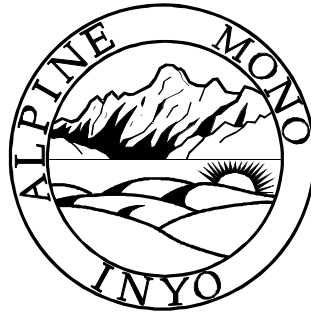


# GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT



## GOVERNING BOARD REGULAR MEETING INFORMATION

### Meeting Date & Time

Thursday, November 7, 2019 at 10:00 a.m.

### Meeting Location

Mono County Board of Supervisors Chamber (2<sup>nd</sup> Floor)  
Mono County Courthouse, Main Street (U.S. Highway 395)  
Bridgeport, California

### District Board

Matt Kingsley, Inyo County, Chair  
Fred Stump, Mono County, Vice Chair  
Ron Hames, Alpine County  
John Peters, Mono County  
John Wentworth, Town of Mammoth Lakes  
David Griffith, Alpine County  
Dan Totheroh, Inyo County

Phillip L. Kiddoo, Air Pollution Control Officer  
157 Short Street, Bishop, California 93514  
(760) 872-8211 E-mail: [pkiddoo@gbuapcd.org](mailto:pkiddoo@gbuapcd.org)





# GREAT BASIN AIR POLLUTION CONTROL DISTRICT

157 Short Street ♦ Bishop, California 93514 ♦ (760) 872-8211 ♦ fax (760) 872-6109

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## **NOTICE OF PUBLIC WORKSHOP SMOKE MANAGEMENT PROGRAM Great Basin Unified Air Pollution Control District**

The Governing Board of the Great Basin Unified Air Pollution Control District will conduct a public workshop to discuss potential amendments to the District's Smoke Management Program, including revisions to District Rules – 101, 405, 406, 408-411 regarding open outdoor burning, and to provide the public an opportunity to comment. A copy of the District's current Smoke Management Program and associated rules and regulations is available upon request. The public workshop will be conducted at a regular meeting of the District Governing Board to be held at 10 a.m. on Thursday, November 7, 2019, in the Mono County Courthouse Board of Supervisors Chamber (2nd Floor), 278 Main St., Bridgeport, CA 93517. For further information, contact the District at (760) 872-8211.





## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537

Tel: 760-872-8211 www.gbuapcd.org

### GOVERNING BOARD REGULAR MEETING AGENDA

**THURSDAY, NOVEMBER 7, 2019 AT 10:00 AM**

**Mono County Board of Supervisors Chamber (2<sup>nd</sup> Floor)  
Mono County Courthouse, Main Street (U.S. Highway 395)  
Bridgeport, California**

**Assistance for those with disabilities:** If you have a disability and need accommodation to participate in the meeting, please call Tori DeHaven, Board Clerk, at (760) 872-8211 for assistance so the necessary arrangements can be made.

*Great Basin Unified Air Pollution Control District is a California regional government agency that works to protect the people and the environment of Alpine, Mono and Inyo Counties from the harmful effects of air pollution.*

*Regular Meetings are held on the first Thursday of every odd month at 10:00 am.*

1. Call to Order and Pledge of Allegiance
2. Public Comment on Matters Not on the Agenda (No Action)
3. **10:00 a.m.: WORKSHOP** - Potential Revisions to the District Smoke Management Program and Associated Open Outdoor Burning Rules (No Action) .....1
4. Consent Items (Action)
  - a. Approval of the September 5, 2019 Regular Governing Board Meeting Minutes .....5
  - b. Authorization for GBUAPCD to Enter into a Grant Agreement with CARB for the Woodsmoke Reduction Program 2018-2019 in the Amount of \$100,168.07 and Authorize the APCO to Sign all Paperwork Related to the Grant.....10
5. Approve and Authorize Board Chair to Sign Amendment to Contract with Phillip L. Kiddoo for the Provision of Personal Services as the District Air Pollution Control Officer (Action) .....41
6. Approval of Draft Update to District Unification Agreement (Action) .....44
7. Public Outreach Regarding Emergency Generators and Public Safety Power Shutoff Events (No Action) .....61
8. Informational Items (No Action)
  - a. Travel Report .....65
  - b. Permit Enforcement Activity Report .....66
  - c. Fiscal Year 2019-2020 1<sup>st</sup> Quarter Financial Reports (July 1 – September 30) .....67

- d. Fiscal Year 2019-2020 State Subvention Funding Application .....75
- e. Actuarial Study of Retiree Health Liabilities Under GASB 74-75 as of  
June 30, 2019 .....96
- f. Fiscal Year 2018-2019 Audit.....128
- 9. Board Member Reports (No Action)
- 10. Air Pollution Control Officer Report (No Action)
- 11. Consider Cancellation of the Next Regular Meeting (January 2, 2020) of the Governing  
Board and Scheduling a Special Meeting (Action) .....184
- 12. **CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING  
LITIGATION:**
  - a. Russell Covington; Robert Moore; Randy Sipes; Randal Sipes, Jr.; Laborers’  
International Union of North America Local Union No. 783 vs. Great Basin Unified Air  
Pollution Control District; Mono County Superior Court, Case No. CV140075;  
pursuant to subdivision (a) of Section 54956.9 of the California Government Code.
- 13. Adjournment

(All Meetings Are Electronically Recorded – All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 157 Short Street, Bishop, California.)

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## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537

Tel: 760-872-8211 Fax: 760-872-6109

### BOARD REPORT

**Mtg. Date:** November 7, 2019

**To:** District Governing Board

**From:** Phillip L. Kiddoo, Air Pollution Control Officer  
Ann Logan, Deputy Air Pollution Control Officer

**Subject:** WORKSHOP – Potential Revisions to District’s Smoke Management Program and Associated Open Outdoor Burning Rules

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#### **Workshop Purpose**

The purpose of this workshop is to discuss potential amendments to the District’s Smoke Management Program, including revisions to District Rules 101, 405, 406, 408-411 regarding open outdoor burning, and provide an opportunity for land management agencies and the public to provide comments.

#### **Background**

In 2001, as required by Title 17 of California Code of Regulations (CCR), the District developed a Smoke Management Program (Attachment 2a in the separately bound packet) in cooperation with the California Air Resources Board, land managers, and fire protection authorities for the purpose of minimizing adverse air quality impacts related to smoke from prescribed burning in Inyo, Mono, and Alpine counties. All of the participating agencies were signatories on a Memorandum of Agreement (MOA) for Smoke Management and included California Air Resources Board, Inyo National Forest, Humboldt-Toiyabe National Forest, Eldorado National Forest, Stanislaus National Forest, Death Valley National Park, US Bureau of Land Management and the California Department of Forestry. The Smoke Management Program MOA expired in November 7, 2006. Additionally, in 2005, the District and the Inyo National Forest and BLM- Bishop Field Office signed an Operating Plan for Wildland Fire Use Smoke Management (Attachment 2b in the separately bound packet). Wildland fire use was a term that was used to describe the management of naturally ignited wildland fires but is no longer commonly used.

#### **Potential Revisions to the Smoke Management Program**

Since 2001, the fire and fuels conditions have changed such that land management agencies are attempting to significantly increase the pace and scale of fuels treatments and forest restoration, relying primarily on prescribed burning to reach treatment goals. The Smoke Management Program adopted by the District in 2001 has several provisions that are more conservative than required by Title 17 and limit burn opportunities unnecessarily. Title 17 states that burning regulations shall

WORKSHOP- Potential Revisions to District’s Smoke Management Program and Associated Open  
Outdoor Burning Rules (No Action)

November 7, 2019 – Agenda Item No. 3 – Page 1

provide increased opportunities for prescribed burning while minimizing smoke impacts to the public and that district shall consider the public benefits of burn projects, including safety, public health, forest health and wildfire prevention, ecological needs, economic concerns, and disease and pest prevention.

District staff has identified the following potential revisions to the Smoke Management Program and associated District open outdoor burning rules:

- Improve communication and coordinate protocols
- Update language to state that burning shall be managed to minimize smoke impacts to populated areas.
- Removing the prohibition from burning on Sundays and holidays.
- Add procedures for reviewing ignition requests on marginal burn days.
- Incorporate additional details to clarify the procedures for naturally ignited wildfires managed for resource benefits to supersede the Operating Plan for Wildland Fire Use Smoke Management.
- Add additional details for addressing cross-jurisdictional smoke impacts.
- Remove redundant sections and simplify the documents.

Based on preliminary discussions with land management agencies these changes should remove unnecessary obstacles to burning while still providing the District with the appropriate authority and discretion to ensure burns are managed to minimize impacts public health.

#### **Fiscal Impact**

District Rule 308, Prescribed Burning Fee, sets annual flat fees for land management agencies that conduct burn projects for range, forest and wildland vegetation management on areas greater than 1 acre in size or that are estimated to produce more than one ton of particulate matter. During Fiscal Year 2018-2019, the District collected \$5,842.00 in permit fees associated with prescribed burning. To date during Fiscal Year 2019-2020, the District has collected \$4,799.00. At this time, there has not been consideration of any changes to the fees associated with the District Smoke Management Program.

#### **Board Action (Informational Only)**

Staff recommends the Board conduct the Workshop regarding potential revisions to the District's Smoke Management Program and receive comments from the public and land management agencies and then provide direction to staff. With Board direction, District staff recommends preparing updated draft Smoke Management Program documents including any necessary revisions to District Rules 101, 405, 406, 408-411 regarding open outdoor burning. Staff will also be required to address any California Environmental Quality Act requirements. Staff recommends the drafts be circulated to all participating agencies for additional comments and then be public noticed for 30 days prior to being considered for adoption by the District Governing Board, which will include at least one public hearing as required by California Health and Safety Code §40725.



Attachments:

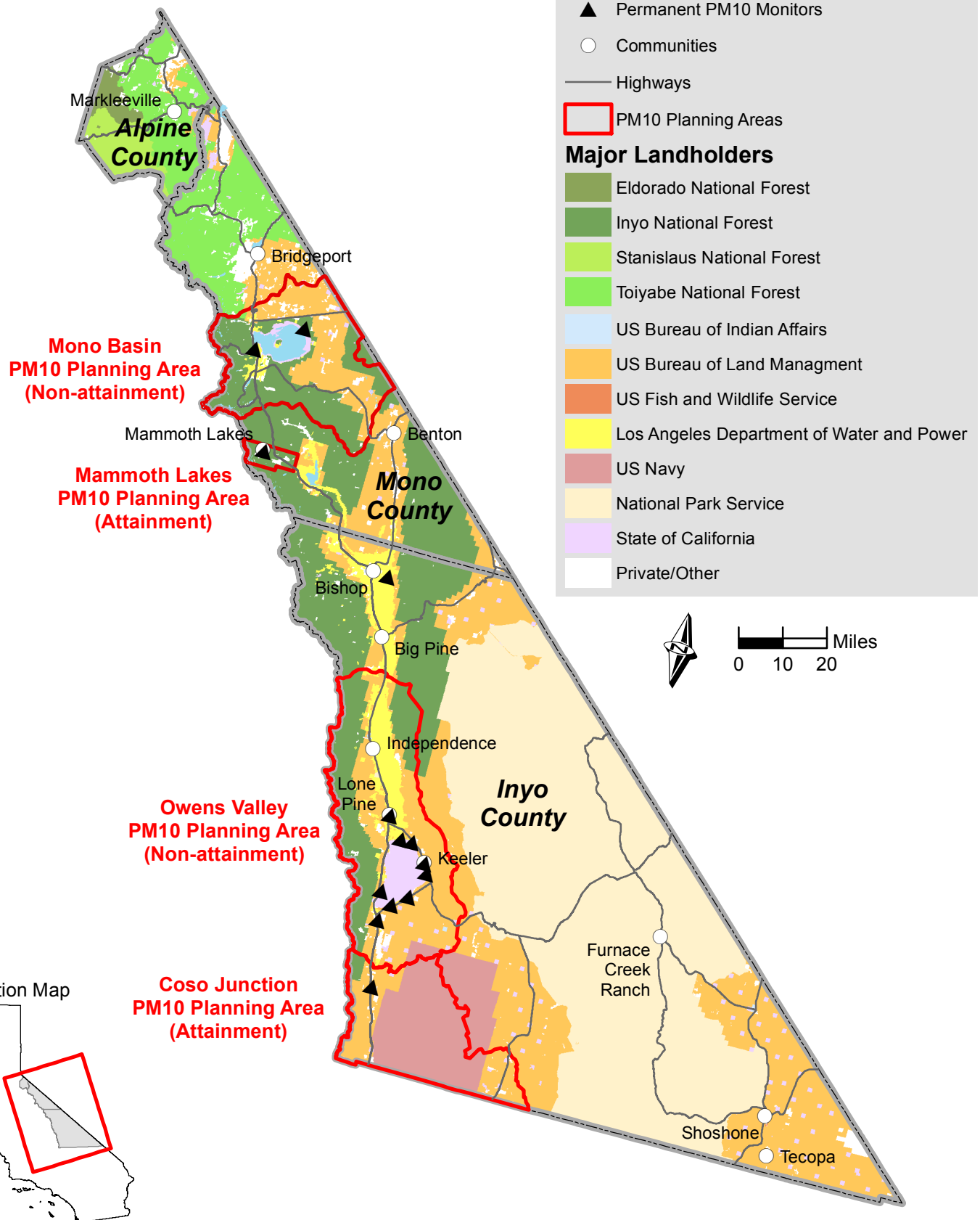
1. Map of Land Management Agencies within Great Basin Unified Air Pollution Control District Boundaries
2. Separately Bound Packet:
  - a. Smoke Management Program for the Great Basin Unified Air Pollution Control District (includes associated District Rules and Memorandum of Agreement for Smoke Management)
  - b. Operating Plan for Wildland Fire Use Smoke Management Between the GBUAPCD, Inyo National Forest and the BLM-Bishop Field Office

WORKSHOP- Potential Revisions to District's Smoke Management Program and Associated Open  
Outdoor Burning Rules (No Action)

November 7, 2019 – Agenda Item No. 3 – Page 3



# Land Management Agencies





## **GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT**

157 Short Street, Bishop, California 93514-3537  
Tel: 760-872-8211 Fax: 760-872-6109

### **BOARD REPORT**

**Mtg. Date:** November 7, 2019

**To:** District Governing Board

**From:** Tori DeHaven, Clerk of the Board

**Subject:** Approval of the September 5, 2019 Regular Governing Board Meeting Minutes

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**Summary:**

Attached for the Board's approval are the minutes from the September 5, 2019 regular meeting held in Mammoth Lakes, California.

**Board Action:**

Staff recommends that the Board review and approve the minutes from the September 5, 2019 meeting.

**Attachment:**

1. September 5, 2019 minutes

GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT  
GOVERNING BOARD MINUTES  
September 5, 2019

(All Meetings Are Mechanically Recorded)

The Great Basin Unified Air Pollution Control District Governing Board of the Counties of Alpine, Inyo and Mono, State of California met at 10:00 am on September 5, 2019 in the Town of Mammoth Lakes Council Chambers, 437 Old Mammoth Road (Suite Z), Mammoth Lakes, California 93546.

Governing Board members present:

Matt Kingsley, Board Chair, Inyo County  
Fred Stump, Board Vice Chair, Mono County  
Dan Totheroh, Inyo County  
John Wentworth, Town of Mammoth Lakes  
Ron Hames, Alpine County  
David Griffith, Alpine County

Governing Board members absent:

John Peters, Mono County

A quorum was present.

GBUAPCD staff present:

Phill Kiddoo, Air Pollution Control Officer  
Ann Logan, Deputy Air Pollution Control Officer  
Tori DeHaven, Clerk of the Board  
Susan Cash, Administrative Projects Manager  
Steve Mobley, Air Monitoring Technician II  
Kimberly Mitchell, Research & Systems Analyst II  
Chris Lanane, Air Monitoring Specialist

Members of the public included: (as indicated by voluntary sign-in)

Cindy Duriscoe, Big Pine Paiute Tribe

<b>Agenda Item #1</b> Call to Order Pledge of Allegiance	Board Chair Kingsley called to order the regular meeting of the Governing Board at 10:02 a.m.
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Board Member Stump then led the Pledge of Allegiance.

<b>Agenda Item #2</b> Public Comment on Matters not on the Agenda	Board Chair Kingsley asked for public comment on items not on the agenda at 10:02 am.
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(No Action) No comment was offered.

**Agenda Item #3**  
Consent Items  
(Action)

**Motion** (Griffith/Hames) approving consent items a through e as follows:

- a. Approval of the July 18, 2019 Special Governing Board Meeting Minutes
- b. Authorize Air Pollution Control Officer to Sign and Submit Application for Subvention Funds
- c. Approve and Authorize Board Chair to Sign Memoranda of Understanding with District Management and Non-Management Employee Associations Regarding Changes to Employee Wages and Benefits and Authorize Transfer of Corresponding Funds from Reserves to Budgets
- d. Adoption of the Publicly Available Pay Schedule for Fiscal Year 2019/2020 as Required by the California Public Employees' Retirement System (CalPERS)
- e. Approval of Out-of-State Travel for the Air Pollution Control Officer to Attend the 2020 Great Salt Lake Issues Forum in Salt Lake City, Utah

*Ayes: Board Members – Kingsley, Totheroh, Stump, Hames, Griffith, Wentworth*

*Noes: 0*

*Abstain: 0*

*Absent: Board Members – Peters*

Motion carried 6/0 and so ordered.

B/O #190905-03

**Agenda Item #4**  
Wildfire Smoke  
Conditions  
Update  
(No Action)

Ms. Kimberly Mitchell, Research and Systems Analyst II, gave a brief report. She noted that compared to past years, the smoke impacts this season has been minimal to none. There were some impacts over Labor Day weekend from the Cow Fire. Ms. Mitchell added that the biggest update from the staff report is that we have had eight days, since June 1, with moderate air quality only three of which were caused by smoke. There has been one day that was unhealthy for sensitive groups and that was near Coso Junction. She then asked the Board for questions.

Board Chair Kingsley asked if there were any complaints from the public regarding the Cow Fire.

Ms. Mitchell replied that there have not been any calls, voicemails or emails from the public regarding smoke complaints particular to the Cow Fire.

Board member Griffith asked if there has been improved communication with the agencies on the other side.

Ms. Mitchell said that the District has been working with San Joaquin and have had excellent communication but, again, there haven't been any major events.

Board Vice Chair Stump asked if there had been any complaints about the Springs Fire as he had received some.

Ms. Mitchell noted that the District has not received any complaints.

**Agenda Item #5**  
Informational  
Items  
(No Action)

No discussion or questions.

**Agenda Item #6**  
Board Member  
Reports  
(No Action)

Board member Wentworth – A local fire safe council got a large grant from the Sierra Nevada Conservancy (SNC) to do the fuels work up in the Mammoth Lakes Basin. They are a little short on the amount of money that they need and have come to the Town and Mono County for help and the issue of prevailing wage has popped up. The question is whether prevailing wage is triggered if the state of California is granting money to do work on federal public lands. Also, the state of California is trying to set up an office for outdoor recreation, however that has not gone through.

Board member Griffith – Big news in Alpine County, there are now two traffic lights. Regarding prevailing wage, it does not apply to fuels reduction if it is pure fuels reduction. If it's peripheral to a public works project, it does apply.

Board member Hames – Nothing to report.

Board Vice Chair Stump – Starting next Monday, Mono County will have a new Chief Administrative Officer (CAO), Steve Barwick. He then requested to be Cc'd on any documentation regarding prevailing wage that Board member Griffith finds, in order to share it with county counsel.

Board Chair Kingsley – Senate Bill 1111, the outdoor recreation bill, Inyo County is going to try and write a letter of support even though it's in suspension. Regarding fire safe councils, Board Chair Kingsley did meet with Cal Fire Chief Porter. Board Chair Kingsley is pushing an idea to RCRC to get money given to counties to help start fire safe councils particularly in communities that are disadvantaged or economically depressed because its very difficult for those kinds of communities to gather themselves together and have the resources to actually go out and try to get grants, contracts etc.

Board member Tothoroh – Nothing to report.

**Agenda Item #7**  
Air Pollution  
Control Officer  
Report  
(No Action)

APCO Kiddoo reported on the following items:

- 1) Work has begun on the Smoke Management Plan update.
- 2) Clean Air Projects Program (CAPP, pg. 91 of the Board Packet) is at \$2.5M.
- 3) Woodstove replacement program funding information. California Air Pollution Control Officer's Association is responsible for helping to set up contracts between the state and air districts. The allocation of funds hadn't been decided. The only thing that was decided is that the large/urban districts will not be taking any money which means that allocation will be going to the medium and small districts. As of now it looks like the District will be receiving at least \$100,000 for the program for fiscal year 2019-2020.

**Agenda Item #8**  
**CLOSED**  
**SESSION**

The Board convened into closed session at 10:48 am.

The Board re-convened into open session at 11:16 am.

**CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL –  
EXISTING LITIGATION:**

- a. Russell Covington; Robert Moore; Randy Sipes; Randal Sipes, Jr.; Laborers' International Union of North America Local Union No. 783 vs. Great Basin Unified Air Pollution Control District; Mono County Superior Court, Case No. CV140075; pursuant to subdivision (a) of Section 54956.9 of the California Government Code.

