicates that a wood burning heater on the property within the City limits is uncertified, the wood burning heater must be removed from the property and destroyed/recycled at an approved facility or agency. Re-inspection and a copy of documentation from the destroying/recycling facility or agency is required by the Control Officer prior to issuance of a Certificate of Compliance.
 8. The Control Officer may issue a Certificate of Compliance for a residence within the City limits without conducting a physical inspection if a person provides evidence that the EPA-certified wood burning heater has been installed in compliance with all applicable building, fire and other codes. This documentation shall include a receipt or invoice from the installation or purchase that includes the manufacturer and model name of the wood burning device.
 9. A Certificate of Compliance issued pursuant to this section:
 - a. Remains valid until the residential or commercial property is transferred or conveyed to a new owner or for nine months, whichever comes sooner.
 - b. Does not constitute a warranty or guarantee by the Control Officer that the wood burning heater within the residence or commercial property meets any other standards of operation, efficiency, or safety, except the certification standards contained in these regulations.
 10. If a residential or commercial property within the City limits is to be sold and does not contain any wood burning heaters, a form approved by the Control Officer, containing the signatures of both the buyer and seller, attesting to that fact, may be accepted in lieu of an inspection, and the Control Officer may issue a Notice of Exemption. The completed form shall be submitted to the Control Officer within ten days of close of escrow. If the residential or commercial property contains an uncertified wood burning heater which must be removed, the form must not be executed by either the buyer or seller until the removal has been completed. On any subsequent sale, a new Notice of Exemption is required.
 11. Upon a change of ownership, no more than two EPA Certified wood burning heaters per building may remain in any property within the City limits, except for the low emitting devices outlined in 15.10.030(B)(5).
 12. Upon a change of ownership, no uncertified wood-burning heater may remain in any property within the City limits.
 13. The Control Officer may conduct audits after properties have closed escrow and have been recorded under the new owner's name in order to determine compliance with this ordinance. If the Control Officer finds that there is an uncertified wood burning heater in the building, the Control Officer shall require that the uncertified wood burning heater be destroyed/recycled at an approved scrappage/recycling facility or agency within 30 days of notifying the current property owner. A financial penalty may be assessed if noncompliance has been identified or if the current property owner fails to destroy/recycle the heater within the time prescribed in the notice.
- B. Existing individual dwelling units with two or more existing EPA Certified Wood Burning Heaters.
- Existing individual dwelling units with two or more existing EPA Certified Wood Burning Heaters may not install additional Wood Burning Heaters (certified or uncertified). The above

limitation does not apply to heaters that are defined as low emitting, including without limitation the following:

1. EPA certified pellet fueled wood heaters;
2. Devices that are exclusively gaseous- or liquid fueled; and
3. EPA certified wood burning heaters that meet a certified emission rate of 1 gram/hour or less of particulate matter.

15.10.050 Permitted Fuels in Wood Burning Devices, Wood Burning Fireplaces, Wood-Fired Cookstoves, Wood-Fired Fire Pits.

Burning of any fuels or materials in a Wood Burning Device other than the following fuels within City limits shall be in violation of this ordinance:

- A. Seasoned wood (less than 20% moisture content).
- B. Uncolored paper.
- C. Manufactured logs, pellets, and similar manufactured products (i.e., processed fire starters).

15.10.060 Mandatory Curtailment of Wood Burning Heaters, Wood Burning Fireplaces, Wood-Fired Fire Pits and Wood-Fired Cookstoves During Stagnant Conditions.

- A. Episodic Wood Burning Curtailment Requirements.
 1. Effective January 1, 2021, the requirements of this section shall be in effect during the months of January, February, November, and December. The Air District shall determine when a mandatory curtailment of solid fuel combustion in the City is necessary, notify the community that mandatory curtailment is required, and make such other determinations as are necessary to carry out the objectives of this chapter.
 2. No person shall operate a wood burning heater, wood burning fireplace, wood-fired fire pit or wood-fired cookstove within the City limits when a mandatory curtailment is in effect unless the device is an approved and currently registered EPA-Certified Wood Burning Heater.
 3. The approved and currently registered EPA-Certified Wood Burning Heater will be maintained and operated according to manufacturer instructions.
 4. The Air District will declare a mandatory curtailment whenever it determines that the 24-hour average PM_{2.5} concentration may exceed 30 ug/m³ AND when adverse meteorological conditions are expected to persist.
 5. The criteria for issuing a mandatory curtailment is as follows:
 - a. The Air District will analyze the available air monitoring data and determine whether a trend is continuing; and
 - b. The Air District will contact the National Weather Service located in either Reno or Sacramento to request a specific meteorological forecast specific for the Portola area; and
 - c. If the National Weather Service forecasts adverse meteorological conditions to persist and the Air District ascertains that there is a marked trend of continuing high concentrations of PM_{2.5} possible, then the Air District will declare a mandatory curtailment.
 6. Upon determination that mandatory curtailment is required, the Air District shall notify the public through one or more of the following methods:
 - a. A recorded telephone message.
 - b. Messages posted on the Air District website.
 - c. Electronic mail messages to persons or entities that have requested such notice.