**Report:** Nothing to report.

**Agenda Item #9**  
**CLOSED**  
**SESSION**

**CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS –**  
Section 54957.6 of the California Government Code: Changes regarding the salaries, salary schedules or compensation paid in the form of fringe benefits. Employee: Air Pollution Control Officer

**Report:** Nothing to report.

**Adjournment**

The meeting was adjourned by Board Chair Kingsley at 11:16 am. The Board will reconvene in open session at 10:00 am, on Thursday, November 7, 2019 in Bridgeport, California.

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Matt Kingsley, Board Chair

**Attest:**

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Tori DeHaven, Board Clerk



## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537

Tel: 760-872-8211 Fax: 760-872-6109

### BOARD REPORT

**Mtg. Date:** November 7, 2019

**To:** District Governing Board

**From:** Susan Cash, Administrative Projects Manager

**Subject:** Authorization for GBUAPCD to Enter into a Grant Agreement with CARB for the Woodsmoke Reduction Program 2018-2019 in the Amount of \$100,168.07 and Authorize the APCO to Sign all Paperwork Related to the Grant

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#### **Summary:**

CARB and the California Air Pollution Control Officer's Association (CAPCOA) have released the allocations for the 2018-2019 Woodsmoke Reduction Program. The District has been allocated \$100,168.07 to implement a second round of woodstove replacements from the California Climate Investments program.

Prior to the execution of a grant agreement with CARB, the District is required to submit a minute order authorizing the District to enter into the Grant Agreement and committing that the District will comply with the requirements of the grant agreement. A draft agreement is attached; CARB will be sending out individualized agreements to participating districts in the near future.

#### **Fiscal Impact:**

The District estimated and budgeted for \$100,000 in passthrough in Fiscal Year 2019/2020 funding for this project.

#### **Board Action:**

Recommend the Board authorize the District to enter into the grant agreement and authorize the APCO to sign all documents related to the grant.

#### **Attachment:**

1. Draft District Grant Agreement

Consent Agenda (Action) - Authorization for GBUAPCD to Enter into a Grant Agreement with CARB for the Woodsmoke Reduction Program 2018-2019 in the Amount of \$100,168.07 and Authorize the APCO to Sign all Paperwork Related to the Grant

November 7, 2019 - Agenda Item No. 4b – Page 1



## 1. GRANT SUMMARY AND CONTACT INFORMATION

- 1.1. The parties agree to comply with the requirements and conditions contained herein, as well as all commitments identified in the following documents:
  - a. *Woodsmoke Reduction Program – Program Guidelines Fiscal Year 2018-19 Appropriation* (Program Guidelines) dated May 21, 2019, and found in Exhibit F of this Grant Agreement; and
  - b. The most recent version of the Climate Investments' Cap-and-Trade Auction Proceeds' *Draft Funding Guidelines for Agencies that Administer California Climate Investments* (Funding Guidelines), found on the Cap-and-Trade Auction Proceeds Funding Guidelines for Administering Agencies website at <https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies> and incorporated by reference herein.
- 1.2. The Woodsmoke Reduction Program (Program) is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment-particularly in disadvantaged communities. The Program as implemented at the air pollution control district or the air quality management district (District) is referred to as the Project.
- 1.3. California Climate Investments (CCI) logo and name serves to bring under a single brand the many investments whose funding comes from the Greenhouse Gas Reduction Fund (GGRF). The logo represents a consolidated and coordinated initiative by the State to address climate change by reducing greenhouse gases, while also investing in disadvantaged communities and achieving many other co-benefits. Grantee agrees to acknowledge the California Climate Investments program whenever projects funded, in whole or in part by this Agreement, are publicized in any news media, websites, brochures, publications, audiovisuals, or other types of promotional material. The acknowledgement must read as follows: 'This publication (or project) was supported by the "California Climate Investments" (CCI) program. Guidelines for the usage of the CCI logo can be found at <http://www.caclimateinvestments.ca.gov/logo-graphics-request>.



#### 1.4. Grant Summary

Program Title: Woodsmoke Reduction Program 2018-2019

Grant Funding Amount: (Insert Amount)

The Woodsmoke Reduction Program is a GGFR-funded program designed to replace high-polluting, uncertified wood stoves, wood inserts, and fireplaces used for primary home heating with cleaner burning, more efficient home heating devices. The 2018-2019 GGFR appropriation committed \$3,000,000 for this Program. The Program will be administered by CARB and implemented by the District in coordination with the California Air Pollution Control Officers Association (CAPCOA). The role of CAPCOA is to centralize and standardize Program implementation. This Program will further the goals of Assembly Bill 32 (Nunez, Chapter 488, Statutes of 2006) and related statutes (comprising Health and Safety Code Division 25.5) to reduce greenhouse gas emissions, as well as provide important co-benefits in reducing black carbon emissions and improving air quality.

Residents using uncertified wood stoves, wood inserts, or fireplaces as a primary home heating source in Districts awarded Program funds are eligible for incentives. The incentive amount will vary depending on the location of the residence and the household income, with households in disadvantaged or low income communities or low income households qualifying for higher incentives. The Program will include an outreach and educational component to ensure that households receiving incentives make informed decisions about how to burn and what to burn in order to maximize the efficiency of the device and minimize pollution.

#### 1.5. Grant Parties and Contact Information

- a. This grant is from CARB to the (Insert District Name) (hereinafter referred to as Grantee). The Grantee will perform the activities outlined in Section 4 and Exhibit A, Grantee Scope of Work.
- b. The CARB Program Liaison is Kasia Turkiewicz or other designee appointed by CARB. Correspondence regarding this Program shall be directed to:

Kasia Turkiewicz  
California Air Resources Board  
Air Quality Planning and Science Division  
Post Office Box 2815  
Sacramento, California 95812  
Phone: (916) 445-6497  
Email: [kasia.turkiewicz@arb.ca.gov](mailto:kasia.turkiewicz@arb.ca.gov)

- c. The Grantee Liaison is (Insert Name) or other designee appointed by Grantee. Correspondence regarding this Program must be directed to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone:

Email:

- 1.6. Definitions for terms used in this Grant Agreement can be found in Section 16.

## **2. GOVERNING BOARD APPROVAL**

- 2.1. Prior to the execution of this Grant Agreement, the Grantee is required to submit to CARB a resolution, minute order, or other approval of its governing board that authorizes the Grantee to enter into this Grant Agreement and that commits the Grantee to comply with the requirements of this Grant Agreement. Alternatively, the Grantee and CARB may execute this Grant Agreement before a Grantee has submitted this governing board resolution, minute order, or other approval to CARB; however, the Grantee may not perform work under this Grant Agreement, and no funding will be disbursed until the Grantee has submitted this governing board resolution, minute order, or other approval to CARB.

## **3. PROGRAM PERIOD**

- 3.1. Performance of work or other expenses billable to CARB under this Grant may commence after full execution of this Grant Agreement by both parties and Grantee's submission to CARB of its governing board's resolution, minute order, or other approval, described in Section 2 of this Grant Agreement. Performance on this Grant ends once the Grantee has submitted a draft final report (Project Closeout) or if this Grant Agreement is terminated, whichever is earlier. If Grantee is selected for Project Outcome Reporting, as described in Section 12.2.e, Grantee agrees to collect the data for a full tracking period of eighteen (18) months after the start of tracking. Project Outcome tracking and reporting may extend beyond Project Closeout.
- 3.2. Upon full expenditure of grant funds, the Grantee shall submit a Project Closeout report to the CARB Program Liaison (see Section 12.2.d of this Grant Agreement) after Program completion.

- 3.3. Funds that Grantee has not liquidated by June 30, 2022 must be returned to CARB within ninety (90) days, or by September 30, 2022. Expenditure of Project funds granted may not be reduced due to any loss incurred in an insured bank or investment account.
- 3.4. If additional funding becomes available, the CARB Executive Officer in his sole discretion retains the authority to amend this Grant to provide additional disbursement to the Grantee to complete tasks related to the Scope of Work for this Grant Agreement.

#### **4. SCOPE OF WORK**

This section defines the nature of the Program and respective duties and requirements of CARB, the Grantee, and CAPCOA in implementing this Grant Agreement.

- 4.1. The Program will provide incentives towards the replacement of existing uncertified residential wood burning stoves, wood inserts, or fireplaces used for primary space heating with the Program-eligible replacement devices listed in Table 1.
- 4.2. Prior to May 15, 2020 wood heating devices with particulate matter emission rates not exceeding 2.0 grams/hour (g/hr), that are certified to either U.S. EPA “Step 1” or “Step 2” New Source Performance Standards (NSPS), qualify for the Program.<sup>1</sup> Starting on May 15, 2020 only wood heating devices with particulate matter emission rates not exceeding 2.0 grams/hours, that are certified to U.S. EPA “Step 2” NSPS, will be eligible for the Program.<sup>2</sup> Device eligibility will be determined at the time of application review and approval. The non-wood burning devices listed in Table 1 are eligible for the duration of the Program.

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<sup>1</sup> Both Step 1 and Step 2 stoves with certified particulate matter emission rates of no more than 2.0 grams/hour are eligible. The list of U.S. EPA certified wood heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>

<sup>2</sup> The list of Step 2 compliant heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>.

Table 1. Replacement devices eligible for the Program

Before May 15, 2020	On or after May 15, 2020
Wood stove, wood insert, pellet stove, or pellet insert with particulate matter emission rates not exceeding 2.0 g/hr, that are certified to either U.S. EPA “Step 1” or “Step 2” NSPS <sup>3</sup>	Wood stove, wood insert, pellet stove, or pellet insert with particulate matter emission rates not exceeding 2.0 g/hr, that are certified to U.S. EPA “Step 2” NSPS <sup>4</sup>
Natural gas stove or insert	
Propane stove or insert	
Electric stove or insert	
Ductless mini-split heat pump	

4.3. CARB is responsible for the following:

- a. Participating in meetings with Grantee to discuss Program refinements and guide the administration of the Program.
- b. Reviewing and, if appropriate, approving Project elements provided by Grantee.
- c. Reviewing and, if appropriate, approving all grant disbursement requests and distribution of funds to Grantee.
- d. Working with Grantee and CAPCOA to develop templates for data and report submittals at both Program and Project levels.
- e. Providing Project oversight in conjunction with Grantee and CAPCOA.
- f. Ensuring Grantee complies, and ensures Project compliance, with applicable requirements of the Program Guidelines, Funding Guidelines, and this Agreement.
- g. Reviewing data and reports submitted by Grantee.
- h. Submitting semi-annual reports to the California Climate Investment Reporting and Tracking System (CCIRTS).
- i. Reviewing a sufficient number of Projects (number determined by CARB Program Liaison) each year to ensure proper Program implementation as directed by both Program and Funding Guidelines.

<sup>3</sup> Both Step 1 and Step 2 stoves with certified particulate matter emission rates of no more than 2.0 grams/hour are eligible. The list of U.S. EPA certified wood heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>.

<sup>4</sup> The list of Step 2 compliant heaters can be found at <https://www.epa.gov/compliance/list-epa-certified-wood-stoves>.

4.4. Grantee is responsible for the following:

Developing and implementing Project tasks as described below and in Exhibit A, Grantee Scope of Work. Minimum duties and requirements of Grantee include:

- a. Implementing the Project as outlined in the Program Guidelines.
- b. Participating in a Project kick-off meeting or conference call with CARB staff and CAPCOA before work begins. The purpose of the initial meeting will be to discuss the overall plan, Program schedule, Project reporting, and any issues that may need to be addressed.
- c. Participating in more frequent meetings that may be scheduled at the discretion of the CARB Program Liaison, CAPCOA, and the Grantee.
- d. Ensuring that all Project tasks are completed during the period of this grant.
- e. Apprising the CARB Program Liaison of any delays in implementing the scope of work below.
- f. Overseeing the Project budget and funds.
- g. Abiding by the insurance requirements in Section 10 of this Grant Agreement.
- h. Collecting and maintaining records in accordance with Section VI of the Program Guidelines as well as Section 7 of this Grant Agreement to comply with reporting and program review requirements.
- i. Ensuring that only licensed professionals will be used to perform services under this Grant Agreement. Professional installers could participate in the Program if they have a minimum of three (3) years of experience installing home heating devices to manufacturer specifications and possess an appropriate active license issued by the California Contractors State License Board throughout the life of the contract. Exhibit B lists acceptable licenses for each type of installation.
- j. Coordinating with CAPCOA on the submission of required reports as specified in Section 12 of this Grant Agreement.
- k. Promoting the Program with the emphasis on disadvantaged and low-income communities and low-income households with the goal to distribute 75 percent of Project funds to these priority populations.

4.5. CAPCOA is responsible for the following:

- a. Serving as an intermediary between CARB and Grantee in Project implementation.
- b. Monitoring Grantee's progress in Project implementation and apprising CARB Program Liaison of any problems or delays.

- c. Communicating regularly with CARB and Grantee on Project implementation.
- d. Acting as a clearing house to facilitate the exchange of information, including Program-related forms, examples of advertisements, examples of reports and other related information, between Grantee and other Districts participating in the Program.
- e. Coordinating with Grantee on the submission of required reports consistent with Section 12.
- f. Submitting required reports to CARB consistent with Section 12.

## 5. FINANCIAL MATTERS AND GRANT DISBURSEMENTS

### 5.1. Budget

- a. The maximum amount of this Grant is **(Insert Amount)**. Under no circumstance will CARB reimburse the Grantee for more than this amount. A written Grant Agreement amendment is required whenever there is a change to the amount of this Grant.
- b. The budget for this Project is shown in Exhibit C. Grant Disbursement Requests for the total Grant amount must not exceed the amount shown in Exhibit C. Project implementation costs also must not exceed the amount shown in Exhibit C. All of the Project implementation funds may be used for direct costs but indirect costs are limited to the amount shown in the Exhibit C, Budget Summary.
- c. The total funding may be reallocated by CARB at CARB's sole discretion in the event that the Grantee requests less than the total funds allocated for the Project for all Project activities performed during the term of the Grant Agreement.

### 5.2. Advance Payment

Consistent with the Legislature's direction to expeditiously disburse grants, CARB in its sole discretion may provide advance payments of grant awards in a timely manner to support program initiation and implementation with a focus on mitigating the constraints of modest reserves and potential cash flow problems.

Grantee acknowledges that CARB is in the process of promulgating additional Advance Payment regulation. Grantee agrees that this Agreement may be reopened and modified to comply with those regulations once finalized, as appropriate.

Recognizing that appropriate safeguards are needed to ensure grant monies are used responsibly, CARB has developed the grant conditions described below to establish control procedures for advance payments.

CARB may provide advance payments to Grantee of a grant program or project if CARB determines all of the following.

- a. The advance payments are necessary to meet the purposes of the grant project.
- b. The use of the advance funds is adequately regulated by grant or budgetary controls.
- c. The request for application or the request for proposals contains the terms and conditions under which an advance payment may be received consistent with this section.
- d. The Grantee is either a small air district or the Grantee meets all of the following criteria:
  - i. Has no outstanding financial audit findings related to any of the moneys eligible for advance payment and is in good standing with the Franchise Tax Board and Internal Revenue Service.
  - ii. Agrees to revert all unused moneys to CARB if they are not liquidated within the timeline specified in the Grant Agreement.
  - iii. Submits a spending plan to CARB for review prior to receiving the advance payment. The spending plan shall include project schedules, timelines, milestones, and the Grantee's fund balance for all state grant programs
  - iv. CARB shall consider the available fund balance when determining the amount of the advance payment.
  - v. Reports to CARB any material changes to the spending plan within thirty (30) days.
  - vi. Agrees to not provide advance payment to any other entity.
- e. In the event of the nonperformance of the Grantee, CARB shall require the full recovery of the unspent moneys. The Grantee shall provide a money transfer confirmation within forty-five (45) days upon the receipt of a notice from CARB.
- f. The Grantee must complete and submit to CARB for review and approval, an Advance Payment Request Form, along with each grant disbursement that is requesting advance payment. The Advance Payment Request Form shall be provided by CARB to the Grantee after the grant execution.
- g. CARB may provide an advance of the direct project costs of the grant, if the program has moderate reserves and potential cash flow issues. Advance payments will not exceed the Grantee's interim cash needs.
- h. The Grantee assumes legal and financial risk of the advance payment.



- i. Grantee shall place funds advanced under this section in an interest-bearing account. Grantee shall track interest accrued on the advance payment. Interest earned on the advance payment shall only be used for eligible grant-related expenses as outlined in the Grant Provisions, Exhibit A or will be returned to CARB.
- j. Grantee shall report to CARB the value of any unused balance of the advance payment and interest earned and submit quarterly fiscal accounting reports consistent with Section 12 of this Grant Agreement.
- k. Grantee shall remit to CARB any unused portion of the advance payment and interest earned within ninety (90) days following the end date of this Grant Agreement term on June 30, 2022, or the reversion date of the appropriation, whichever comes first.

### 5.3. Grant Disbursement

All disbursements from the total Grant award will be made following CARB's review and approval of any Grant Disbursement Request Forms.

- a. CARB shall disburse funds in accordance with the California Prompt Payment Act, Government Code Section 927, et. Seq.

## 6. SUSPENSION OF PAYMENT AND GRANT AGREEMENT TERMINATION

- 6.1. CARB reserves the right to issue a grant suspension order in the event that a dispute should arise. The grant suspension order will be in effect until the dispute has been resolved or the Grant Agreement has been terminated. If the Grantee chooses to continue work on the Project after receiving a grant suspension order, the Grantee will not be reimbursed for any expenditure incurred during the suspension in the event CARB terminates the Grant Agreement. If CARB rescinds the suspension order and does not terminate the Grant Agreement, CARB at its sole discretion will reimburse the Grantee for any expenses incurred during the suspension that CARB deems reimbursable in accordance with the terms of the Grant Agreement.
- 6.2. CARB reserves the right to terminate this Grant Agreement upon thirty (30) days' written notice to the Grantee, if CARB determines that the Program has not progressed satisfactorily after conducting a Project review (Section 11.5 of this Grant Agreement) or if the Grantee has violated the grant agreement and the Grantee and CARB have been unable to agree on modifications to the Project. In case of early termination, the Grantee will submit a Progress Report covering activities up to, and including, the termination date and following the requirements specified herein and in Section 12.
- 6.3. CARB reserves the right to immediately terminate this Grant Agreement in accordance with general grant provisions outlined in Section 15.

- 6.4. CARB or its designee may recoup funds that were received based upon misinformation or fraud, or for which a Grantee, District, or subcontractor is in significant or continual non-compliance with the terms of this grant or State law. CARB also reserves the right to prohibit any entity from participating in future projects, due to non-compliance with Program requirements. Examples of Program deficiencies include.
- a. Replacing a wood stove, wood insert, or fireplace not eligible for the Program;
  - b. Installing a device not eligible for the Program;
  - c. Issuing an Enhanced Incentive to an ineligible Applicant;
  - d. Failing to properly document each change-out;
  - e. Failing to properly dispose of the old stove;
  - f. Allowing an Applicant to install his/her replacement device; and
  - g. Failing to submit required reports.

## **7. PROJECT RECORDS**

- 7.1. Grantee will develop and maintain accounting procedures as further described below. Project records include but are not limited to Grantee's financial and other records. All Project records must be retained by the Grantee for a period of three (3) years after the final Project funds liquidation date of June 30, 2022 and shall be stored in a secured and safe storage facility that maintains confidentiality and provides fire and natural disaster protection. All Project records are subject to program review and State audit pursuant to Section 13 of this Grant Agreement. Upon completion of the third (3<sup>rd</sup>) year of record retention, the Grantee shall take all reasonable steps to dispose, or arrange for the disposal, of records containing Personally Identifiable Information by (a) shredding, (b) erasing, or (c) otherwise modifying the personal information in those records to make it unreadable or undecipherable through any means..
- 7.2. Without limitation of the requirement to maintain Project accounts in accordance with generally accepted accounting principles, the Grantee must:
- a. Establish an official file for the Project that will adequately document all significant actions relative to the Project.
  - b. Establish separate accounts that will adequately and accurately depict all amounts received and expended on the Project.
  - c. Establish an accounting system that will adequately depict final total costs of the Project, including both direct and indirect costs.
- 7.3. Other records include all deliverables required under Section 12 of this Grant Agreement and those specified in the Program Guidelines.

- 7.4. Grantee will ensure that applicants are made aware that information collected under the auspices of this Program, with the exception of confidential or personally identifiable information as noted in Section 15.23 of this Grant Agreement, may be made publically available to the extent allowed by federal, State, and local laws and regulations.

## **8. DOCUMENTATION OF USE OF PROJECT FUNDS**

- 8.1. The Grantee must maintain documentation of all Project funds including the following:
- a. Application, including affidavit of primary source of heat;
  - b. Verification of old device eligibility;
  - c. Verification of new device eligibility;
  - d. Verification of income (if applicable);
  - e. Copy of final permit (City, County, or State);
  - f. Photographic evidence of change-out completion, including “before” and “after” photos showing the devices in relation to the room where they were/are installed;
  - g. Verification of destruction of uncertified stove (including recycling if available locally) or, where applicable, verification of rendering fireplace and chimney permanently inoperable;
  - h. Verification that the resident was trained on device operation and maintenance and, if applicable, following best practices in wood storage and wood burning for residential space heating; and
  - i. Invoices from installer and a verification of payment.

If selected for a Program Review, Grantee must make this documentation available to CARB staff. An abbreviated listing of completed change-outs and associated costs must be submitted to CARB with each quarterly Fiscal Report.

## **9. DOCUMENTATION OF USE OF PROJECT IMPLEMENTATION FUNDS**

- 9.1. Project implementation funds may be used for implementing the tasks identified in the Scope of Work. The total cost of implementing the Project must not exceed the amount specified in Exhibit C, Budget Summary. All of the Project implementation funds may be used for direct costs but indirect costs are limited to the amount shown in the Exhibit C, Budget Summary.
- 9.2. Project implementation costs include cost of labor and expenses directly related to implementing the Project (direct cost) as well as costs not tied directly or solely to the Project (indirect costs also referred to as

administrative costs).

- a. Direct project implementation costs, directly related to implementing the Project, include the following:
    - i. The Grantee's personnel costs;
    - ii. Fringe benefit costs;
    - iii. Operating costs (including rent, supplies, and equipment);
    - iv. Travel expenses and per diem rates set at the rate specified by California Department of Human Resources (CalHR)<sup>5</sup>;
    - v. Overhead;
    - vi. Consultant fees (if pre-approved by CARB); and
    - vii. Printing, records retention, and mailing costs.
  - b. Indirect project implementation costs, not tied directly or solely to the Project, also referred to as administrative costs, include the following:
    - i. Distributed administration and general administrative services;
    - ii. Non-project related contracts or subscriptions;
    - iii. Rent and office space, phones and telephone services, printing, or mailing services not associated with staff working on the project; and
    - iv. Any other costs that are not directly and fully incurred to support the grant.
- 9.3. The Grantee must maintain documentation of all direct and indirect Project implementation costs, including the following:
- a. Personnel documentation must make use of timesheets or other labor tracking software. Duty statements or other documentation may also be used to verify the number of staff and actual hours or percent of time staff devoted to Project administration.
  - b. Administration funds for subcontractor(s) must be documented with copies of the contract and any applicable invoices.
  - c. Printing, mailing, records retention, and travel expenses must be documented with receipts and/or invoices.
  - d. Any reimbursement for necessary travel and per diem must be at rates not to exceed those amounts paid to the State's represented employees. No travel outside the State of California will be reimbursed unless prior written authorization is obtained from CARB. CalHR's travel and per diem reimbursement amounts may be found online at <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>. Reimbursement must be at the State travel

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<sup>5</sup> Under no circumstances should the Grantee exceed travel expenses and per diem rates set by CalHR.

- and per diem amounts that are current as of the date costs are incurred by the Grantee; and
- e. If indirect costs are used to document administration funds for the Project, the Grantee must indicate how these costs are determined.
- 9.4. The above documentation, records, and referenced materials must be made available for review during monitoring visits and audits by CARB, or its designee. These records must be retained for a minimum of three (3) years after the final Project funds liquidation date of June 30, 2022.
- 9.5. The above documentation must be provided to CARB in the Final Report.

## **10. INSURANCE REQUIREMENTS**

### **10.1. General Provisions**

- a. Coverage Term: Coverage needs to be in force for the complete term of the Project agreement. If insurance expires during the term of the Project agreement, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the Project agreement.
- b. Policy Cancellation or Termination and Notice of Non-Renewal: Installer/contractor is responsible to notify the State within five (5) business days before the effective date of any cancellation, non-renewal, or material change that affects required insurance coverage. In the event installer/contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate the Project agreement upon the occurrence of such event, subject to the provisions of this Grant Agreement.
- c. Deductible: Installer/contractor is responsible for any deductible or self-insured retention contained within their insurance program.
- d. Primary Clause: Any required insurance contained in the Project agreement shall be primary, and not excess or contributory to any other insurance carried by the State.
- e. Insurance Carrier Required Rating: All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the installer/contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- f. Endorsements: Any required endorsement must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- g. Inadequate Insurance: Inadequate or lack of insurance does not

negate the installer/contractor's obligations under the Agreement.

- h. Satisfying an SIR: All insurance required by this Grant Agreement or the Project agreements must allow the State to pay and/or act as the installer/contractor's agent in satisfying any self-insured retention (SIR). The choice to pay and/or act as the installer/contractor's agent in satisfying any SIR is at the State's discretion.
- i. Available Coverages/Limits: All coverage and limits available to the installer/contractor shall also be available and applicable to the State.
- j. Subcontractors/Manufacturers: In the case of installer/contractor's utilization of subcontractors/manufacturers to completed the contracted scope of work, installer/contractor shall include all subcontractors/manufacturers as insured's under installer/contractor's insurance or supply evidence of insurance to the State equal to policies, coverages, and limits required of installer/contractor.

#### 10.2. Commercial General Liability

Installer/contractor shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per and \$2,000,000 aggregate for bodily injury and property damage liability. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured Project agreement. This insurance shall apply separately to each insured against which claim is made, or suit is brought subject to the installer/contractor's limit of liability. **The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the contract.**

#### 10.3. Automobile Liability

Installer/contractor shall maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles. **The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the contract.**

In the event that the installer/contractor does not have any commercially owned motor vehicles, a no-owned autos waiver must be completed and retained in District files. A sample waiver form is included in Exhibit E of this Grant Agreement.

#### 10.4. Workers' Compensation and Employers' Liability

Contractor must furnish to the State a certificate of insurance to remain in effect at all times during the term of this Agreement. Contractor shall maintain statutory workers' compensation and employers' liability for all its employees who will be engaged in the performance of the

Agreement. Employers' liability limits of \$1,000,000 are required. The policy must include:

**When work is performed on State owned or controlled property the Workers' Compensation policy shall contain a waiver of subrogation in favor of the State. The waiver of subrogation endorsement shall be provided.**

In the event that the installer/contractor does not have any employees, a worker's compensation statement of exemption form must be completed and retained in District files. An example exemption form is included in Exhibit E of this Grant Agreement.

## **11. PROGRAM MONITORING**

- 11.1. Any changes to the Scope of Work or timeline for the Project requires the prior written approval of the CARB Program Liaison, and, depending on the scope and extent of the changes, may require a written Grant Agreement Amendment.
- 11.2. The Grantee must notify the CARB Program Liaison and Grant Coordinator immediately, in writing, if any circumstances arise (technical, economic, or otherwise), which might jeopardize completion of the Project, or if there is a change in key Project personnel.
- 11.3. The Grantee must coordinate with CAPCOA to provide information requested by the CARB Program Liaison that is needed to assess progress in completing tasks and meeting the objectives of the Project.
- 11.4. Any change in budget allocations, re-definition of deliverables, or extension of the Project schedule must be requested in writing to the CARB Program Liaison and approved by CARB, in its sole discretion. Such changes may require a written Grant Agreement Amendment.
- 11.5. CARB will review a sufficient number of Projects each year to ensure proper Program implementation. If Grantee is selected for Project review, CARB will contact Grantee Liaison at least thirty (30) days in advance. The Project review should include all books, papers, accounts, documents, photographs, and other records related to the Project for which Program funds were used. The Grantee will be expected to assign an employee familiar with the Project and accounting procedures to assist the CARB reviewer(s) and have the Project records, including cancelled warrants, readily available for inspection.

## **12. REPORTING**

### **12.1. Data Flow**

- a. The Grantee must coordinate with CAPCOA on the submittal of required Project and fiscal reports. If requested by CARB, Grantee will be responsible for submitting reports directly to CARB.

### **12.2. Project Reporting**

- a. Project data are reported during each semi-annual reporting cycle. The reporting cycles cover December 1 through May 31 and June 1 through November 30. The reports are due to CARB on June 1 and December 1.
- b. Grantee shall submit an initial Project report called Awarded Report upon entering into a Project agreement with CARB. At this stage, Grantee must submit data with Project details and expected benefits. This report is submitted once during the first reporting cycle after signing the Agreement in a format agreed upon between the CARB Program Liaison and the Grantee.
- c. The Grantee shall submit Implementation Reports each reporting cycle. The Implementation Reports shall be provided in a format agreed upon between the CARB Program Liaison and the Grantee and will contain information on each change-out completed during the reporting cycle.
- d. When the Project is complete, the Grantee shall submit a Project Closeout Report. The Project Closeout Report shall be provided in a format agreed upon between the CARB Program Liaison and the Grantee. This report shall be submitted upon completion of the Project at the next reporting cycle.
- e. A subset of Projects (at least twenty-five (25) percent) will be selected by CARB for Project Outcome Reporting. If Grantee is selected for Project Outcome Reporting, Grantee shall submit a report in a format agreed upon between the CARB program Liaison and the Grantee. Project outcome tracking ends eighteen (18) months after the start of tracking. If selected, Grantee agrees to collect the data for a full tracking period, which may end after the Project Closeout.

### **12.3. Fiscal Reporting**

- a. Following receipt of funds, Grantee will submit quarterly fiscal accounting reports (Fiscal Report) to CAPCOA detailing expenditure of funds by Grantee, including interest accrued on any Project funds received. The Fiscal Reports shall be provided in a format agreed upon between the CARB Program Liaison and the Grantee and needs



to include an itemized invoice of all expenditures incurred during the quarter.

### **13. OVERSIGHT AND ACCOUNTABILITY**

The Grantee must comply with all oversight responsibilities identified herein.

- 13.1. CARB or its designee may recoup Project funds which were received based upon misinformation or fraud, or for which a Grantee or its subcontractor(s), or a participant in the Project is in significant or continual non-compliance with the terms of this Grant Agreement or state law.
- 13.2. CARB or its designee reserves the right to review the Project at any time during the duration of this Grant Agreement the Grantee's costs of performing the Grant and to refuse payment of any reimbursable costs or expenses that in the opinion of CARB or its designee are unsubstantiated or unverified. The Grantee shall cooperate with CARB or its designee including, but not limited to, promptly providing all information and documents requested, such as all financial records, documents, and other information pertaining to reimbursable costs, and any matching costs and expenses.
- 13.3. The Grantee shall retain all records referred to above and provide them for examination and Project review or State audit for three (3) years after the final Project funds liquidation date of June 30, 2022.
- 13.4. The Grantee shall develop and maintain accounting procedures to track reservation and expenditures by grant award, fiscal year, and of all funding sources.
- 13.5. CAPCOA will serve in an oversight role to centralize and standardize Program implementation. Grantee shall coordinate with CAPCOA on the submission of required reports.

### **14. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

- 14.1. CARB has determined that the Project funded by this Grant Agreement is exempt from CEQA; Grantee should ensure that the Project is implemented consistent with the Grant Agreement to maintain CEQA exempt status.

### **15. GENERAL PROVISIONS**

- 15.1. **Potential sub-grantee:** Nothing contained in this Grant Agreement or otherwise shall create any contractual relation between CARB and any sub-grantees, and no sub-grant shall relieve Grantee of its responsibilities and obligations under this Grant Agreement. Grantee agrees to be as fully responsible to CARB for the acts and omissions of its sub-grantees

and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Grantee. Grantee's obligation to pay its sub-grantees is an independent obligation from CARB's obligation to make payments to Grantee. As a result, CARB shall have no obligation to pay or to enforce the payment of any moneys to any sub-grantee. Grantee shall not sub-grant any services under this Grant Agreement without the prior approval in writing of CARB.

- 15.2. **Amendment:** No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties.
- 15.3. **Assignment:** This grant is not assignable by the Grantee, either in whole or in part, without the consent of CARB, in writing.
- 15.4. **Compliance with law, regulations, etc.:** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal, State, and local laws, rules, guidelines, regulations, and requirements.
- 15.5. **Conflict of interest:** The Grantee certifies that it is in compliance with applicable State and/or federal conflict of interest laws.
- 15.6. **Disputes:** The Grantee shall continue with the responsibilities under this Grant Agreement during any dispute. Grantee staff or management may work in good faith with CARB staff or management to resolve any disagreements or conflicts arising from implementation of this Grant Agreement. However, any disagreements that cannot be resolved at the management level within thirty (30) days of when the issue is first raised with CARB staff in writing shall be subject to resolution by the CARB Executive Officer, or designated representative. Nothing contained in this paragraph is intended to limit any rights or remedies that the parties may have under law.
- 15.7. **Environmental justice:** In the performance of this Grant Agreement, the Grantee shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the State.
- 15.8. **Fiscal management systems and accounting standards:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Grant Agreement. Unless otherwise prohibited by State or local law, the Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.

- 15.9. **Force majeure:** Neither CARB nor the Grantee shall be liable for or deemed to be in default for any delay or failure in performance under this Grant Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, etc.
- 15.10. **Governing law and venue:** This grant is governed by and shall be interpreted in accordance with the laws of the State of California. CARB and the Grantee hereby agree that any action arising out of this Grant Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Grant Agreement.
- 15.11. **Indemnification:** The Grantee agrees to indemnify, defend and hold harmless the State and the Board and its officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys' fees, from any and all claims for injury or damages arising out of the performance by the Grantee or any sub-grantee, and out of the operation of equipment that is purchased with funds from this Grant Award.
- 15.12. **Grantee's responsibility for work:** The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contract, or sub-grantee's contract, for work on the Program or any project, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- 15.13. **Independent contractor:** The Grantee, and its agents and employees, and sub-grantees, if any, in their performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees or agents of CARB.
- 15.14. **Nondiscrimination:** During the performance of this Grant Agreement, the Grantee, sub-grantees, and their contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. The Grantee and its third party entities shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its third party entities shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder

(California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Grantee and its third party entities shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Grant Agreement

- 15.15. **No third party rights:** The parties to this Grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking establish herein.
- 15.16. **Prevailing wages and labor compliance:** If applicable, the Grantee agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. If applicable, the Grantee shall monitor all agreements subject to reimbursement from this Grant Agreement to ensure that the prevailing wage provisions of State Labor Code Section 1771 are being met.
- 15.17. **Severability:** If a court of competent jurisdiction holds any provision of this Grant Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of those provisions, will not be affected.
- 15.18. **Termination:** CARB may terminate this Grant Agreement by written notice at any time prior to completion of Projects funded by this Grant Agreement, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Grant Agreement, within ten (10) days.
- 15.19. **Timeliness:** Time is of the essence in this Grant Agreement. Grantee shall proceed with and complete the Project in an expeditious manner.
- 15.20. **Waiver of rights:** Any waiver of rights with respect to a default or other matter arising under the Grant Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Grant Agreement are in addition to any other rights and remedies provided by law.
- 15.21. **Availability of funds:** CARB's obligations under this Grant Agreement are contingent upon the availability of funds. In the event funds are not available, the State shall have no liability to pay any funds whatsoever to

the Grantee or to furnish any other considerations under this Grant Agreement.

- 15.22. **Confidentiality:** No record that has been designated as confidential by CARB, or is the subject of a pending application of confidentiality, shall be disclosed by the Grantee. Any confidential information or data submitted to CARB by the Grantee may be shared with other divisions within CARB.
- 15.23. **Personally identifiable information:** Information or data that personally identifies an individual or individuals is confidential in accordance with California Civil Code sections 1798, et seq. and other relevant State or Federal statutes and regulations. The Grantee shall safeguard all such information or data which comes into their possession under this agreement in perpetuity, and shall not release or publish any such information or data.
- 15.24. **Ownership:** All information or data received or generated by the Grantee under this agreement shall become the property of CARB. No information or data received or generated under this agreement shall be released without CARB's approval. This does not prohibit Grantee from promoting the Program. Grantee shall follow the guidelines acknowledging CCI funding and logo use outlined in Section 1.3.
- 15.25. **Audit:** Grantee agrees that CARB, the Department of General Services, Department of Finance, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant and all State funds received. Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after the term of this Grant is completed, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include similar right of the State to audit records and interview staff in any Grant related to performance of this Agreement.

## 16. DEFINITIONS

- 16.1. **AB 32:** Assembly Bill 32, Global Warming Solutions Act, Nuñez, Chapter 488, Statutes of 2006.
- 16.2. **Administrative Costs (Also Referred to as Indirect Project Implementation Costs):** A subset of project implementation costs, not tied directly or solely to the Project, such as distributed administration and general administrative services; non-project related contracts or subscriptions; rent and office space, phones and telephone services, printing, or mailing services not associated with staff working on the Project; or any other costs that are not directly and fully incurred to support the grant.

- 16.3. **Applicant:** Individual resident requesting replacement of older wood stove or device.
- 16.4. **Awarded Project Report:** The initial Project report with Project details and expected benefits submitted to CAPCOA during the first reporting cycle after signing this Agreement following the reporting requirements in Section 12 of this Grant Agreement.
- 16.5. **CAPCOA:** California Air Pollution Control Officers Association.
- 16.6. **CARB:** California Air Resources Board.
- 16.7. **CCI:** California Climate Investments
- 16.8. **Change-out:** Replacement of individual wood stove (or other device).
- 16.9. **Direct Project Implementation Costs:** Costs of direct labor and expenses associated with implementing the Project. Examples include: outreach and education, application review and processing, processing payments, and data reporting.
- 16.10. **District(s):** Local air pollution control districts or air quality management districts.
- 16.11. **Enhanced Incentive:** A higher incentive given to low-income households and households located in disadvantaged or low-income communities.
- 16.12. **Funding Guidelines:** California Climate Investments' Cap-and-Trade Auction Proceeds' *Funding Guidelines for Agencies that Administer California Climate Investments* released on August 30, 2018.
- 16.13. **GGRF:** Greenhouse Gas Reduction Fund.
- 16.14. **Grantee:** Grant recipient.
- 16.15. **Implementation Costs:** Costs of implementing the Project including direct labor and expenses as well as any indirect expenses (also referred to as administrative expenses).
- 16.16. **Implementation Report:** An update on all incentives/upgrades that have been installed since the last reporting cycle for each change-out funded and overseen by Grantee. This report is submitted to CAPCOA following the reporting requirements in Section 12 of this Grant Agreement.
- 16.17. **Incentive:** The amount of funding given to an applicant to replace an uncertified wood stove, wood insert, or fireplace. The incentive amount will be determined by each District in coordination with CAPCOA but cannot exceed \$5,000.
- 16.18. **Indirect Project Implementation Costs:** Also defined as Administrative Costs.
- 16.19. **Installer:** A licensed professional contracted to remove the uncertified wood stove or insert and install the replacement device, possessing an appropriate active license, consistent with Exhibit B, issued by the California Contractors State License Board throughout the life of the

contract, and have a minimum of three (3) years of experience of installing home heating devices to manufacturer specifications.

- 16.20. **Program:** Woodsmoke Reduction Program
- 16.21. **Program Guidelines:** CARB's May 21, 2019 *Woodsmoke Reduction Program – Program Guidelines Fiscal Year 2018-19 Appropriation*.
- 16.22. **Project:** Program implementation at the District level.
- 16.23. **Project Agreement:** The agreement entered into between the Grantee and any sub-grantee to implement the Program at the District level.
- 16.24. **Project Closeout:** The final report submitted by the Grantee to the CARB Program Liaison at the next reporting cycle after all funds have been expended or after the legal agreement between CARB and Grantee has ended.
- 16.25. **Project Outcome:** The report on outcomes of operational projects for at least twenty-five (25) percent of Projects. Project outcome tracking ends eighteen (18) months after the start of tracking. This report is submitted to CAPCOA following the reporting requirements in Section 12 of this Grant Agreement.
- 16.26. **Reporting Cycle:** Span of time used to report on Program progress. Program data are submitted semi-annually for the reporting cycles covering December 1 through May 31 (due to CARB June 1) and June 1 through November 30 (due to CARB December 1).
- 16.27. **Subcontractor:** District or Installer.
- 16.28. **Sub-grantee:** District or Installer or other entity that has entered into an agreement with Grantee or District(s) to perform services related to this Grant Agreement.

## **EXHIBIT A**

### **Grantee Scope of Work**

1. Grantee will provide incentives in Grantee's jurisdiction towards the replacement of existing uncertified residential wood burning stoves, wood inserts, or fireplaces used for primary residential heating with the Program-eligible replacement devices listed in Section 4 Table 1.
2. Grantee will ensure that incentives do not exceed the actual total change-out cost and are limited to a maximum of \$5,000 per property or household.
3. Grantee will promote the Program and help households understand the benefits of changing from an uncertified wood stove to a cleaner home heating device.
4. Grantee's goal should be to distribute seventy-five (75) percent of total funding to residents of disadvantaged and low-income communities and low-income households.
5. Grantee will keep records of each change-out, including the following:
  - a. Application including address, priority population designation and/or income verification (if applicable), affidavit of primary source of heat, and proof of eligible existing stove.
  - b. Verification of installation including proof of installer eligibility, proof of final inspections/permits, and proof of eligible replacement stove.
  - c. Verification of destruction of old stove and, if applicable, rendering the fireplace inoperable.
  - d. Verification of training.
  - e. Verification of payment and invoices from installers.
6. Grantee will provide a subset of this information, consistent with templates provided by CARB, to the CAPCOA coordinator for collection and preparation of Progress Reports to be submitted to CARB.
7. Grantee will ensure that change-out recipient is trained on proper wood storage and wood burning practices (if applicable) and device operation and maintenance.
8. Grantee will coordinate with CAPCOA on the preparation of required reports consistent with Section 12.