- d. Notifying broadcast, print or social media operating within the boundaries of the City of Portola.
- e. Any additional method that the Air District determines is appropriate.

Registration of EPA-Certified Devices.

1. Eligibility Requirements – Any EPA-Certified Wood Burning Heater is eligible to be registered with the Air District.
2. Registration Process – Effective July 1, 2020, persons applying to register a Wood Burning Heater shall submit a completed application and supplemental documentation demonstrating compliance with the eligibility requirements to the District. Supplemental documentation shall include the following:
 - a. Receipt or invoice from the installation or purchase that includes the manufacturer and model name of the Wood Burning Heater, or
 - b. A certification from the Air District verifying that the Wood Burning Heater meets the eligibility requirements.
3. Administrative Requirements – The person who registers the Wood Burning Heater shall retain a copy of the Air District issued registration and make it available upon request.

~~B. Penalties – Any person that violates the provisions of 15.10.060 is subject to the following~~

- ~~1. First time violators: a Notice to Comply or Warning will be issued. The Notice to Comply will require that any EPA-Certified Wood Burning Heater be registered within 30 days.~~
- ~~2. Second time violators: Completion of a wood smoke awareness course that has been approved by the Air District, or payment of a penalty of \$50, or submission of proof of replacement of non-certified device with an EPA-Certified Wood Burning Heater or exclusively gaseous or liquid-fueled heater.~~
- ~~3. Third time violators: payment of a penalty of \$150 or submission of proof of replacement of non-certified device with an EPA-Certified Wood Burning Heater or exclusively gaseous or liquid-fueled heater.~~
- ~~4. Fourth time violators: payment of a penalty of \$500 or submission of proof of replacement of non-certified device with an EPA-Certified Wood Burning Heater or exclusively gaseous or liquid-fueled heater.~~

15.10.070 Curtailment Levels and Period.

Within 60 days of a finding by the U.S. Environmental Protection Agency (U.S. EPA) that (1) the Plumas County PM_{2.5} Nonattainment Area (as defined in 80 Fed. Reg. 2206, January 15, 2015) has failed to attain the 2012 annual National Ambient Air Quality Standard (NAAQS) for fine particulate matter (PM_{2.5}) of 12 micrograms per cubic meter (ug/m³), 78 Fed. Reg. 3086, January 15, 2013 (the 2012 PM_{2.5} annual NAAQS) by the attainment date, (2) the area has failed to meet any reasonable further progress (RFP) requirement or quantitative milestone requirement in the Portola Fine Particulate Matter (PM_{2.5}) Attainment Plan (as approved at 84 Fed. Reg. 11208, March 25, 2019), or (3) California has failed to submit a quantitative milestone report required under the federal Clean Air Act for the 2012 PM_{2.5} annual NAAQS, all provisions of section 15.10.060 will continue to be in effect, except for the duration of curtailment season (Section 15.10.60 A.1) and curtailment level (Section 15.10.60 A.4), which are revised as follows:

List of curtailment months in Section 15.10.60 A.1 expands to include months of January, February, March, April, September, October, November, and December.

- A. Curtailment level described in Section 15.10.60 A.4 is lowered from 30 ug/m³ to 20 ug/m³.

- B. During the months of January, February, March, April, September, October, November, and December, the Air District will declare a mandatory curtailment whenever it determines that the 24-hour average PM_{2.5} concentration may exceed 20 ug/m³ AND when adverse meteorological conditions are expected to persist.
- C. Section 15.10.070 will remain in effect until the U.S. EPA either approves an attainment plan for the area that satisfies the Serious area requirements for the 2012 PM_{2.5} annual NAAQS or determines in writing that the RFP and/or quantitative milestone failure that triggered the implementation of this section has been corrected.

15.10.080 Outdoor Wood-Fired Boiler Installation Prohibited.

All outdoor wood-fired boilers are prohibited from installation within the City of Portola.

15.10.090 Wood Stove Retailers/Contractors Required to Provide Educational Materials.

Retailers or Contractors selling or offering for sale new Wood Burning Devices within the City limits shall supply public awareness information with each sale of a Wood Burning Device in the form of pamphlets, brochures, or fact sheets on the following topics:

- A. Proper installation, operation, and maintenance of the Wood Burning Device.
- B. Proper fuel selection and use.
- C. Health effects from wood smoke
- D. Weatherization methods for the home,
- E. Proper sizing of Wood Burning Devices.
- F. Episodic Wood Burning Curtailment levels as defined in Section 15.10.060.