## EXHIBIT B

### Required License

Professional installers may participate in the Program if they have a minimum of three (3) years of experience installing home heating devices to manufacturer specifications and possess an appropriate active license issued by the California Contractors State License Board throughout the life of the contract. Acceptable license(s) for each type of installation are listed below.

License Class	Equipment Allowed to Install	Special Conditions
C61/D34	<ul style="list-style-type: none"><li>• Wood stove/insert</li><li>• Pellet stove/insert</li><li>• Electric, propane, or natural gas stove/insert</li></ul>	As long as there are no modifications/alterations to the structure. Furthermore, a C61/D34 contractor cannot perform any masonry facing work associated with the stove/insert installation.
C20	<ul style="list-style-type: none"><li>• Wood stove/insert</li><li>• Pellet stove/insert</li><li>• Electric, propane, or natural gas stove/insert,</li><li>• Heat pump</li></ul>	
B	<ul style="list-style-type: none"><li>• Wood stove/insert</li><li>• Pellet stove/insert,</li><li>• Electric, propane, or natural gas stove/insert,</li><li>• Heat pump</li></ul>	A "B" contractor is allowed to install listed heating equipment if the installation was part of a larger project that included at least two unrelated trades. Framing and carpentry does not count towards the count of unrelated trades. Without performing additional trades or holding additional license, a B-contractor would be required to subcontract with an individual holding a C61/D34 or C20 License.

## Exhibit C

### Budget Summary

Category	Subcategory	Grant Amount
Project Funds		
Project Implementation Funds*	Total	
	Direct	
	Indirect (Administrative Funds)	
Total Grant Funds		

\* Project implementation costs must not exceed the Total amount shown in Exhibit C. All of the Project Implementation Funds may be used for direct costs but indirect costs are limited to the amount shown in the Exhibit C for Indirect (Administrative Funds).

## Exhibit D

### Project Schedule

Task	Milestone Description	Timeline
1	Execute Grant Agreement	No later than April 1, 2020
2	Transfer funds to Grantee	No later than June 30, 2020
3	Submit “Awarded” Reports to CARB	June 1, 2020 or December 1, 2020
4	Begin project installations	Upon receiving funds
5	Submit “Implemented” Reports	Each reporting cycle
6	Submit “Project Outcome” Reports for subset of projects, as requested by CARB Liaison	Each reporting cycle
7	Submit quarterly fiscal accounting reports	Each calendar quarter
8	Complete project installations	June 30, 2022
9	Submit “Closeout” report upon completion of the project at the next reporting cycle	No later than December 1, 2022
11	Submit final “Project Outcome” Reports for subset of projects, as requested by CARB Liaison	Up to 18 months after installations are complete

## **Exhibit E**

### **Insurance Waiver Forms and Examples**

#### Automobile Liability

**Contractor's name and address on company stationary**

Current Date

Department Name

Re: No Owned Autos

To Whom It May Concern:

Please know and mark your records to show that (contractor's name) does not own any automobiles.

Should (contractor's name) purchase an auto(s) during the term of its contract with (Department Name) it will obtain owned auto coverage and provide evidence to (Department Name).

Sincerely,

**Name/Title of Owner, Member, Partner or Corporate Owner of the Contractor**

## Exhibit E: Insurance Waiver Forms and Examples (continued)

### Workers' Compensation and Employers' Liability

#### Workers' Compensation Statement of Exemption

Contractor must submit this form to State of California, certifying under penalty of perjury that he or she does not employ anyone in a manner that is subject to the Workers' Compensation laws of California (see Business and Professions Code Section 7125).

#### DO NOT SUBMIT THIS FORM IF YOU HAVE EMPLOYEES

For exemption from workers' compensation, you must complete the requested information and sign form.

Please type or print neatly and legibly in black or dark blue ink.

#### SECTION 1 – REQUIRED INFORMATION

CONTRACTOR'S NAME	CONTRACT NUMBER	STATE DEPARTMENT
MAILING ADDRESS <small>number/street or P.O. box</small>	city	state ZIP code
STREET ADDRESS <small>number/street only – NO P.O. boxes</small>	city	state ZIP code
PHONE NUMBER	CELL PHONE NUMBER	EMAIL ADDRESS

#### SECTION 2 – REQUIRED CHECK BOX

YOU MUST CHECK ONLY ONE OF THE BOXES BELOW.

- ☐ I do not employ anyone in the manner subject to the workers' compensation laws of California.
- ☐ I am an out-of-state contractor, and I do not hire employees who reside in California. (You must provide a certificate of insurance from your workers' compensation insurance carrier).

#### SECTION 3 – REQUIRED SIGNATURE

I certify under penalty of perjury under the laws of the State of California that the information provided on this exemption statement is true and accurate. I understand that, upon employing anyone in a manner that is subject to the workers' compensation law of the State of California, the claim of exemption executed under this form will no longer be valid. I also understand that, as soon as I employ anyone subject to California's workers' compensation law, I must obtain a Certificate of Workers' Compensation Insurance, submit that certificate to State of California within 90 days of its effective date, and continuously maintain the coverage provided by the certificate in accordance with the law and as required by this contract. I further understand that failure to comply with this requirement is grounds for disciplinary action.

Date	Signature of Contractor (Owner, Partner, or Officer)	Printed Name of Contractor (Owner, Partner, or Officer)

## **Exhibit F**

### **Woodsmoke Reduction Program Program Guidelines Fiscal Year 2018-2019**

Woodsmoke Reduction Program - Program Guidelines Fiscal Year 2018-2019  
Appropriation  
May 21, 2019



## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537  
Tel: 760-872-8211 Fax: 760-872-6109

### BOARD REPORT

**Mtg. Date:** November 7, 2019

**To:** District Governing Board

**From:** Phillip L. Kiddoo, Air Pollution Control Officer

**Subject:** Approve and Authorize Board Chair to Sign Amendment to Contract with Phillip L. Kiddoo for the Provision of Personal Services as the District Air Pollution Control Officer

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#### **Summary:**

On September 5, 2019, the Great Basin Unified Air Pollution Control District Governing Board (Board) negotiated a contract amendment (Amendment) with its Air Pollution Control Officer (APCO). The Board and the APCO negotiated to increase the APCO's base salary (rounded to the nearest dollar) 5% from \$12,135 per month to \$12,742 per month effective September 5, 2019, 5% from \$12,742 per month to \$13,379 per month for July 1, 2020 – June 30, 2021, 5% from \$13,379 per month to \$14,048 per month for July 1, 2021 – June 30, 2022. As additional consideration for entry into this Amendment, APCO shall also receive a one-time-only payment of \$1,295 payable as soon as practical. No other changes to the contract were negotiated.

#### **Fiscal Impact:**

The increase in salary will result in an increase in other compensation and benefits, including retirement and taxes, that are calculated based on employee salaries. The net increase to employee costs of each budget due to the increase in base salary will be \$8,295 to the SB270 budget and \$988 to the General Fund budget for FY 2019-20. These amounts can be absorbed into the current budget due to other salary savings in vacant positions and positions being filled at less than budgeted costs.

#### **Board Action:**

Staff recommends the Board approve and authorize the Board Chair to sign Amendment Number 2 to the Personal Services contract with Phillip L. Kiddoo, Air Pollution Control Officer.

Approve and Authorize the Board Chair to Sign Amendment to Contract with Phillip L. Kiddoo for the Provision of Personal Services as the District Air Pollution Control Officer (Action)  
November 7, 2019 – Agenda Item No. 5 – Page 1

**AMENDMENT NUMBER 2 TO ATTACHMENT B OF AGREEMENT BETWEEN  
GREAT BASIN AIR POLLUTION CONTROL DISTRICT  
AND PHILLIP L. KIDDOO  
FOR THE PROVISION OF PERSONAL SERVICES  
AS THE DISTRICT AIR POLLUTION CONTROL OFFICER**

WHEREAS, Phillip Kiddoo (herein after referred to as "Officer") has been duly appointed as Air Pollution Control Officer for the Great Basin Unified Air Pollution Control District (Herein after referred to as "District") as provided for in California Health and Safety Code Section 40750; and

WHEREAS, District and Officer do desire and consent to an amendment to Attachment B (known as Amendment Number 2 to Attachment B) to the existing contract between District and Officer dated April 8, 2015 (Original Contract);

NOW THEREFORE, in consideration of the mutual promises, covenants, terms, and conditions hereinafter contained, District and Officer hereby agree to amend the provisions of the Original Contract date April 5, 2015 as follows:

"Attachment B" shall be amended by attachment of "Amendment 2 to Attachment B" enclosed herein.

The effective date of this second amendment is September 5, 2019. All other terms and conditions of the Agreement are unchanged and remain the same.

IN WITNESS THEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS AND SEALS THIS 7<sup>TH</sup> DAY OF NOVEMBER 2019.

**Great Basin Unified**

**Air Pollution Control District**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

**Air Pollution Control Officer**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Approve and Authorize the Board Chair to Sign Amendment to Contract with Phillip L. Kiddoo for the Provision of  
Personal Services as the District Air Pollution Control Officer (Action)

November 7, 2019 – Agenda Item No. 5 – Page 2



**AMENDMENT 2 TO ATTACHMENT B**  
**AGREEMENT BETWEEN GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT**  
**AND PHILLIP L. KIDDOO**  
**FOR THE PROVISION OF PERSONAL SERVICES**  
**AS DISTRICT AIR POLLUTION CONTROL OFFICER**

**TERM:**

**FROM:** September 5, 2019

**TO:** Termination

Paragraph 1 of Attachment B of the original contract dated April 8, 2015 is hereby amended to the following terms:

1. Effective September 5, 2019, District will pay Officer the salary of:  
Twelve Thousand Seven Hundred Forty-Two Dollars (\$12,742) per month.
2. Effective July 1, 2020, District will pay Officer the salary of:  
Thirteen Thousand Three Hundred Seventy-Nine Dollars (\$13,379) per month.
3. Effective July 1, 2021, District will pay Officer the salary of:  
Fourteen Thousand Forty-Eight Dollars (\$14,048) per month.
4. Entry into this Amendment one-time-only payment of \$1,295, payable as soon as practical.

All other terms as enumerated in the Officer's contract dated April 8, 2015 including the original Attachment B of the Officer's contract remain the same.

Approve and Authorize the Board Chair to Sign Amendment to Contract with Phillip L. Kiddoo for the Provision of  
Personal Services as the District Air Pollution Control Officer (Action)  
November 7, 2019 – Agenda Item No. 5 – Page 3



## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537  
Tel: 760-872-8211 Fax: 760-872-6109

### BOARD REPORT

**Mtg. Date:** November 7, 2019

**To:** District Governing Board

**From:** Susan Cash, Administrative Projects Manager

**Subject:** Approval of Draft Update to District Unification Agreement

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#### Summary:

At the July 2019 Board meeting, the Board and staff discussed the need to update the unification agreement to allow for alternates for all member agencies, to incorporate Rule 1102 (addition of the Town of Mammoth Lakes, the per capita charges, and the 4/5<sup>th</sup>s vote clarification) into the unification agreement, and to clarify the minimum amount of votes required for action, regardless of number of members in attendance. The Board directed staff to draft the changes and to verify the process with counsel for implementing the changes.

The process is (a) the District Board recommends the change; (b) the governing boards of the member agencies approve the change; and (c) the District Board finalizes their approval, assuming no recommended changes from member boards.

While updating the unification agreement, staff noticed several sections with outdated language. It was decided to bring the draft back to the District Board to request approval to update the whole agreement rather than just the three issues previously discussed as long as we need to go through all the steps to amend the unification agreement.

Additional recommended changes are:

- Update to population percentages to reflect current numbers.
- Removal of language regarding temporary personnel policies. This language reflects a stopgap measure put in place at the inception of the unified district and is no longer needed.
- Removal of language regarding transfer of employees from member agencies to District employment. This language reflects the transitory period when member agencies had their own APCD staff that might migrate to the newly-formed unified district and is no longer needed.
- Correction of typographical errors and updates to language usage.

**Fiscal Impact:**

There is no fiscal impact associated with this discussion or direction, other than already-budgeted staff time to implement the direction.

**Board Action:**

Approve draft changes to the unification agreement and direct staff to proceed with next steps.

**Attachments:**

1. 1982 Unification Agreement
2. 1994 Rule 1102
3. Redline copy of draft updated unification agreement
4. Clean copy of draft updated unification agreement

AGREEMENT

THIS AGREEMENT made and entered into by and between the Board of Supervisors of the County of Inyo, the Board of Supervisors of the County of Mono, the Board of Supervisors of the County of Alpine and exofficio the Air Pollution Control Board of the Inyo County Air Pollution Control District, the Air Pollution Control Board of the Mono County Air Pollution Control District, and the Air Pollution Control Board of the Alpine County Air Pollution Control District.

WITNESSETH:

WHEREAS, the County of Inyo, the County of Mono and the County of Alpine have heretofore each activated an air pollution control district pursuant to the provisions of Chapter 2 of Division 20 of the Health and Safety Code, and

WHEREAS, said members have met and so agreed;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. That the Inyo County Air Pollution Control District, the Mono County Air Pollution Control District, and the Alpine County Air Pollution Control District be and the same are hereby merged into one district pursuant to the provisions of Article 7, Chapter 2, Division 20 of the Health and Safety Code.
2. That said district shall be known and designated as the Great Basin Unified Air Pollution Control District.
3. That the relative population of the counties within said district at the date hereof is as follows:

Inyo County	64.2 percent
Mono County	31.7 percent
Alpine County	4.1 percent

4. That the composition of the Air Pollution Control Board shall be as follows:
  - (a) Two members of the Board of Supervisors of Inyo County selected by said Board of Supervisors.
  - (b) Two members of the Board of Supervisors of Mono County selected by said Board of Supervisors.
  - (c) Two members of the Board of Supervisors of Alpine County selected by said Board of Supervisors.
5. That the voting procedure of the Air Pollution Control Board shall be as follows:
  - (a) Each member shall have one vote.
  - (b) Quorum: A quorum of said Air Pollution Control Board shall consist of four members, provided, however, no action affecting only a particular zone may be taken without a representative of that zone being present and voting on the action.
  - (c) Alternate members: The Board of Supervisors of Alpine County shall designate an alternate member who shall serve in the event the designated member is absent or unable to attend a meeting.
  - (d) All acts of the Air Pollution Control Board shall require the affirmative vote from each of two counties.
6. That the Air Pollution Control Board of the unified district hereby created shall appoint a Hearing Board as provided by law, with the additional provision that at least one member of said Board shall be from each county.
7. That employees of the said unified district, pending the adoptions by the Air Pollution Control Board of the unified district of personnel policies and procedures, shall be subject to and granted the right conferred, by the Personnel Ordinance of the County of Inyo.

8. That a fifteen (15) member Advisory Committee may be appointed by the Air Pollution Control Board from a list provided by the Board of Supervisors of each county, with five (5) members from each county appointed to serve on said Advisory Committee.
9. That the Treasurer for the County of Inyo shall serve as Treasurer for the unified district hereby created.
10. That any employee of the three counties who transfers to the service of the unified district shall retain all sick leave, vacation, retirement and other benefits accrued by reason of his county employment.
11. Modification or termination:
  - (a) Modification. This agreement, except as to the counties constituting the unified district hereby created, may be modified on the recommendation of the Air Pollution Control Board and concurred in by the Board of Supervisors of each county within the unified district hereby created.
  - (b) Withdrawal of any county. Any county, a party hereto, may withdraw from the unified district hereby created upon thirty (30) days notice in writing, one to the others; provided, however, such notification shall be made not less than ninety (90) days prior to the end of any fiscal year. Upon the withdrawal of any county from the Unified District said Unified District shall terminate, and the duties and powers of said Unified District shall revert to its respective member county districts.
  - (c) Termination. This agreement may be terminated at any time upon the recommendation of the Air Pollution Control Board and concurred in by the Board of Supervisors of each county within the unified district herein created. Upon termination of the Unified District, the duties and powers of said Unified District shall revert to its respective member county districts.
12. That the funds, property and liabilities of the Inyo, Mono and Alpine County Air Pollution Control Districts shall, upon the merging of said three districts, become the funds, property and liabilities of the unified air pollution control district hereby created. Upon termination or withdrawal of the Unified District, any assets or liabilities then or thereafter accruing to it shall revert to its member counties in proportion as the same are set forth in Section 3 of this agreement.

13. That this Agreement shall become effective and operative, insofar as the merger of said Inyo County Air Pollution Control District, said Mono County Air Pollution Control District and said Alpine County Air Pollution Control District is concerned, on March 1, 1974.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year set opposite the signature of their respective officers.

ATTEST:

BOARD OF SUPERVISORS OF THE  
COUNTY OF ALPINE

Joan Y. Chacón  
Clerk of the Board

Date: August 3, 1982

By Walter H. Nield  
Chairman

BOARD OF SUPERVISORS OF THE  
COUNTY OF INYO

Kelli Herman  
Clerk of the Board

Date: 4/29/82

By Wilma B. Muth  
Chairman

BOARD OF SUPERVISORS OF THE  
COUNTY OF MONG

Marivic E. Peigné  
Clerk of the Board

Date: July 19, 1982

By Ed Mauer  
Chairman

REGULATION XI - ADMINISTRATIVE POLICIES AND PROCEDURES

RULE 1102. Governing Board Membership, Funding and Voting Procedures

A. Governing Board Membership

The District Governing Board shall be made up of seven members. The Inyo County Board of Supervisors shall, from time to time as necessary, select two of its members to serve as members of the District Governing Board. The Mono County Board of Supervisors shall, from time to time as necessary, select two of its members to serve on the District Governing Board. The Alpine Board of Supervisors shall, from time to time as necessary, select two of its members to serve on the District Governing Board. The Mammoth City Council shall, from time to time as necessary, select one of its members to serve on the District Governing Board.

B. Funding

The District shall be funded by the counties and cities who have representatives on the District Governing Board, by making the following annual payments to the District:

1. Inyo County: \$0.55 per capita of population within the County boundaries;
2. Alpine County: \$0.55 per capita of population within the County boundaries;
3. Mono County: \$0.55 per capita of population within the unincorporated area of the county;
4. City of Mammoth: \$0.55 per capita of population within the incorporated city.

C. Voting Procedures

A quorum of the District Governing Board shall be four; actions requiring 4/5ths vote of the Governing Board shall require 6 (six) votes.

D. Modification of Agreement

Upon ratification by the Inyo County, Mono County and Alpine



County Boards of Supervisors and the Mammoth City Council, this Rule shall constitute a modification to the Agreement between Inyo, Mono and Alpine Counties forming the Great Basin Unified Air Pollution Control District.

**E. Effective Date**

This Rule shall become effective on June 30, 1994.

Ellen Hardebeck  
Control Officer



## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short St. Suite #6 - Bishop, CA 93514  
(619) 872-8211

June 29, 1994

I HEREBY CERTIFY that at a meeting of the Great Basin Unified Air Pollution Control District in the Alpine County Board of Supervisors Chambers in the town of Markleeville, California on June 29, 1994, an order was duly made and entered as follows:

### ADOPTION OF RULE 1102

(GOVERNING BOARD MEMBERSHIP, FUNDING AND VOTING PROCEDURES)

A motion was made by Supervisor Lawrence, seconded by Supervisor Jarvis adopting Rule 1102. Governing Board Membership, Funding and Voting Procedures. Motion carried unanimously and so ordered.

WITNESS: B/O #062994-12

ATTEST:

Donna Leavitt  
Donna Leavitt, Clerk of the Board

GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT  
UNIFICATION AGREEMENT

Adopted: 03/01/1974    Revised: XX/XX/XXXX

THIS AGREEMENT made and entered into by and between the Board of Supervisors of the County of Inyo, the Board of Supervisors of the County of Mono, the Board of Supervisors of the County of Alpine, the Town Council of the Town of Mammoth Lakes, and ex-officio the Air Pollution Control Board of the Inyo County Air Pollution Control District, the Air Pollution Control Board of the Mono County Air Pollution Control District, and the Air Pollution Control Board of the Alpine County Air Pollution Control District.

WITNESSETH:

WHEREAS, the County of Inyo, the County of Mono, and the County of Alpine have heretofore each activated an air pollution control district pursuant to the provisions of Chapter 2 of Division 20 of the Health and Safety Code, and

WHEREAS, said members have met and so agreed;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. That the Inyo County Air Pollution Control District, the Mono County Air Pollution Control District, and the Alpine County Air Pollution Control District be and the same are hereby merged into one district pursuant to the provisions of Article 7, Chapter 2, Division 20 of the Health and Safety Code.
2. That said district shall be known and designated as the Great Basin Unified Air Pollution Control District.
3. That the relative population of the counties within said district at the date hereof is as follows:

Inyo County	<u>54.06</u> <del>4.2</del> percent
Mono County	<u>42.73</u> <del>1.7</del> percent
Alpine County	<u>3.34</u> <del>1</del> percent

4. That the composition of the Air Pollution Control Board shall be as follows:
  - (a) Two members of the Board of Supervisors of Inyo County selected by said Board of Supervisors.
  - (b) Two members of the Board of Supervisors of Mono County selected by said Board of Supervisors.

Great Basin Unified Air Pollution Control District Unification Agreement

Adopted: 03/01/1974    Revised: XX/XX/XXXX

Page 1 of 4

(c) Two Members of the Board of Supervisors of Alpine County selected by said Board of Supervisors.

(d) One Member of the Town Council of the Town of Mammoth Lakes selected by said Town Council.

Each member agency shall also select a member of their respective boards to serve as an alternate member who may serve in the event their designated member is absent or unable to attend.

5. That the voting procedure of the Air Pollution Control Board shall be as follows:

(a) Each member shall have one vote.

(b) Quorum: A quorum of said Air Pollution Control Board shall consist of four members, provided, however, no action affecting only a particular zone may be taken without a representative of that zone being present and voting on the action.

~~(c) Alternate members: The Board of Supervisors of Alpine County shall designate an alternate member who shall serve in the event the designate member is absent or unable to attend a meeting. Actions requiring 4/5ths vote of the Governing Board shall require 6 votes.~~

~~(d) All acts of the Air Pollution Control Board shall require the affirmative vote from each of two counties.~~

6. The District shall be funded by the counties and cities who have representatives on the District Governing Board, by making the following annual payments to the District:

a. Inyo County: \$0.55 per capita of population within the county boundaries;

b. Alpine County: \$0.55 per capita of population within the county boundaries;

c. Mono County: \$0.55 per capita of population within the unincorporated area of the county;

d. Town of Mammoth Lakes: \$0.55 per capita of population within the incorporated city.

~~6.7.~~ That the Air Pollution Control Board of the unified District hereby created shall appoint a Hearing Board as provided by law, with the additional provision that at least one member of said Board shall be from each county.

~~7. That employees of the said unified district, pending the adoption by the Air Pollution Control Board of the unified district of personnel policies and procedures, shall be subject to and granted the rights conferred, by the Personnel Ordinance of the County of Inyo.~~

8. That a fifteen (15) member Advisory Committee may be appointed by the Air Pollution Control Board from a list provided by the Board of Supervisors of each county, with five (5) members from each county appointed to serve on said Advisory Committee.

Great Basin Unified Air Pollution Control District Unification Agreement

Adopted: 03/01/1974 Revised: XX/XX/XXXX

Page 2 of 4

9. That the Treasurer for the County of Inyo shall serve as Treasurer for the unified district hereby created.

~~10. That any employee of the three counties who transfers to the service of the unified district shall retain all sick leave, vacation, retirement, and other benefits accrued by reason of his county employment.~~

~~11.~~10. Modification or termination:

(a) Modification. This agreement, except as to the counties constituting the unified district hereby created, may be modified on the recommendation of the Air Pollution Control Board and concurred in by the Board of Supervisors of each county within the unified district hereby created.

(b) Withdrawal of any county. Any county, a party hereto, may withdraw from the unified district hereby created upon thirty (30) days' notice in writing, one to the others; provided, however, such notification shall be made not less than ninety (90) days prior to the end of any fiscal year. Upon the withdrawal of any county from the Unified District said Unified District shall terminate, and the duties and powers of said Unified District shall revert to its respective member county districts.

(c) Termination. This agreement may be terminated at any time upon the recommendation of the Air Pollution Control Board and concurred in by the Board of Supervisors of each county within the unified district herein created. Upon termination of the Unified District, the duties and powers of said Unified District shall revert to its respective member county district.

~~12.~~11. That the funds, property, and liabilities of the Inyo, Mono and Alpine County Air Pollution Control Districts shall, upon the merging of said three districts, become the funds, property and liabilities of the unified air pollution control district hereby created. Upon termination or withdrawal of the Unified District, any assets or liabilities then or thereafter accruing to it shall revert to its member counties in proportion as the same are set forth in Section 3 of this agreement.

~~13.~~12. That this agreement shall become effective and operative, insofar as the merger of said Inyo County Air Pollution Control District, said Mono County Air Pollution Control District and said Alpine County Air Pollution Control District is concerned, on March 1, 1974.

Great Basin Unified Air Pollution Control District Unification Agreement

Adopted: 03/01/1974 Revised: XX/XX/XXXX

Page 3 of 4

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year set opposite the signature of their respective officers.

ATTEST:

BOARD OF SUPERVISORS OF THE  
COUNTY OF ALPINE

\_\_\_\_\_  
Clerk of the Board  
Date: \_\_\_\_\_

By \_\_\_\_\_  
Board Chair~~man~~

BOARD OF SUPERVISORS OF THE  
COUNTY OF INYO

\_\_\_\_\_  
Clerk of the Board  
Date: \_\_\_\_\_

By \_\_\_\_\_  
Board Chair~~man~~

BOARD OF SUPERVISORS OF THE  
COUNTY OF MONO

\_\_\_\_\_  
Clerk of the Board  
Date: \_\_\_\_\_

By \_\_\_\_\_  
Board Chair~~man~~

TOWN COUNCIL OF THE  
TOWN OF MAMMOTH LAKES

\_\_\_\_\_  
Clerk of the Board  
Date: \_\_\_\_\_

By \_\_\_\_\_  
Mayor

Great Basin Unified Air Pollution Control District Unification Agreement  
Adopted: 03/01/1974    Revised: XX/XX/XXXX  
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GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT  
UNIFICATION AGREEMENT

Adopted: 03/01/1974    Revised: XX/XX/XXXX

THIS AGREEMENT made and entered into by and between the Board of Supervisors of the County of Inyo, the Board of Supervisors of the County of Mono, the Board of Supervisors of the County of Alpine, the Town Council of the Town of Mammoth Lakes, and ex-officio the Air Pollution Control Board of the Inyo County Air Pollution Control District, the Air Pollution Control Board of the Mono County Air Pollution Control District, and the Air Pollution Control Board of the Alpine County Air Pollution Control District.

WITNESSETH:

WHEREAS, the County of Inyo, the County of Mono, and the County of Alpine have heretofore each activated an air pollution control district pursuant to the provisions of Chapter 2 of Division 20 of the Health and Safety Code, and

WHEREAS, said members have met and so agreed;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. That the Inyo County Air Pollution Control District, the Mono County Air Pollution Control District, and the Alpine County Air Pollution Control District be and the same are hereby merged into one district pursuant to the provisions of Article 7, Chapter 2, Division 20 of the Health and Safety Code.
2. That said district shall be known and designated as the Great Basin Unified Air Pollution Control District.
3. That the relative population of the counties within said district at the date hereof is as follows:

Inyo County	54.0 percent
Mono County	42.7 percent
Alpine County	3.3 percent
4. That the composition of the Air Pollution Control Board shall be as follows:
  - (a) Two members of the Board of Supervisors of Inyo County selected by said Board of Supervisors.
  - (b) Two members of the Board of Supervisors of Mono County selected by said Board of Supervisors.
  - (c) Two Members of the Board of Supervisors of Alpine County selected by said Board of Supervisors.

Great Basin Unified Air Pollution Control District Unification Agreement

Adopted: 03/01/1974    Revised: XX/XX/XXXX

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(d) One Member of the Town Council of the Town of Mammoth Lakes selected by said Town Council.

Each member agency shall also select a member of their respective boards to serve as an alternate member who may serve in the event their designated member is absent or unable to attend.

5. That the voting procedure of the Air Pollution Control Board shall be as follows:

(a) Each member shall have one vote.

(b) Quorum: A quorum of said Air Pollution Control Board shall consist of four members, provided, however, no action affecting only a particular zone may be taken without a representative of that zone being present and voting on the action.

(c) Actions requiring 4/5ths vote of the Governing Board shall require 6 votes.

6. The District shall be funded by the counties and cities who have representatives on the District Governing Board, by making the following annual payments to the District:

a. Inyo County: \$0.55 per capita of population within the county boundaries;

b. Alpine County: \$0.55 per capita of population within the county boundaries;

c. Mono County: \$0.55 per capita of population within the unincorporated area of the county;

d. Town of Mammoth Lakes: \$0.55 per capita of population within the incorporated city.

7. That the Air Pollution Control Board of the unified District hereby created shall appoint a Hearing Board as provided by law, with the additional provision that at least one member of said Board shall be from each county.

8. That a fifteen (15) member Advisory Committee may be appointed by the Air Pollution Control Board from a list provided by the Board of Supervisors of each county, with five (5) members from each county appointed to serve on said Advisory Committee.

9. That the Treasurer for the County of Inyo shall serve as Treasurer for the unified district hereby created.

10. Modification or termination:

(a) Modification. This agreement, except as to the counties constituting the unified district hereby created, may be modified on the recommendation of the Air Pollution Control Board and concurred in by the Board of Supervisors of each county within the unified district hereby created.

(b) Withdrawal of any county. Any county, a party hereto, may withdraw from the unified district hereby created upon thirty (30) days' notice in writing, one to the others; provided, however, such notification shall be made not less than ninety (90) days prior to the end of any

Great Basin Unified Air Pollution Control District Unification Agreement

Adopted: 03/01/1974 Revised: XX/XX/XXXX

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fiscal year. Upon the withdrawal of any county from the Unified District said Unified District shall terminate, and the duties and powers of said Unified District shall revert to its respective member county districts.

(c) Termination. This agreement may be terminated at any time upon the recommendation of the Air Pollution Control Board and concurred in by the Board of Supervisors of each county within the unified district herein created. Upon termination of the Unified District, the duties and powers of said Unified District shall revert to its respective member county district.

11. That the funds, property, and liabilities of the Inyo, Mono and Alpine County Air Pollution Control Districts shall, upon the merging of said three districts, become the funds, property and liabilities of the unified air pollution control district hereby created. Upon termination or withdrawal of the Unified District, any assets or liabilities then or thereafter accruing to it shall revert to its member counties in proportion as the same are set forth in Section 3 of this agreement.
12. That this agreement shall become effective and operative, insofar as the merger of said Inyo County Air Pollution Control District, said Mono County Air Pollution Control District and said Alpine County Air Pollution Control District is concerned, on March 1, 1974.

Great Basin Unified Air Pollution Control District Unification Agreement

Adopted: 03/01/1974    Revised: XX/XX/XXXX

Page 3 of 4

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year set opposite the signature of their respective officers.

ATTEST:

BOARD OF SUPERVISORS OF THE  
COUNTY OF ALPINE

_____	By _____
Clerk of the Board	Board Chair
Date: _____	

BOARD OF SUPERVISORS OF THE  
COUNTY OF INYO

_____	By _____
Clerk of the Board	Board Chair
Date: _____	

BOARD OF SUPERVISORS OF THE  
COUNTY OF MONO

_____	By _____
Clerk of the Board	Board Chair
Date: _____	

TOWN COUNCIL OF THE  
TOWN OF MAMMOTH LAKES

_____	By _____
Clerk of the Board	Mayor
Date: _____	



## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537

Tel: 760-872-8211 Fax: 760-872-6109

### BOARD REPORT

**Mtg. Date:** November 7, 2019

**To:** District Governing Board

**From:** Ann Logan, Deputy Air Pollution Control Officer

**Subject:** Public Outreach Regarding Emergency Generators and Public Safety Power Shutoff Events

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#### Summary:

The California Public Utilities Commission has required the development of the power shutdown policies, referred to as "Public Safety Power Shutoff" (PSPS), for investor-owned electric utilities as a preventative measure of last resort if the utility reasonably believes that there is an imminent and significant risk that strong winds may topple power lines leading to increased risk of wildfire. During such events, the utility will proactively turn off power in high fire risk areas. Pacific Gas and Electric Company, Southern California Edison, and Liberty Utilities are investor-owned utilities that have developed power shutdown policies. The Los Angeles Department of Water and Power is a public utility with no such requirement, but it still may shut down power to protect public safety.

The most likely electric lines to be considered for a Public Safety Power Shutoffs are areas that have been designated by the California Public Utilities Commission as High Fire-Threat areas, either elevated (Tier 2) or extreme risk (Tier 3). Alpine, Mono and Inyo counties do not have any designated High Fire-Threat Tier 3 areas, but a significant portion of the District's jurisdiction are Tier 2 areas (Attachment 1).

As a result of the increased frequency and duration of Public Safety Power Shutoff events in Alpine, Mono and Inyo counties, many agencies, businesses, and residents have become interested in backup power, such as backup generators. The District has developed and has begun implementing a public outreach effort to ensure the public, business and agencies are aware of permitting requirements and public health considerations of emergency generators as diesel engine exhaust contains toxic air contaminants and has been linked to lung cancer and other adverse health effects. A District permit is required for residential or commercial diesel generators greater than 50 brake horsepower (bhp). District permits may be required for large gasoline or propane generators depending on emissions.

The District's public outreach effort includes:

- District Press release regarding Emergency Generators and Public Safety Power Shutoff Events issued on October 23, 2019 (Attachment 2).

- District dedicated webpage, [www.gbuapcd.org/generators](http://www.gbuapcd.org/generators), to provide information and frequently asked questions on emergency generators.

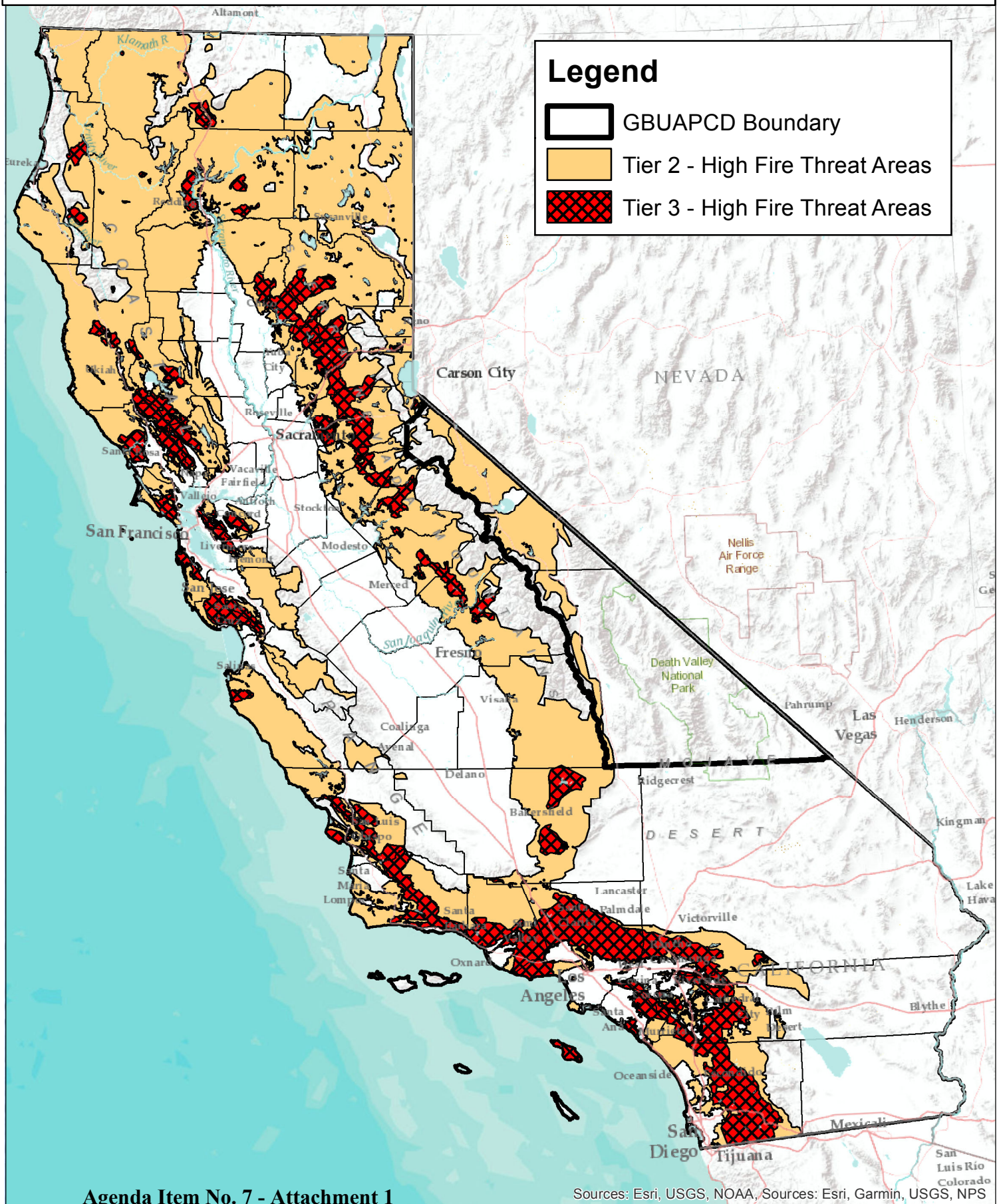
**Board Action:**

None. Informational only.

**Attachments:**

1. California Public Utility Commission Fire Threat Area Designation Map
2. District Press Release Emergency Generators and Public Safety Power Shutoff (PSPS) Events

California Public Utilities Commission Fire Threat Area Designations





## **GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT**

157 Short Street, Bishop, California 93514-3537

Tel: 760-872-8211 Fax: 760-872-6109

### **PRESS RELEASE**

For Immediate Release  
October 23, 2019

#### **Emergency Generators and Public Safety Power Shutoff Events**

As a preventative effort in reducing wildfire risk, utilities have developed power shutdown policies, referred to as "Public Safety Power Shutoff" (PSPS), if the utility believes that there is an imminent and significant risk that strong winds may topple power lines. During such events, the utility will proactively turn off power in high fire risk areas. As a result of the increased frequency and duration of power shutoffs across Alpine, Mono and Inyo counties, many businesses and residents have become interested in backup power during these events.

If you are considering buying a backup generator to deal with power outages please be aware that all residential and commercial diesel generators, 50 brake horsepower (bhp) and larger require air district permits from Great Basin Unified Air Pollution Control District. Diesel generators purchased out of state or old generators may not be able to be permitted as they may not meet current California emission standards designed to protect public health.

Air district permits are required as diesel engine exhaust contains toxic air contaminants linked to lung cancer and other adverse health effects. Please consider the effects of noise and exhaust on others when using a generator. Alternatives to diesel generators include battery, solar, gasoline and propane. Gasoline or propane emergency generators are exempt from permitting except for large engines over 900 bhp (670 kilowatts) that may require permits.

Additional information and permitting instructions may be found at [www.gbuapcd.org/generators](http://www.gbuapcd.org/generators). For assistance please call Great Basin Unified Air Pollution District at 760-872-8211.



## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537  
Tel: 760-872-8211 Fax: 760-872-6109

### BOARD REPORT

**Mtg. Date:** November 7, 2019

**To:** Governing Board

**From:** Tori DeHaven, Clerk of the Board

**Subject:** Travel Report

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**Summary:**

Susan Cash	9/29 – 10/1	Class #4 – Risk Management Practitioner Certificate – Worker's Compensation	Natomas, CA
	10/2 – 10/4	California Air Pollution Control Officer's Association Fiscal/HR Meeting	Sacramento, CA
	10/28 – 10/30	Class #5 – Risk Management Practitioner Certificate – Disability Management	Natomas, CA

**Board Action:**

None. Informational only.





## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537

Tel: 760-872-8211 Fax: 760-872-6109

### BOARD REPORT

**Mtg. Date:** November 7, 2019

**To:** District Governing Board

**From:** Tori DeHaven, Permit Coordinator/Board Clerk

**Subject:** Permit Enforcement Activity Report

---

The permit database is maintained by the Permit Coordinator. Information collected from the Air Quality Specialists, Air Pollution Control Officer, and Deputy Air Pollution Control Officer is entered upon receipt. The data and reports are discussed regularly in permit enforcement meetings. Data collected as of September 30, 2019, is as follows:

1<sup>st</sup> Qtr. Permit Activity: July 1, 2018 – September 30, 2018

Permit Applications Received	3
Authority to Construct Issued	2
Temporary/Permits to Operate Issued	5
Permit Inspections	12
Notices of Violation Issued	3

1<sup>st</sup> Qtr. Permit Activity: July 1, 2019 – September 30, 2019

Permit Applications Received	3
Authority to Construct Issued	2
Temporary/Permits to Operate Issued	2
Permit Inspections	5
Notices of Violation Issued	1

#### Open Notices of Violation

Inyo County	Mono County	Alpine County
4	0	0

#### **Board Action:**

None. Informational only.





## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537  
Tel: 760-872-8211 Fax: 760-872-6109

### BOARD REPORT

**Mtg. Date:** November 7, 2019

**To:** District Governing Board

**From:** Patricia Gilpin, Fiscal Services Technician

**Subject:** FY 2019-2020 1st Quarter Financial Reports (July 1 – September 30)

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**Summary:**

Financial summaries for the 1st quarter of the 2019-2020 Fiscal Year are attached. The District operates two main budgets, the “General Fund” (formerly “District”) and the “SB 270”.

The General Fund Budget’s income and expenses are traditional air pollution control activities within the tri-county boundaries, with exception of any air pollution control income and expenses related to the City of Los Angeles’ water-diversion activities. The General Fund also has three sub-budgets: The Owens Lake Trust Fund, the Clean Air Projects Program, and the Keeler Dunes Dust Control Project. Reports on these budgets are also included in this summary. Funds for these three sub-budgets are also held in the Inyo County Treasury.

The SB 270 Budget’s income and expenses are related to the City of Los Angeles activities at Owens and Mono Lakes. Funds for all budgets are held in the Inyo County Treasury.

**Fiscal Impact:**

None

**Board Action:**

None. Informational only.