~~**15.10.100 Violations.**~~

~~Any person who violates any of the requirements of this chapter, or who falsely attests as to information as part of compliance with this chapter, is subject to penalties and punishments as set forth in Chapter 1.10 of this Municipal Code, may be subjected to the applicable penalties and punishments prescribed by law for perjury, and may have any license or permit issued by the City be revoked, including but not limited to a building permit or certificate of occupancy.~~

~~**15.10.110 Continuing violations – Each day being a separate violation.**~~

~~After any person who is responsible for a violation of any provision in this chapter has been given notice of the violation, and such person does not comply or otherwise correct the violation within the time prescribed in the notice, then from that day forward, the continuing violation shall be deemed to be a separate offense on each and every day that the violation persists. A person who knowingly commits or suffers the continuing violation shall be guilty of a separate offense each and every day that the violation persists.~~

Section 2. Approval. The City of Portola Wood Stove and Fireplace Ordinance concerns revisions to wood stove regulations and the Prohibition of Open Burning of Yard Waste. The text changes reflecting the Amendment are incorporated by reference as if fully set forth herein into Title 15 of the Portola Municipal Code and are hereby approved.

Section 3. CEQA. The City Council finds the approval of this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for

resulting in physical change to the environment, directly or indirectly. Alternatively, the City Council finds the approval of this ordinance is not a project under CEQA Regulation Section 15061(b)(3) because it has no potential for causing a significant effect on the environment.

Section 4. Enactment. The City of Portola Wood Stove and Fireplace Ordinance Amendment and the Prohibition of Open Burning of Yard Waste shall be effective 30 days from the date of its approval by the City Council.

Section 5. Summary Publication and Posting. Within thirty (30) days after final adoption of this Ordinance, the City Clerk shall have a summary of this ordinance prepared by the City Attorney and published as required by the California Government Code. Within fifteen (15) days after final adoption of this ordinance, the City Clerk shall have it posted in three (3) public places.

This ordinance was introduced, read and the second reading was waived at a Regular Meeting of the City Council of the City of Portola duly held on August 12, 2020. The ordinance was finally passed and adopted at the Regular Meeting of the City Council of the City of Portola duly held on September 9, 2020, by the following vote:

AYES: Councilmember Tom Cooley
Councilmember Par Morton
Councilmember Stan Peiler
Mayor Pro Tem Bill Powers
Mayor Phil Oels

NOES: None
ABSTAIN: None
ABSENT: None

Phil Oels
Phil Oels, Mayor

ATTEST:

Tara Kindall
Tara Kindall, Deputy City Clerk

I, City Clerk of the City of Portola, do hereby certify that the foregoing Ordinance was duly and regularly passed by the City Council of the City of Portola at a Regular Meeting held on September 9, 2020.

Tara Kindall
Tara Kindall, Deputy City Clerk



To: Northern Sierra Air Quality Management District Board of Directors

From: Melissa Klundby, Air Pollution Control Specialist II

Date: May 22, 2023

Agenda Item: VI.A

Agenda Description: Monitoring Network Update

Information:

The District has five monitoring sites within the network and has been monitoring air quality since 1986 in Plumas, Sierra and Nevada counties. The current network monitors for PM2.5, Ozone, Speciation, and Carbon. At the end of 2022 the District upgraded the network from filter based instruments to continuous monitoring instruments at Portola, Quincy and Grass Valley. The upgrade eliminated additional staff time to pull, install and ship filters. Site technicians visit the sites at least two times per month to conduct bi-monthly verifications and maintenance.

The District has monitors in the following locations:

Plumas County

Portola: PM2.5, Speciation and Elemental and Organic Carbon

Quincy: PM2.5

Chester: PM2.5 (non-regulatory monitor)

Sierra County

Loyalton: PM2.5, non-regulatory special purpose seasonal monitor

Nevada County

Truckee: PM2.5

Grass Valley: PM2.5 and Ozone

Requested Action:

None, informational only

Attachments:

None

To: Northern Sierra Air Quality Management District Board of Directors

From: Julie Hunter, Interim Air Pollution Control Officer

Date: May 22, 2023

Agenda Item Number: VI.B

Description: Planning Program Update

Information:

State Implementation Plans (SIP)

- The Ozone SIP and Architectural Rule was adopted by the Board in March and was submitted to the California Air Resources Board (CARB) and the EPA May 5, 2023. The Ozone SIP and Rule are available on our website and will be posted on CARBs air district rules website.
- The Serious Portola SIP is in progress as discussed in the Directors Report.
- A District Rule for the Portola Nonattainment Area will be developed for the Serious SIP, as discussed in the Directors Report.