**Attachment:**

1. FY 2019-20 1st Quarter Financial Reports (July 1 – September 30)

Great Basin Unified Air Pollution Control District  
General Fund (formerly "District") FY 2019-2020  
For the 1st Quarter (Ending September 30, 2019)

EXPENSES		1st Quarter	Budget	Adjusted Budget	% of Budget
I	<b>Employee Costs</b>				
A	Employee Wages	76,536.53	347,500.00	367,404.00	20.83%
B	Retirement	76,413.61	71,000.00	74,261.00	102.90%
C	Insurance Benefits	15,880.74	67,500.00	63,908.00	24.85%
D	Taxes	15,936.54	62,000.00	65,423.00	24.36%
E	Worker's Compensation Insurance	2,407.08	3,500.00	3,500.00	68.77%
	<b>Employee Costs</b>	<b>187,174.50</b>	<b>551,500.00</b>	<b>574,496.00</b>	<b>32.58%</b>
II	<b>Operating &amp; Compliance Costs</b>				
A	Advertising - Legal Notices & Ads	272.94	3,000.00	3,000.00	9.10%
B	Dues, Subscriptions Education, Use Tax, Fees, AB2588	2,812.94	12,000.00	12,000.00	23.44%
C	Equipment: Computer, Furniture, General, Office, Safety, Scientific, Software (<\$5,000 ea.)	4,108.56	23,500.00	23,500.00	17.48%
D	Fuel and Gasoline	473.00	4,000.00	4,000.00	11.83%
E	Health & Safety	-	1,000.00	1,000.00	-
F	Insurance - Liability, Fire & Casualty	11,180.86	10,500.00	10,500.00	106.48%
G	Leases & Rents: Equipment, Office, Site, Storage	2,090.31	9,000.00	9,000.00	23.23%
H	Maintenance & Repairs of Equipment - Labor	553.26	14,500.00	14,500.00	3.82%
I	Maintenance & Repairs of Equipment - Materials	15.83	13,000.00	13,000.00	0.12%
J	Postage and Shipping	14.43	1,000.00	1,000.00	1.44%
K	Professional & Special Services	2,487.33	21,000.00	21,000.00	11.84%
L	Supplies & Tools (In-Field, Office, General Use)	220.26	2,500.00	2,500.00	8.81%
M	Transportation & Travel	458.18	10,000.00	10,000.00	4.58%
N	Utilities	3,100.01	10,500.00	10,500.00	29.52%
O	Public Assistance/Grant Programs	-	6,000.00	6,000.00	-
	<b>Operating &amp; Compliance Costs</b>	<b>27,787.91</b>	<b>141,500.00</b>	<b>141,500.00</b>	<b>19.64%</b>
III	<b>Capital Outlay</b>				
A	Equipment: Computer, Furniture, General, Office, Scientific, Software (>\$5,000 ea.)	-	57,000.00	57,000.00	-
B	FY18-19 Carry overs	19,280.64	-	19,228.01	100.27%
C	Capital Expenditure Fund: Vehicles & Equipment	-	45,000.00	45,000.00	-
D	Building and Land (From Reserve, not in 18/19 total)	-	-	14,836.15	-
E	Building Improvements	743.12	15,000.00	15,000.00	4.95%
	<b>Capital Outlay Costs</b>	<b>20,023.76</b>	<b>117,000.00</b>	<b>151,064.16</b>	<b>17.11%</b>
	<b>FY 2019-20 TOTAL GENERAL FUND EXPENSES</b>	<b>234,986.17</b>	<b>810,000.00</b>	<b>867,060.16</b>	<b>27.10%</b>
	<b>PASSTHROUGH FUNDS</b>				
A	EPA 105 Grant (Restricted)	5,094.31	71,889.00	71,889.00	7.09%
B	EPA PM2.5 Grant (Restricted)	193.91	18,245.00	18,245.00	1.06%
C	AB 197	-	8,500.00	8,500.00	-
D	AB 617	168.95	36,994.00	36,994.00	0.46%
E	Woodsmoke Reduction	-	100,000.00	100,000.00	-
		<b>5,457.17</b>	<b>235,628.00</b>	<b>235,628.00</b>	<b>2.32%</b>
	<b>FY 2019-20 TOTAL GENERAL FUND EXPENSES w/Grants</b>	<b>\$ 240,443.34</b>	<b>\$1,045,628.00</b>	<b>\$ 1,102,688.16</b>	<b>21.81%</b>

Great Basin Unified Air Pollution Control District  
General Fund (formerly "District") Budget FY 2019-2020  
For the 1st Quarter (Ending September 30, 2019)

REVENUE		1st Quarter	Budget	Adjusted Budget	% of Budget
I	<b>Fees, Permits &amp; Penalties</b>				
A	AB 2588 - Toxic Hot Spots	-	4,000.00	4,000.00	-
B	Conservation Mgmt. Plan/Prescribed Burn Plan	70.00	5,000.00	5,000.00	1.40%
C	Geothermal	-	310,000.00	310,000.00	-
D	Hearing Board	-	-	-	-
E	Initial Permit Fees (FF, ATC, Mods)	2,919.00	30,000.00	30,000.00	9.73%
D	Penalties & Late Fees	1,758.50	12,000.00	12,000.00	14.65%
G	SOURCES (Asbestos, Diesel, Fuel, Electric, PERP)	23,525.00	128,500.00	128,500.00	18.31%
H	Service Station Vapor Recovery	1,688.00	15,000.00	15,000.00	11.25%
	<b>Fees, Permits &amp; Penalties</b>	<b>29,960.50</b>	<b>504,500.00</b>	<b>504,500.00</b>	<b>5.94%</b>
II	<b>Other Revenue</b>				
A	Air Monitoring Audits	-	-	-	-
B	Interest	-	20,000.00	20,000.00	-
C	Per Capita Fee	-	-	-	-
D	Sales, Services, Fees, Rebates & Refunds	110.06	5,000.00	5,000.00	2.20%
E	State Subvention (3 counties)	-	138,500.00	138,500.00	-
F	Town of Mammoth Lakes (Air Monitoring)	-	25,000.00	25,000.00	-
G	From Reserves	-	117,000.00	117,000.00	-
H	From General Fund Reserve, Employee Wages (BO#190905-03c)	-	-	22,996.00	-
I	FY18-19 Carry over	19,228.01	-	19,228.01	100.00%
J	Building and Land (From Reserve, not in 18/19 total)	14,836.15	-	14,836.15	100.00%
	<b>Other Revenue</b>	<b>34,174.22</b>	<b>305,500.00</b>	<b>362,560.16</b>	<b>9.43%</b>
	<b>FY 2019-20 TOTAL GENERAL FUND REVENUE</b>	<b>64,134.72</b>	<b>810,000.00</b>	<b>867,060.16</b>	<b>7.40%</b>
III	<b>PASSTHROUGH FUNDS</b>				
A	EPA 105 Grant (Restricted)	-	71,889.00	71,889.00	-
B	EPA PM2.5 Grant (Restricted)	51,100.00	18,245.00	18,245.00	280.08%
C	AB 197	-	8,500.00	8,500.00	-
D	AB 617	-	36,994.00	36,994.00	-
E	Woodsmoke Reduction	-	100,000.00	100,000.00	-
	<b>Total Grants</b>	<b>51,100.00</b>	<b>235,628.00</b>	<b>235,628.00</b>	<b>21.69%</b>
	<b>FY 2019-20 TOTAL GENERAL FUND REVENUE w/Grants</b>	<b>\$ 115,234.72</b>	<b>\$1,045,628.00</b>	<b>\$ 1,102,688.16</b>	<b>10.45%</b>

**Reconcile to Inyo County Treasury as of 9/30/2019**

General Fund Reserves	\$ 3,362,577.58
Capital Asset Accrual Reserves	\$ 110,051.79
Spendable/Available Cash	\$ (63,696.54)
CEQA Lead Agency Litigation Funds <sup>(1)</sup>	\$ 39,040.42
103 Grant Funds (PM2.5)	\$ 60,068.55
105 Grant Funds	\$ 38,197.42
	<b>\$ 3,546,239.22</b>

**Balance, IC Auditor Report 9/30/2019**

**\$ 3,546,239.22**

Checking account balance as of 9/30/2019=\$ (6,525.80)

<sup>1</sup> ORMAT Litigation Funds

Great Basin Unified Air Pollution Control District  
SB 270 Budget FY 2019-2020  
For the 1st Quarter (Ending September 30, 2019)

EXPENSES		1st Quarter	Budget	Adjusted Budget	% of Budget
I	<b>Employee Costs</b>				
A	Employee Wages	373,052.22	1,740,000.00	1,835,360.00	20.33%
B	Retirement	397,930.02	490,000.00	503,885.00	78.97%
C	Insurance Benefits	112,360.02	480,000.00	460,566.00	24.40%
D	Taxes	78,185.44	310,000.00	326,577.00	23.94%
E	Worker's Compensation Insurance	13,640.10	16,000.00	16,000.00	85.25%
	<b>Employee Costs</b>	<b>975,167.80</b>	<b>3,036,000.00</b>	<b>3,142,388.00</b>	<b>31.03%</b>
II	<b>Operating &amp; Compliance</b>				
A	Advertising - Legal Notices & Ads	-	1,500.00	1,500.00	-
B	Dues, Subscriptions, Education, Use Tax & Fees	8,615.74	64,000.00	64,000.00	13.46%
C	Equipment: Computer, Furniture, General, Office, Safety, Scientific, Software (<\$5,000 ea.)	27,794.93	146,500.00	146,500.00	18.97%
D	Fuel and Gasoline	5,189.48	30,000.00	30,000.00	17.30%
E	Health & Safety	-	5,000.00	5,000.00	-
F	Insurance - Liability, Fire & Casualty	63,334.83	58,000.00	58,000.00	109.20%
G	Leases & Rents: Equipment, Office, Site, Storage	7,454.10	33,000.00	33,000.00	22.59%
H	Maintenance & Repairs of Equipment - Labor	6,679.60	71,000.00	71,000.00	9.41%
I	Maintenance & Repairs of Equipment - Materials	14,031.06	251,000.00	251,000.00	5.59%
J	Postage and Shipping	118.87	2,000.00	2,000.00	5.94%
K	Professional & Special Services	73,420.84	1,340,000.00	1,365,000.00	5.38%
L	Supplies and Tools (In-field, Office, General Use)	2,828.00	27,500.00	27,500.00	10.28%
M	Transportation & Travel	1,911.38	29,500.00	29,500.00	6.48%
N	Utilities	22,781.22	80,000.00	80,000.00	28.48%
O	Control Measure Testing	-	200,000.00	200,000.00	-
P	Public Outreach & Education	-	10,000.00	10,000.00	-
Q	Contingency Expenditures	-	25,000.00	25,000.00	-
	<b>Operating &amp; Compliance Costs</b>	<b>234,160.05</b>	<b>2,374,000.00</b>	<b>2,399,000.00</b>	<b>9.76%</b>
III	<b>Capital Outlay</b>				
A	Equipment: Computer, Furniture, General, Office, Scientific, Software (>\$5,000 ea.)	163,438.06	325,000.00	325,000.00	50.29%
B	Vehicles & ATVs	-	45,000.00	45,000.00	-
C	Building and Land (From Reserve, not in 18/19 total)	-	-	84,071.52	-
D	Building Improvements	4,211.00	-	85,000.00	4.95%
	<b>Capital Outlay Costs</b>	<b>167,649.06</b>	<b>455,000.00</b>	<b>539,071.52</b>	<b>31.10%</b>
	<b>Expenses Total (Parts I, II, III)</b>	<b>\$ 1,376,976.91</b>	<b>\$ 5,865,000.00</b>	<b>\$ 6,080,459.52</b>	<b>22.65%</b>
IV	<b>Owens Lake Scientific Advisory Panel</b>				
A	2014 Stipulated Judgment (Paragraph 12.G)	\$ 44,809.71	\$ 200,781.00	\$ 690,700.26	6.49%
	<b>SB 270 Total Fee Assessment (Parts I - IV)</b>	<b>\$ 1,421,786.62</b>	<b>\$ 6,065,781.00</b>	<b>\$ 6,771,159.78</b>	<b>21.00%</b>

Great Basin Unified Air Pollution Control District  
SB 270 Budget FY 2019-2020  
For the 1st Quarter (Ending September 30, 2019)

<b>REVENUE</b>		1st Quarter	Budget	Adjusted Budget	% of Budget
I	Fees, Permits & Penalties	\$ 5,865,000.00	\$ 5,865,000.00	\$ 5,865,000.00	100.00%
	Owens Lake Scientific Advisory Panel	\$ 690,700.26	\$ 200,781.00	\$ 690,700.26	100.00%
	<b>SB 270 Total Fee Assessment</b>	<b>\$ 6,555,700.26</b>	<b>\$ 6,065,781.00</b>	<b>\$ 6,555,700.26</b>	<b>100.00%</b>
II	<b>Other Revenue</b>				
	FY18-19 Carry-overs	25,000.00	-	25,000.00	100.00%
	Building and Land (From Reserve FY 18/19)	84,071.52	-	84,071.52	100.00%
	From Reserves, Employee Wages (BO#190905-03c)	-	-	106,388.00	-
	Interest	-	-	-	-
	Sales, Services, Rebates, Refunds	623.70	-	-	-
	<b>Other Revenue</b>	<b>109,695.22</b>	<b>-</b>	<b>215,459.52</b>	<b>50.91%</b>
<b>FY 2019- 2020 TOTAL SB 270 REVENUE</b>		<b>\$ 6,665,395.48</b>	<b>\$ 6,065,781.00</b>	<b>\$ 6,771,159.78</b>	<b>98.44%</b>

**Reconcile to Inyo County Treasury as of 9/30/2019**

SB 270 General Fund Reserves	\$ 2,554,086.51
Capital Asset Accrual Reserves	\$ 286,422.46
Spendable/Available Cash	\$ 5,324,779.72
	<u><b>\$ 8,165,288.69</b></u>

**Balance, IC Auditor Report 9/30/2019** **\$ 8,165,288.69**

Checking account balance as of 9/30/2019=\$49,824.78

Great Basin Unified Air Pollution Control District  
Owens Lake Trust Fund FY 2019-2020  
For the 1st Quarter (Ending September 30, 2019)

Beginning Cash Balance 7/1/2019	1,084,546.96
June 30, 2019 Interest-earned Inyo County	5,577.25
	1,090,124.21

**Expenses**

Professional Services	-
-----------------------	---

<i>Checking account balance</i>	3.90
	3.90

Reconcile to Inyo County Treasury 9/30/2019	\$ 1,090,124.21
	1,090,124.21

Balance: IC Auditors Report as of 9/30/2019	\$ 1,090,124.21
	1,090,124.21

Great Basin Unified Air Pollution Control District  
Clean Air Projects Program FY 2019-2020  
For the 1st Quarter (Ending September 30, 2019)

February 7, 2019 Owens Lake Dust Mitigation Plan	2,575,335.10
June 30, 2019 Interest-earned Inyo County	13,250.74
	2,588,585.84

**Expenses**

Professional Services	-
-----------------------	---

<i>Checking account balance</i>	-
	-

Reconcile to Inyo County Treasury 9/30/2019	\$ 2,588,585.84
	\$ 2,588,585.84

Balance: IC Auditors Report as of 9/30/2019	\$ 2,588,585.84
	\$ 2,588,585.84

Great Basin Unified Air Pollution Control District  
Keeler Dunes Dust Control Projects    FY 2019-2020  
For the 1st Quarter (Ending September 30, 2019)

Beginning Cash Balance 7/1/2019	811,777.98
June 30, 2019 Interest-earned Inyo County	4,564.97
Checking account balance at year-end	<u>14,486.75</u>
	830,829.70

**Expenses**

Paid year-end invoices FY18-19 accruals	4,802.48
Employee Costs	16,187.47
General Expenses	3,801.21
Jimmy Myers payment	(20,000.00)
Projects	39,942.13
Administration	<u>-</u>
	44,733.29

<i>Checking account balance</i>	<u>940.93</u>
	45,674.22

<b>Reconcile to Inyo County Treasury 9/30/2019</b>	<b><u><u>\$    785,155.48</u></u></b>
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<b>Balance: Inyo County Auditors as of 9/30/2019</b>	<b><u><u>\$    785,155.48</u></u></b>
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## **GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT**

157 Short Street, Bishop, California 93514-3537

Tel: 760-872-8211 Fax: 760-872-6109

### **BOARD REPORT**

**Mtg. Date:** November 7, 2019

**To:** District Governing Board

**From:** Susan Cash, Administrative Projects Manager

**Subject:** Fiscal Year 2019-2020 State Subvention Funding Application

---

**Summary:**

At the September board meeting, the board gave permission for the Air Pollution Control Officer to sign and submit the State Subvention Application to the California Air Resources Board (CARB). The application was completed and submitted to CARB by the September 30 deadline.

The completed application is attached for informational purposes

**Board Action:**

None. Information only.

**Attachment:**

1. Fiscal Year 2019-2020 Subvention Application



## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537  
760-872-8211 Fax: 760-872-6109

September 27, 2019

Air Resources Board  
P.O. Box 1436  
Sacramento, CA 95812-1436

Attention: Accounts Payable Unit

Attached, please find the completed subvention application for Great Basin Unified Air Pollution Control District for the 2019-2020 fiscal year. Our Board approved budget for the fiscal year 2019-2020 and our 2018-2019 year-end financial reports are included as per instructions. Authorization for the Air Pollution Control Officer, Phillip L. Kiddoo, to sign and submit this application was approved by the District's Governing Board on September 5, 2019 (Board Order 190905-03b).

Sincerely,

A handwritten signature in blue ink, appearing to read "Phillip L. Kiddoo", with a long horizontal flourish extending to the right.

Phillip L. Kiddoo  
Air Pollution Control Officer

Cc: Patricia Gilpin, Fiscal Services Technician



## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537  
760-872-8211 Fax: 760-872-6109

**B/O #190905-03**

September 5, 2019

**I HEREBY CERTIFY** that at a regular meeting of the Great Basin Unified Air Pollution Control District Governing Board held in the Town of Mammoth Lakes Council Chambers, 437 Old Mammoth Road (Suite Z), Mammoth Lakes, California 93546, on September 5, 2019 an order was duly made and entered as follows:

### AGENDA ITEM #3: CONSENT ITEMS A THROUGH E

A motion was made by Griffith and seconded by Hames approving consent items a through e as follows:

- a. Approval of the July 18, 2019 Special Governing Board Meeting Minutes
- ☒ b. Authorize Air Pollution Control Officer to Sign and Submit Application for Subvention Funds
- c. Approve and Authorize Board Chair to Sign Memoranda of Understanding with District Management and Non-Management Employee Associations Regarding Changes to Employee Wages and Benefits and Authorize Transfer of Corresponding Funds from Reserves to Budgets
- d. Adoption of the Publicly Available Pay Schedule for Fiscal Year 2019/2020 as Required by the California Public Employees' Retirement System (CalPERS)
- e. Approval of Out-of-State Travel for the Air Pollution Control Officer to Attend the 2020 Great Salt Lake Issues Forum in Salt Lake City, Utah

Ayes: Board Members -- Kingsley, Totheroh, Stump, Hames, Griffith, Wentworth


Noes: Ø

Abstain: Ø

Absent: Board Member -- Peters

Motion carried 6/0 and so ordered.

ATTEST

  
Tori DeHaven, Clerk of the Board

# Air Resources Board Subvention Program

Form  
SP-1

## 2019/2020 Subvention Application

### APPLICANT DISTRICT:

District Name: Great Basin Unified Air Pollution Control District  
 Street Address: 157 Short Street  
 City: Bishop  
 Contact Person: Susan Cash

Zip: 93514  
 Phone: 760-872-8211

Type of Subvention: Coordinated ☐ Special ☐  
 Rural ☒ Non-Rural ☐

### Expenditures

1	Salaries and Benefits	3,659,500.00
2	Operating Expenses	3,258,409.00
3	Fixed Assets	572,000.00
4	Total Expenditures (Total of Lines 1 thru 3)	7,489,909.00

### Revenue (Local Matching Funds)

5	County Contributions	
6	Fees	517,500.00
7	Fines	12,000.00
8	Interest Earned	20,000.00
9	Other (Non-Grants): (Specify) - Rebates, refunds	5,000.00
10	Total Local Matching Funds (Total of lines 5 thru 9)	554,500.00

### State Subvention Funds

11	State Subvention Funds (Refer to Subvention Funds Worksheet Form SP-2)	103,200.00
12	State Supplemental Funds (Refer to Supplemental Funds Request form SP-3)	35,300.00
13	Total State Subvention Funds (Total of lines 11 thru 12)	138,500.00

### Local Non-Matching Funds

14	ARB Contracts	0.00
15	Federal Grants/Contract	90,134.00
16	Other: (Specify) AB 617, Keeler Dunes, SB 270, Woodsmoke Reduction, AB 197	6,706,775.00
17	Total Local Non-Matching Funds (add lines 14 thru 16)	6,796,909.00
18	Total Subvention Program Revenue (Total of Lines 10 & 13)	693,000.00


FEE SYSTEM CERTIFICATION: The district has a fee system in place as required by Health and Safety Code Section 39802

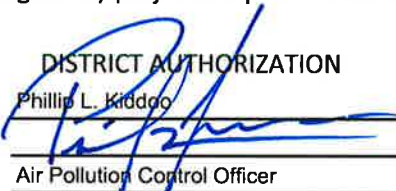
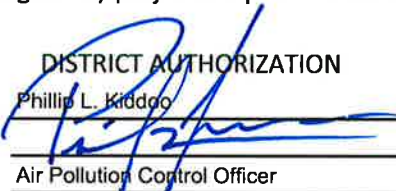
Yes ☒ No ☐

I certify under penalty of perjury that to the best of my knowledge and belief, data in this application are true and correct. The document has been duly approved and authorized by the governing board of the applicant and the applicant will maintain a program in compliance with Title 17, Subchapter 3, Sections 90050 to 90500 of the California Code of Regulations.

I hereby certify under penalty of perjury that the receipt of these funds shall not result in the reduction of fees paid by permittees to the district and understand that any unspent or unencumbered state subvention funds must be returned to the Air Resources Board upon request pursuant to California Cod of Regulations §903060(d) and shall revert to the State General Fund.

### DISTRICT AUTHORIZATION

Print (Name) Phillip L. Kiddoo  
 Signature:   
 Title: Air Pollution Control Officer  
 Date: 09/27/2019

Air Resources Board		Form
Subvention Program		SP-2
2019/2020 Subvention Funds Worksheet		
<b>APPLICANT DISTRICT:</b>		
District Name:	<u>Great Basin Unified Air Pollution Control District</u>	
Street Address:	<u>157 Short Street</u>	
City:	<u>Bishop</u>	Zip: <u>93514</u>
Contact Person:	<u>Susan Cash</u>	Phone: <u>760-872-8211</u>
 <b>COORDINATED BASE SUBVENTION</b>		
<u>Non-Rural</u>		
It is estimated that the per capita rate will be <b>\$0.23</b> if the appropriate match (one to one) is provided		
 <u>Rural</u>		
It is estimated that the per-capita rate will be <b>\$0.23</b> but not less than \$34,400 if the appropriate match (one to one) is provided and a fee system is in place.		
A. Coordinated Base Subvention:		
(Enter) District Population -	<u>33,554</u> X 0.23	<u>7,717.42</u>
<b>OR</b>		
B. Enter - <b>\$34,400</b> (rural districts)		<u>103,200.00</u>
C. Enter the greater amount (Between A & B)		<u>103,200.00</u>
 <b>3. SUPPLEMENTAL SUBVENTION</b>		
Supplemental subvention funds will be limited in total by the amount requested by the district on the Supplemental Funds Request form. Therefore, please be sure the Supplemental Funds Form SP-3 is a complete listing of any projects or purchases requiring funding.		
		
DISTRICT AUTHORIZATION		
Print (Name)	<u>Phillip L. Kiddoo</u>	
Signature:	<u></u>	
Title:	<u>Air Pollution Control Officer</u>	
Date:	<u>09/27/2019</u>	

**Air Resources Board**

Form

**Subvention Program**

SP-3

**2019 / 2020 Supplemental Funds Request****APPLICANT DISTRICT:**District Name: Great Basin Unified Air Pollution Control DistrictStreet Address: 157 Short StreetCity: BishopContact Person: Susan CashZip: 93514Phone 760-872-8211**Proposed use of Supplemental Funds for Subvention Year: 2019/2020**

Item / Activity	Time Frame for Purchasing or Completing Activity	Amount
Staff salary	FY 2019/2020	35,300.00
Total Supplemental Funds Requested		35,300.00

I certify under penalty of perjury that to the best of my knowledge and belief, data in this application are true and correct.

**District Authorization**

09/27/2019

09/27/2019

Signature

Date

Type Title and Name

Air Pollution Control Officer Phillip L. Kiddoo

Air Resources Board				Form
2019 / 2020 Subvention Program: Year-End Financial Report				SP-4
<b>APPLICANT DISTRICT:</b>				
		Great Basin Unified Air Pollution Control District		
Street Address:		157 Short Street		
City:		Bishop		
Contact Person:		Susan Cash		
		Zip:	93514	
		Phone:	760-872-8211	
<b>REPORT OF ACTUAL EXPENDITURES &amp; REVENUE FOR SUBVENTION YEAR 2018-2019</b>				
<b>Actual Expenditures</b>				
1	Salaries and Benefits			3,442,601.02
2	Operating Expenses			2,202,463.29
3	Fixed Assets			634,276.42
4	Total Expenditures (Lines 1 thru 3)			6,279,340.73
<b>Actual Revenue</b>				
<b>Local Matching Funds</b>				
5	County Contributions			
<b>Fees</b>				
a	Operating Permits			
b	Variance / Hearing Board			
c	Engineering (Permits A to C)			343,641.80
d	Motor Vehicle Registration Surcharge			
e	Toxic Hot Spots			4,277.00
f	Source Test			121,351.53
g	Vapor Recovery			15,576.00
h	Clear Air Act			
i	Asbestos			2,965.00
j	Clean Fuels			
k	Ag Burning			6,672.00
l	Trip Reduction			
m	Others Fee (Please enter info on form 4a)			5,143,500.00
n	Carryover Fees from Prior Fiscal Years			
6	<b>Total Fees</b>			5,637,983.33
7	Fines			1,472,294.35
8	Interest Earned			149,396.47
9	Other (Non-Grants): (Describe)	Transfer in from reserves, rebates & refunds, carry-overs		2,294,387.68
10	<b>Total Local matching Funds (add lines 5,6,7,8 &amp; 9)</b>			9,554,061.83
<b>Total Subvention revenue received from ARB</b>				
11	State Subvention Fund Coordinated Base and Special Subvention Award (Refer to Award Letter)			138,791.47
12	<b>Total State Subvention Funds</b>			138,791.47
<b>Local Non-Matching Funds</b>				
13	ARB Contracts			
14	Carl Moyer Program			
15	Perp Inspections			
16	Federal Grants / Contract			71,892.72
17	Other (FEDERAL) (Specify)			
18	<b>Total Local Non-Matching Funds (lines 13 thru 17)</b>			71,892.72
19	<b>Total Subvention Program Revenue (lines 10 and 12)</b>			9,692,853.30
20	<b>Total Unspent or Unencumbered State Subvention Funds**</b>			0.00
<p><b>**Any unspent or unencumbered State Subvention Funds must be returned to the Air Resources Board pursuant to California Code of Regulations §90360(d) and will be reverted to the State General Fund.</b></p>				

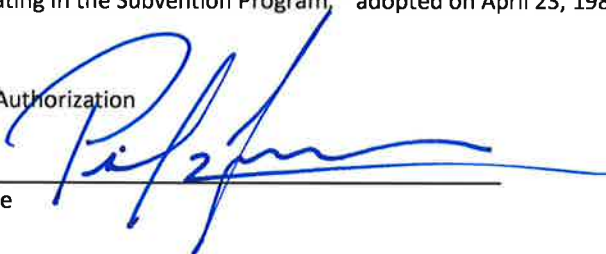


**Air Resources Board**  
**2019 / 2020 Subvention Program: Year-End Financial Report**

Form  
SP-4

I certify under penalty of perjury that the foregoing is true and correct. I hereby certify I under penalty of perjury that the receipt of these funds did not result in the reduction of fees paid by permittees to the district and funds were spent in compliance with the provisions of Title 17, Subchapter 3, Sections 90050 through 90500 of the California Code of Regulations. I hereby certify that the applicable evaluation criteria established in the Air Resources Board's "Evaluation Criteria for Air Pollution Control Districts Participating in the Subvention Program," adopted on April 23, 1981, and amended May 27, 1983 were accomplished.

District Authorization



Signature

09/27/2019

Date

Typed Name, Title

Phillip L. Kiddoo, Air Pollution Control Officer



**Air Resources Board  
Subvention Program  
2019/2020 Year-End Financial Report**

Form  
SP-4a

**APPLICANT DISTRICT:** Great Basin Unified Air Pollution Control District

**Street Address:** 157 Short Street

**City:** Bishop

**Zip:** 93514

**Contact Person:** Susan Cash

**Phone:** 760-872-8211

**Line M - Other Fees**

Number	Please specify	Amount
1	SB 270	5,118,500.00
2	Town of Mammoth Lakes	25,000.00
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
<b>Total</b>		<b>\$ 5,143,500.00</b>

**DISTRICT AUTHORIZATION**

**Print (Name)**

Phillip L. Kiddoo

**Signature:**

**Title:**

Air Pollution Control Officer

**Date:**

09/27/2019

**TOTAL GBUAPCD BUDGET**

04.22.2019

**FY 2019-20 GENERAL FUND AND SB 270 BUDGET**

	<b>2018-2019</b>	<b>2019-2020</b>	<b>% Change</b>
<b>GENERAL FUND</b>			
I. Employee Costs	513,000	551,500	7.50%
II. Operating & Compliance	115,900	141,500	22.09%
III. Capital Outlay	32,350	117,000	261.67%
IV. Keeler Dunes	134,164	478,500	256.65%
<b>Total General Fund</b>	<b>795,414</b>	<b>1,288,500</b>	<b>61.99%</b>
<b>SB 270 FEE</b>			
I. Employee Costs	2,764,500	3,036,000	9.82%
II. Operating & Compliance	2,083,000	2,374,000	13.97%
III. Capital Outlay	271,000	455,000	67.90%
<b>Sub-Total SB 270 Fee</b>	<b>5,118,500</b>	<b>5,865,000</b>	<b>14.58%</b>
IV. Owens Lake Scientific Advisory Panel	-	200,781	
<b>Total SB 270 Fee</b>	<b>5,118,500</b>	<b>6,065,781</b>	<b>18.51%</b>
<b>Less Reserve Policy Credit</b>	-	-	-
<b>SB 270 Fee Due</b>	<b>5,118,500</b>	<b>6,065,781</b>	<b>18.51%</b>
<b>TOTAL GENERAL FUND AND SB 270 BUDGET</b>	<b>5,913,914</b>	<b>7,354,281</b>	<b>24.36%</b>

TABLE 2

## FY 2019-2020 GENERAL FUND BUDGET

REVENUE	2018-2019	2019-2020	% change
<b>I. Fees, Permits &amp; Penalties</b>			
A. AB2588 - Toxic Hot Spots	1,500	4,000	166.67%
B. Conservation Mgmt Plan/Prescribed Burn Plan	5,000	5,000	0.00%
C. Geothermal	310,000	310,000	0.00%
D. Hearing Board	-	-	0.00%
E. Initial Permit Fees (FF, ATC, Mods)	30,000	30,000	0.00%
F. Penalties & Late Fees	12,000	12,000	0.00%
G. Sources (Asbestos, Diesel, Fuel, Electric, PERP)	115,000	128,500	11.74%
H. Service Station Vapor Recovery	15,000	15,000	0.00%
<b>Fees, Permits &amp; Penalties</b>	<b>488,500</b>	<b>504,500</b>	<b>3.28%</b>
<b>II. Other Revenue</b>			
A. Air Monitoring Audits	0	0	0.00%
B. Interest	2,000	20,000	900.00%
C. Per Capita Fee	0	0	0.00%
D. Sales, Services, Fees, Rebates & Refunds	7,250	5,000	-31.03%
E. State Subvention (3 counties)	138,500	138,500	0.00%
F. Town of Mammoth Lakes (Air Monitoring)	25,000	25,000	0.00%
G. From Reserves		117,000	0.00%
<b>Other Revenue</b>	<b>172,750</b>	<b>305,500</b>	<b>76.85%</b>
<b>FY 2019-20 TOTAL GENERAL FUND REVENUE</b>	<b>661,250</b>	<b>810,000</b>	<b>22.50%</b>

EPA 105 Grant (Restricted)	71,889	71,889	-
EPA PM2.5 Grant (Restricted)	18,245	18,245	-
AB 197		8,500	8,500.00
AB 617	5,618	36,994	31,376.00

TABLE 1

04.22.2019

## FY 2019-20 GENERAL FUND BUDGET

EXPENSES	2018-2019 Budget	2019-2020 Budget	% Change
<b>I. Employee Costs</b>			
A. Employee Wages	340,000	347,500	2.21%
B. Retirement	54,500	71,000	30.28%
C. Insurance Benefits	55,000	67,500	22.73%
D. Taxes	60,500	62,000	2.48%
E. Worker's Compensation Insurance	3,000	3,500	16.67%
<b>Employee costs</b>	<b>513,000</b>	<b>551,500</b>	<b>7.50%</b>
<b>II. Operating &amp; Compliance Costs</b>			
A. Advertising - Legal Notices & Ads	2,200	3,000	36.36%
B. Dues, Subscriptions, Education, Use Tax, Fees, AB2588	6,100	12,000	96.72%
C. Equipment: Computer, Furniture, General, Office, Safety, Scientific, Software, Furniture (<\$5,000 ea)	15,500	23,500	51.61%
D. Fuel & Gasoline	4,000	4,000	0.00%
E. Health & Safety	1,000	1,000	0.00%
F. Insurance - Liability, Fire & Casualty	9,500	10,500	10.53%
G. Leases & Rents: Equipment, Office, Site, Storage	23,000	9,000	-60.87%
H. Maintenance & Repairs of Equipment - Labor	10,000	14,500	45.00%
I. Maintenance & Repairs of Equipment - Materials	15,000	13,000	-13.33%
J. Postage & Shipping	1,000	1,000	0.00%
K. Professional & Special Services	8,800	21,000	138.64%
L. Supplies & Tools (In Field, Office, General Use)	2,500	2,500	0.00%
M. Transportation & Travel	4,900	10,000	104.08%
N. Utilities	6,400	10,500	64.06%
O. Public Assistance/Grant Programs	6,000	6,000	0.00%
<b>Operating &amp; Compliance Costs</b>	<b>115,900</b>	<b>141,500</b>	<b>22.09%</b>
<b>III. Capital Outlay</b>			
A. Equipment: Computer, Furniture, General, Office, Scientific, Software, Furniture (>\$5,000 ea)	27,850	57,000	104.67%
B. Capital Expenditure Fund: Vehicles & Equipment	4,500	45,000	900.00%
C. Building and Land (From Reserve, not in 18/19 total)	90,000	-	-100.00%
D. Building Improvements	0	15,000	
<b>Capital Outlay Costs</b>	<b>32,350</b>	<b>117,000</b>	<b>261.67%</b>
<b>FY 2018-19 TOTAL GENERAL FUND EXPENSES</b>	<b>661,250</b>	<b>810,000</b>	<b>22.50%</b>
<b>PASSTHROUGH FUNDS</b>	<b>2018-2019 Budget</b>	<b>2019-2020 Budget</b>	<b>% Change</b>
EPA 105 Grant (Restricted)	71,889	71,889	0%
EPA PM2.5 Grant (Restricted)	18,245	18,245	0%
AB 197	-	8,500	
AB 617	5,618	36,994	558%
Woodsmoke Reduction	225,000	100,000	-56%
<b>General Fund Reserve as of January 31, 2019</b>	<b>1,045,489</b>	<b>1,833,297</b>	

**TABLE 2**  
**FY 2019-20 SB 270 Fee**

<b>EXPENSES</b>	<b>2018-2019 Budget</b>	<b>2019-2020 Budget</b>	<b>% change</b>
<b>I. Employee Costs</b>			
A. Employee Wages	1,715,500	1,740,000	1.43%
B. Retirement	337,000	490,000	45.40%
C. Insurance Benefits	397,000	480,000	20.91%
D. Taxes	301,500	310,000	2.82%
E. Worker's Compensation Insurance	13,500	16,000	18.52%
<b>Employee Costs</b>	<b>2,764,500</b>	<b>3,036,000</b>	<b>9.82%</b>
<b>II. Operating &amp; Compliance</b>			
A. Advertising - Legal Notices & Ads	4,500	1,500	-66.67%
B. Dues, Subscriptions, Education, Use Tax & Fees	33,000	64,000	93.94%
C. Equipment: Computer, Furniture, General, Office, Safety, Scientific, Software (<\$5,000 ea)	112,000	146,500	30.80%
D. Fuel & Gasoline	25,000	30,000	20.00%
E. Health & Safety	5,000	5,000	0.00%
F. Insurance - Liability, Fire & Casualty	52,000	58,000	11.54%
G. Leases & Rents: Equipment, Office, Site, Storage	112,000	33,000	-70.54%
H. Maintenance & Repairs of Equipment - Labor	50,500	71,000	40.59%
I. Maintenance & Repairs of Equipment - Materials	175,000	251,000	43.43%
J. Postage & Shipping	2,000	2,000	0.00%
K. Professional & Special Services	1,184,000	1,340,000	13.18%
L. Supplies & Tools (In-Field, Office, General Use)	22,500	27,500	22.22%
M. Transportation & Travel	28,000	29,500	5.36%
N. Utilities	67,500	80,000	18.52%
O. Control Measure Testing	200,000	200,000	0.00%
P. Public Outreach & Education	10,000	10,000	0.00%
Q. Contingency Expenditures	0	25,000	
<b>Operating &amp; Compliance Costs</b>	<b>2,083,000</b>	<b>2,374,000</b>	<b>13.97%</b>
<b>III. Capital Outlay</b>			
A. Equipment: Computer, Furniture, General, Office, Scientific, Software, Furniture (>\$5,000 ea)	230,500	325,000	41.00%
B. Vehicles & ATVs	40,500	45,000	11.11%
C. Building and Land (From Reserve, not in 18/19 total)	510,000	0	-100.00%
D. Building Improvements	0	85,000	
<b>Capital Outlay Costs</b>	<b>271,000</b>	<b>455,000</b>	<b>67.90%</b>
<b>Expenses Total (Parts I, II, III)</b>	<b>5,118,500</b>	<b>5,865,000</b>	<b>14.58%</b>
<b>IV. Owens Lake Scientific Advisory Panel</b>			
A. 2014 Stipulated Judgment (Paragraph 12.G)	0	200,781	
<b>SB 270 Total Fee Assessment (Parts I - IV)</b>	<b>5,118,500</b>	<b>6,065,781</b>	<b>18.51%</b>
Reserves Balance as of March 31 (estimated)	1,575,999	1,752,417	
Reserve Policy Amount @ 33.3% of FY Costs (beginning FY 18/19)	1,704,461	2,019,905	
Credit to SB 270 Fee Assessment	-	-	
<b>FY 2019-2020 SB 270 Fee Due</b>	<b>5,118,500</b>	<b>6,065,781</b>	<b>18.51%</b>

TABLE 3

2018.12.18

## FY 2019-20 KEELER DUNES

	2013-2018	2018-19	2019-2020	
	Years 1-5 Actuals	Year 6 - Budgeted	Year 7 Budgeted	Total
<b>Keeler Dunes Project</b>				
<b>I. Administration</b>				
A. Professional Services - AMEC, WOOD	584,578	40,000	29,000	653,578
<b>II. Project</b>				
A. BLM Fee	44,263	5,000	15,000	64,263
CEQA - Notice of Determination Fee	3,030	-	-	3,030
State Water Resources Control Board Fee	9,634	7,000	7,000	23,634
Fees: Other	-	-	-	-
B. EIR/EA & CEQA/NEPA: Sapphos (Dec. 1, 2013 and forward)	346,521	-	25,000	371,521
EIR & CEQA: Sapphos (Pre-Construction Cultural Survey)	18,653	-	-	18,653
C. Equipment, Seeds, Supplies, Misc.	17,247	7,000	10,000	34,247
D. Construction: Barnard, Nature's Image, ACE	7,838,389	-	173,000	8,011,389
E. Straw Bales: Myers Farms (March 2014)	144,442	-	-	144,442
Straw Bales: Long Valley Hay (January 2015)	260,105	-	-	260,105
Straw Bales: R.S. Green (March 2014)	181,097	-	-	181,097
Straw Bales: R.S. Green (March 2015)	93,300	-	-	93,300
Straw Bales: R.S. Green (May 2015)	42,500	-	-	42,500
F. Plant Propagation: Antelope Valley Resource/Greenhart Farms	502,400	-	30,000	532,400
G. Straw Bale Demonstration Test- DRI	37,218	-	-	37,218
H. KCSD Water System Upgrade	28,000	-	-	28,000
I. KCSD Irrigation Water	3,505	5,000	14,000	22,505
J. Water Well Monitoring & Lab Analysis	1,965	2,500	-	4,465
K. Irrigation system maintenance and repair			10,000	
L. Field vehicle maintenance and gas			6,000	
M. Site costs (field equipment and materials)			10,000	
N. Additional costs for field crew			6,500	
O. Field Oversight (WOOD or other contractor)			41,000	
P. Cultural Resource Monitoring			30,000	
<b>III. Employee Costs</b>				
A. Senior Scientist (.20)/Field Services Tech (.30)/Technical Svcs Spec (.10)	236,082	67,664	72,000	375,746
<b>TOTAL KEELER DUNES</b>	<b>10,392,929</b>	<b>134,164</b>	<b>478,500</b>	<b>11,005,593</b>

## Keeler Dunes Project Funding

LADWP Public Benefit Contribution (Dec. 5, 2013)	10,000,000	10,000,000
NOV #461 transfer per B/O #161110-05	1,199,707	1,199,707
Interest	57,594	57,594
Refund from AVRCD	35,000	35,000
Refund from Myers Farms	94,992	94,992
	<b>11,387,293</b>	<b>11,387,293</b>

\*FY 2013-14 Special Fund Account budget of \$355,000 was from the Owens Lake Trust Fund for the Keeler Dunes EIR &amp; Science.