Emissions Inventory

Emissions Inventory (EI) is conducted annually based on emissions from permitted facilities from the prior year. Tasha Coleman will be lead for the submission of data for the 2022 EI. Tasha Coleman, APCS I, is training with the District's CARB EI Liaison. The EI is due December 3, 2023.

Requested Action:

None, informational only

Attachments:

None

To: Northern Sierra Air Quality Management District Board of Directors

From: Tasha Coleman, Air Pollution Control Specialist I

Date: May 22, 2023

Agenda Item Number: VI.C

Description: Permitting Program Update

Information:

The District is responsible for permitting all sources in Plumas, Sierra and Nevada counties that emit criteria pollutants. There are a total of 28 Stationary Sources and two Title V facilities in the Districts jurisdiction.

Stationary Sources: Stationary Sources are permitted throughout the year based on the expiration of the facilities permit and the throughput of the emissions from the previous year.

- First quarter (Jan-Mar): 6 Permit to Operate (PTO) issued.

Stationary Engines

- Yearly (renewal in May): 217 renewal permits sent out.
 - receiving payments already.

Vapor Recovery

- Yearly (renewal in Oct): TDB
- Inspections at gas stations will be starting soon.
 - Grass Valley: TBD
 - Northern Office: TBD

All the emissions information from the Stationary Engines and Stationary Sources have been inputted in the NSAQMD database to be used on calculating permit fees and for CARB's emissions inventory.

There are four National Forests and nine Ranger Districts in within the Districts jurisdiction. There were 105 acres treated in the first quarter of the calendar year in Plumas and Nevada counties. The District also permits non-residential burns that are not Forest Service and occasionally large residential understory burns. All non-residential burns require and Air Pollution Permit and any residential understory burn over 1 acres requires a permit.

Burn Permits

- First quarter (Jan-Mar): 25 permits issued.

Requested Action:

None, informational only

Attachments:

None

To: Northern Sierra Air Quality Management District Board of Directors

From: Duane Strawser, Air Pollution Control Specialist I

Date: May 22, 2023

Agenda Item Number: VI.D

Description: Compliance/Enforcement Program Update

Information: Summary of complaints received and responded to for the first Quarter of 2023 – January through March.

2023 Quarter 1 Grass Valley Office:

Month	Total Complainants	Total Responded On-Site	Complaints by Category
January	29	18	Dust -3 Smoke – 12 Garbage – 2 Other – 1
February	22	13	Dust – 2 Smoke – 8 Garbage – 2 Other – 1
March	19	11	Dust – 1 Smoke – 6 Garbage – 2 Excessive Polluter – 1 Other – 2
Total	70	42	

Total *Reoccurring Complaints: 17 (*same address)

Notes:

Additional Complaints Received: 7 (*Outside agency requesting NSAQMD assistance)
City of NC-2, GVFD-2, N.County-1, CAL FIRE-1, PVFD-1

Additional Complaint on-site Responses: 6
City of NC-1, GVFD-2, N.County-1, CAL FIRE-1, PVFD-1

Additional concerns: We are receiving an increasing number of Burn/Smoke/Garbage complaints that are attributed to Homeless Camps on private property and/or municipal/open-space lands. These incidents require NSAQMD staff to clear vegetation to reach the location, and more frequently are putting Complaint Inspector safety at risk occurring in remote locations with aggressive suspects.

Requested Action:
None, informational only

Attachments:
None

To: Northern Sierra Air Quality Management District Board of Directors

From: Mikki Brown, Targeted Airshed Grant Specialist I

Date: May 22, 2023

Agenda Item Number: VI. E

Description: Summary of the 2015, 2018, and 2020 Targeted Airshed Grants for January to March 2023

Information:

In Q1 we managed the woodstove curtailment and enforcement program with Sonoma Technologies Inc. (STI) who provided us with daily forecasts and issued curtailment days via email. Progressive Source Communications developed and ran marketing ad campaigns for the woodstove changeout program through January and February. Staff regularly attended city council meetings and successfully hung hundreds of door hangers in the Portola city limits. Mikki gave a presentation at a providers meeting in Portola at Eastern Public Healthcare regarding the TAG programs.

2015 TAG funds were used to install 5 electric mini split heat pumps, 8 new wood stoves, 1 propane stove, and 2 pellet stoves.

2018 TAG: We planned and prepared for the 2023 green waste season. Curtailment and Enforcement of the City Ordinance 359 on behalf of the District were funded with this grant.

2020 TAG: Funds were used for 1 pellet stove installation. This grant is the lowest priority grant of the three as the priority is to spend down funds from the 2015 and 2018 grants.

In total, we processed 16 applications for payment and received several dozens of applications which we scheduled assessments for and approved for later installations.

Requested Action:

None, informational only

Attachments:

None