Budget Difference (spent-project funding)

381,700

Great Basin Unified Air Pollution Control District  
General Fund (formerly "District") Budget FY 2018-2019  
For the 4th Quarter (Ending June 30, 2019)

EXPENSES	4th Quarter	Budget	% of Budget
<b>I Employee Costs</b>			
A Employee Wages	332,794.03	340,000.00	97.88%
B Retirement	58,804.76	54,500.00	107.90%
C Insurance Benefits	75,561.88	55,000.00	137.39%
D Taxes	60,562.28	60,500.00	100.10%
F Worker's Compensation Insurance	2,932.22	3,000.00	97.74%
<b>Employee Costs</b>	<b>530,655.17</b>	<b>513,000.00</b>	<b>103.44%</b>
<b>II Operating &amp; Compliance Costs</b>			
A Advertising - Legal Notices & Ads	1,995.79	2,200.00	90.72%
B Dues, Subscriptions Education, Use Tax, Fees, AB2588	6,602.08	6,100.00	108.23%
C Equipment: Computer, Furniture, General, Office, Safety, Scientific, Software (<\$5,000 ea.)	13,426.43	15,500.00	86.62%
D Fuel and Gasoline	3,121.73	4,000.00	78.04%
E Health & Safety	399.76	1,000.00	39.98%
F Insurance - Liability, Fire & Casualty	9,486.54	9,500.00	99.86%
G Leases & Rents: Equipment, Office, Site, Storage	19,594.04	23,000.00	85.19%
H Maintenance & Repairs of Equipment - Labor	4,889.44	10,000.00	48.89%
I Maintenance & Repairs of Equipment - Materials	663.52	15,000.00	4.42%
J Postage and Shipping	275.95	1,000.00	27.60%
K Professional & Special Services	7,052.91	8,800.00	80.15%
L Supplies & Tools (In-Field, Office, General Use)	2,143.91	2,500.00	85.76%
M Transportation & Travel	4,598.80	4,900.00	93.85%
N Utilities	6,995.73	6,400.00	109.31%
O Public Assistance/Grant Programs	1,233.74	6,000.00	20.56%
<b>Operating &amp; Compliance Costs</b>	<b>82,480.37</b>	<b>115,900.00</b>	<b>71.17%</b>
<b>III Materials &amp; Equipment</b>			
A Equipment: Computer, Furniture, General, Office, Scientific, Software (>\$5,000 ea.)	-	27,850.00	0.00%
B Capital Expenditure Fund: Vehicles & Equipment	5,462.30	4,500.00	121.38%
C Funds from General Fund Reserve: Purchase Building & Land, (B.O.# 190307-06)	75,163.85	90,000.00	83.52%
<b>Materials and Equipment Costs</b>	<b>80,626.15</b>	<b>122,350.00</b>	<b>65.90%</b>
<b>TOTAL EXPENSES (Parts I, II, III)</b>	<b>693,761.69</b>	<b>751,250.00</b>	<b>92.35%</b>
<b>IV Grant Expenses</b>			
A EPA PM2.5 Grant Funds	22,438.09	18,245.00	122.98%
B EPA 105 Grant Funds	14,585.95	71,889.00	20.29%
C AB 617 Grant	-	5,618.00	0.00%
<b>Grants</b>	<b>37,024.04</b>	<b>95,752.00</b>	<b>38.67%</b>
<b>Total Expenses</b>	<b>\$ 730,785.73</b>	<b>\$ 847,002.00</b>	<b>86.28%</b>

Great Basin Unified Air Pollution Control District  
General Fund (formerly "District") Budget FY 2018-2019  
For the 4th Quarter (Ending June 30, 2019)

REVENUE		4th Quarter	Budget	% of Budget
I	Fees, Permits & Penalties			
A	AB 2588 - Toxic Hot Spots	4,277.00	1,500.00	285.13%
B	Conservation Mgmt. Plan/Prescribed Burn Plan	6,672.00	5,000.00	133.44%
C	Geothermal	308,687.90	310,000.00	99.58%
D	Hearing Board	-	-	-
E	Initial Permit Fees (FF, ATC, Mods)	34,953.90	30,000.00	116.51%
D	Penalties & Late Fees	1,018,925.50	12,000.00	8491.05%
G	SOURCES (Asbestos, Diesel, Fuel, Electric, PERP)	124,316.53	115,000.00	108.10%
H	Service Station Vapor Recovery	15,576.00	15,000.00	103.84%
	<b>Fees, Permits &amp; Penalties</b>	<b>1,513,408.83</b>	<b>488,500.00</b>	<b>309.81%</b>
II	Other Revenue			
A	Air Monitoring Audits	-	-	-
B	Interest	28,578.29	2,000.00	1428.91%
C	Per Capita Fee	-	-	-
D	Sales, Services, Fees, Rebates & Refunds	599.54	7,250.00	8.27%
E	State Subvention (3 counties)	138,791.47	138,500.00	100.21%
F	Town of Mammoth Lakes (Air Monitoring)	25,000.00	25,000.00	100.00%
G	From General Fund Reserve: Purchase Building & land, Impro	90,000.00	90,000.00	100.00%
H	Transfer of Asset	785,194.29	-	-
I	Phase 7a Order to Pay (Admin)*	453,368.85	-	-
	<b>Other Revenue</b>	<b>1,521,532.44</b>	<b>262,750.00</b>	<b>579.08%</b>
	<b>Total Permits, Fees &amp; Other Revenue</b>	<b>3,034,941.27</b>	<b>751,250.00</b>	<b>403.99%</b>
III	Grant Funds (Restricted)			
A	EPA 105 Grant (Restricted)	71,889.00	71,889.00	100.00%
B	EPA PM2.5 Grant (Restricted)	3.72	18,245.00	0.02%
C	AB 617	-	5,618.00	-
	<b>Total Grants</b>	<b>71,892.72</b>	<b>95,752.00</b>	<b>75.08%</b>
	<b>TOTAL REVENUE (w/ Grants)</b>	<b>\$ 3,106,833.99</b>	<b>\$ 847,002.00</b>	<b>366.80%</b>

**Reconcile to Inyo County Treasury as of 6/30/2019**

General Fund Reserves	\$ 2,286,666.22
Capital Asset Accrual Reserves	\$ 110,051.79
Spendable/Available Cash	\$ 1,075,911.36
Accrued Payables	\$ 88,374.99
CEQA Lead Agency Litigation Funds <sup>(1)</sup>	\$ 39,040.42
103 Grant Funds (PM2.5)	\$ 8,968.55
105 Grant Funds	\$ 38,197.42
	<b>\$ 3,647,210.75</b>

<b>Balance, IC Auditor Report 6/30/2019</b>	<b>\$ 3,645,254.73</b>
<b>KD to Reimburse GF for 7/5 Payroll</b>	<b>\$ 1,956.02</b>
	<b>\$ 3,647,210.75</b>

Checking account balance as of 6/30/2019=\$14,547.17

<sup>1</sup> ORMAT Litigation Funds

\*Name Specification change from last quarter reporting

Interest transferred to PARS Trust = \$



Great Basin Unified Air Pollution Control District  
SB 270 Budget FY 2018-2019  
For the 4th Quarter (Ending June 30, 2019)

EXPENSES		4th Quarter	Budget	Adjusted Budget	% of Budget
I	<b>Employee Costs</b>				
A	Employee Wages	1,692,479.16	1,715,500.00	1,715,500.00	98.66%
B	Retirement	343,253.37	337,000.00	337,000.00	101.86%
C	Insurance Benefits	491,293.96	397,000.00	397,000.00	123.75%
D	Taxes	300,964.82	301,500.00	301,500.00	99.82%
E	Worker's Compensation Insurance	16,615.96	13,500.00	13,500.00	123.08%
	<b>Employee Costs</b>	<b>2,844,607.27</b>	<b>2,764,500.00</b>	<b>2,764,500.00</b>	<b>102.90%</b>
II	<b>Operating &amp; Compliance</b>				
A	Advertising - Legal Notices & Ads	3,492.07	4,500.00	4,500.00	77.60%
B	Dues, Subscriptions, Education, Use Tax & Fees	37,351.64	33,000.00	33,000.00	113.19%
C	Equipment: Computer, Furniture, General, Office, Safety, Scientific, Software (<\$5,000 ea.)	90,627.49	112,000.00	112,000.00	80.92%
D	Fuel and Gasoline	31,126.69	25,000.00	25,000.00	124.51%
E	Health & Safety	2,896.55	5,000.00	5,000.00	57.93%
F	Insurance - Liability, Fire & Casualty	54,158.11	52,000.00	52,000.00	104.15%
G	Leases & Rents: Equipment, Office, Site, Storage	98,599.07	112,000.00	112,000.00	88.03%
H	Maintenance & Repairs of Equipment - Labor	41,382.17	50,500.00	50,500.00	81.94%
I	Maintenance & Repairs of Equipment - Materials	155,754.50	175,000.00	175,000.00	89.00%
J	Postage and Shipping	2,348.80	2,000.00	2,000.00	117.44%
K	Professional & Special Services	778,361.80	1,184,000.00	1,316,725.00	59.11%
L	Supplies and Tools (In-field, Office, General Use)	27,360.83	22,500.00	22,500.00	121.60%
M	Transportation & Travel	26,854.20	28,000.00	28,000.00	95.91%
N	Utilities	57,410.32	67,500.00	67,500.00	85.05%
O	Control Measure Testing	666.00	200,000.00	200,000.00	0.33%
P	Public Outreach & Education	-	10,000.00	10,000.00	-
	<b>Operating &amp; Compliance Costs</b>	<b>1,408,390.24</b>	<b>2,083,000.00</b>	<b>2,215,725.00</b>	<b>63.56%</b>
III	<b>Materials &amp; Equipment</b>				
A	Equipment: Computer, Furniture, General, Office, Scientific, Software (>\$5,000 ea.)	96,768.77	230,500.00	230,500.00	41.98%
B	Vehicles & ATVs	30,953.02	40,500.00	40,500.00	76.43%
C	Purchased 157 Short St., Bishop Building (BO#190307-06)	425,928.48	-	510,000.00	83.52%
	<b>Materials &amp; Equipment Costs</b>	<b>553,650.27</b>	<b>271,000.00</b>	<b>781,000.00</b>	<b>70.89%</b>
	<b>Expenses Total (Parts I, II, III)</b>	<b>\$ 4,806,647.78</b>	<b>\$ 5,118,500.00</b>	<b>\$ 5,761,225.00</b>	<b>83.43%</b>
IV	<b>Owens Lake Scientific Advisory Panel</b>				
A	2014 Stipulated Judgment (Paragraph 12.G)	\$ 260,080.74	\$ -	\$ 750,000.00	34.68%
	<b>FY 2018-2019 SB 270 Fee</b>	<b>\$ 5,066,728.52</b>	<b>\$ 5,118,500.00</b>	<b>\$ 6,511,225.00</b>	<b>77.82%</b>

Great Basin Unified Air Pollution Control District  
SB 270 Budget FY 2018-2019  
For the 4th Quarter (Ending June 30, 2019)

REVENUE	4th Quarter	Budget	Adjusted Budget	% of Budget
I Fees, Permits & Penalties	\$ 5,118,500.00	\$ 5,118,500.00	\$ 5,118,500.00	100.00%
Reserve Policy Credit	\$ -	\$ -	\$ -	-
<b>Total SB 270 Fee Assessment</b>	<b>\$ 5,118,500.00</b>	<b>\$ 5,118,500.00</b>	<b>\$ 5,118,500.00</b>	<b>100.00%</b>
II Other Revenue				
FY17-18 Carry-overs	132,725.00	-	132,725.00	100.00%
Carry-over: Owens Lake Scientific Advisory Panel	750,000.00	-	750,000.00	100.00%
From Asset Reserve:	-	-	-	-
Interest	77,678.51	-	-	-
Moved \$ out of Reserves, building purchase (BO#190307-06)	510,000.00	-	510,000.00	100.00%
PM2.5 from District (Reimburse expense)	22,241.28	-	-	-
Sales, Services, Rebates, Refunds	3,627.57	-	-	-
	<u>1,496,272.36</u>	<u>-</u>	<u>1,392,725.00</u>	<u>107.43%</u>
<b>TOTAL REVENUE</b>	<b>\$ 6,614,772.36</b>	<b>\$ 5,118,500.00</b>	<b>\$ 6,511,225.00</b>	<b>101.59%</b>

**Reconcile to Inyo County Treasury as of 6/30/2019**

SB 270 General Fund Reserves	\$ 1,752,417.46
Capital Asset Accrual Reserves	\$ 286,422.46
Accrued Payables	\$ 1,053,758.60
SB 270 Fee Assessment FY 19-20	\$ 6,065,781.00
Spendable/Available Cash	\$ 801,669.05
	<u><u>\$ 9,960,048.57</u></u>

**Balance, IC Auditor Report 6/30/2019** \$ 9,960,048.57

Checking account balance as of 6/30/2019=\$46,572.19

Interest transferred to PARS Trust = \$

Great Basin Unified Air Pollution Control District  
Owens Lake Trust Fund FY 2018-2019  
For the 4th Quarter (Ending June 30, 2019)

Beginning Cash Balance 7/1/2018	1,068,887.93
June 30, 2018 Interest-earned Inyo County	3,314.90
September 30, 2018 Interest-earned Inyo County	4,422.21
December 31, 2018 Interest-earned Inyo County	3,704.51
March 31, 2019 Interest-earned Inyo County	4,217.41
	<u>1,084,546.96</u>

**Expenses**

Professional Services

-

*Checking account balance*

3.90

3.90

Reconcile to Inyo County Treasury 6/30/2019

\$ 1,084,546.96

Balance: IC Auditors Report as of 6/30/2019

\$ 1,084,546.96

Great Basin Unified Air Pollution Control District  
Clean Air Projects Program FY 2018-2019  
For the 4th Quarter (Ending June 30, 2019)

February 7, 2019 Phase 7a Order to Pay*	2,569,090.15
December 31, 2018 Interest-earned Inyo County	441.06
March 31, 2019 Interest-earned Inyo County	5,803.89
	2,575,335.10

**Expenses**

Professional Services

-

*Checking account balance*

-

**Reconcile to Inyo County Treasury 6/30/2019**

**\$ 2,575,335.10**

**Balance: IC Auditors Report as of 6/30/2019**

**\$ 2,575,335.10**

\*Name Specification change from last quarter reporting

Great Basin Unified Air Pollution Control District  
Keeler Dunes Dust Control Projects FY 2018-2019  
For the 4th Quarter (Ending June 30, 2019)

Beginning Cash Balance 7/1/2018	1,272,368.77
June 30, 2018 Interest-earned Inyo County	4,156.94
Checking account balance at year-end	4,487.90
September 30, 2018 Interest-earned Inyo County	4,980.97
December 31, 2018 Interest-earned Inyo County	3,757.20
March 31, 2019 Interest-earned Inyo County	3,852.68
	<u>1,293,604.46</u>

**Expenses**

Paid year-end invoices FY17-18 accruals	78,399.61
Employee Costs	67,338.58
General Expenses	30,024.31
Jimmy Myers payment	(20,000.00)
Projects & 2Polaris	313,293.66
Administration	29,796.35
	<u>498,852.51</u>
Checking account balance	14,486.75
Accrued Payables	(31,512.78)
	<u>481,826.48</u>

<b>Reconcile to Inyo County Treasury 6/30/2019</b>	<b><u>\$ 811,777.98</u></b>
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Balance: Inyo County Auditors as of 6/30/2019	<b><u>\$ 811,777.98</u></b>
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## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537  
Tel: 760-872-8211 Fax: 760-872-6109

### BOARD REPORT

**Mtg. Date:** November 7, 2019

**To:** District Governing Board

**From:** Susan Cash, Administrative Projects Manager

**Subject:** Actuarial Study of Retiree Health Liabilities Under GASB 74-75 as of June 30, 2019

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#### **Summary:**

Employers that participate in defined benefit Other Post Employment Benefit (OPEB) plans are required by the GASB to measure and disclose an amount for annual OPEB cost. This is equal to the employer's Annual Required Contribution (ARC) with certain adjustments if the employer has a net OPEB obligation for past under- or overcontributions. Actuarial valuations are required biennially.

Attached is the District's Actuarial Valuation performed by Total Compensation Systems, Inc as of July 1, 2019. In summary, the combined OPEB trusts that the District maintains through Public Agency Retirement Services (PARS) had a net position of \$6,999,923 and the total Actuarial Present Value of Projected Benefit Payments for current and future retirees is \$5,541,190. The surplus position on a fully projected basis is \$1,458,733. The annual OPEB cost is therefore \$0.

The District pays current retiree health costs from the PARS trust and in March of 2018, the Governing Board directed that the District cease the annual transfer of unappropriated treasury interest to the OPEB trusts and instead direct that interest to the pension trust. Despite cutting off the only inflow to the trusts and paying all current retiree health care costs from the trusts, the earnings generated within the trusts have allowed the balance to increase from \$6,737,369 at the June 30, 2017 valuation to \$6,999,923 at the June 30, 2019 valuation. This speaks to the extraordinary commitment of this District Board to the financial stability of the District while still meeting its contractual obligations to active and retired employees.

#### **Fiscal Impact:**

The District is well-positioned to meet its OPEB obligations at a 126% funding level. No additional funding for OPEB is required for the foreseeable future.

#### **Board Action:**

District staff recommends the Governing Board approve redirection of unappropriated interest to the PARS pension trust.

#### **Attachment:**

1. Great Basin Unified Air Pollution Control District GASB 74/75 Valuation as of July 1, 2019 (prepared by Total Compensation Systems, Inc.)

**Great Basin Unified Air Pollution Control District  
Actuarial Study of  
Retiree Health Liabilities Under GASB 74/75  
Valuation Date: June 30, 2019  
Measurement Date: June 30, 2019**

*Prepared by:  
Total Compensation Systems, Inc.*

*Date: August 22, 2019*

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**Great Basin Unified Air Pollution Control District**  
**Actuarial Study of Retiree Health Liabilities**

**PART I: EXECUTIVE SUMMARY**

**A. Introduction**

Great Basin Unified Air Pollution Control District engaged Total Compensation Systems, Inc. (TCS) to analyze liabilities associated with its current retiree health program as of June 30, 2019 (the measurement date). The numbers in this report are based on the assumption that they will first be used to determine accounting entries for the fiscal year ending June 30, 2019. If the report will first be used for a different fiscal year, the numbers may need to be adjusted accordingly.

This report does not reflect any cash benefits paid unless the retiree is required to provide proof that the cash benefits are used to reimburse the retiree's cost of health benefits. Costs and liabilities attributable to cash benefits paid to retirees are reportable under applicable Governmental Accounting Standards Board (GASB) Standards.

This actuarial study is intended to serve the following purposes:

- To provide information to enable Great Basin Unified Air Pollution Control District to manage the costs and liabilities associated with its retiree health benefits.
- To provide information to enable Great Basin Unified Air Pollution Control District to communicate the financial implications of retiree health benefits to internal financial staff, the Board, employee groups and other affected parties.
- To provide information needed to comply with Governmental Accounting Standards Board Accounting Standards 74 and 75 related to "other postemployment benefits" (OPEB's).

Because this report was prepared in compliance with GASB 74 and 75, Great Basin Unified Air Pollution Control District should not use this report for any other purpose without discussion with TCS. This means that any discussions with employee groups, governing Boards, etc. should be restricted to the implications of GASB 74 and 75 compliance.

This actuarial report includes several estimates for Great Basin Unified Air Pollution Control District's retiree health program. In addition to the tables included in this report, we also performed cash flow adequacy tests as required under Actuarial Standard of Practice 6 (ASOP 6). Our cash flow adequacy testing covers a twenty-year period. We would be happy to make this cash flow adequacy test available to Great Basin Unified Air Pollution Control District in spreadsheet format upon request.

We calculated the following estimates separately for active employees and retirees. We estimated the following:

- the total liability created. (The actuarial present value of projected benefit payments or APVPBP)
- ten years of projected benefit payments.
- the "total OPEB liability (TOL)." (The TOL is the portion of the APVPBP attributable to employees' service prior to the measurement date.)

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- the “net OPEB liability” (NOL). For plans funded through a trust, this represents the unfunded portion of the liability.
- the service cost (SC). This is the value of OPEB benefits earned for one year of service.
- deferred inflows and outflows of resources attributable to the OPEB plan.
- “OPEB expense.” This is the amount recognized in accrual basis financial statements as the current period expense in addition to contributions. The OPEB expense includes service cost, interest and certain changes in the OPEB liability, adjusted to reflect deferred inflows and outflows.
- Amounts to support financial statement Note Disclosures and Required Supplementary Information (RSI) schedules.

We summarized the data used to perform this study in Appendix A. No effort was made to verify this information beyond brief tests for reasonableness and consistency.

All cost and liability figures contained in this study are estimates of future results. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. Service costs and liabilities could easily vary by 10 - 20% or more from estimates contained in this report.

### **B. General Findings**

We estimate the "pay-as-you-go" cost of providing retiree health benefits in the year beginning July 1, 2019 to be \$208,534 (see Section IV.A.). The “pay-as-you-go” cost is the cost of benefits for current retirees.

For current employees, the value of benefits "accrued" in the year beginning July 1, 2019 (the service cost) is \$139,560. This service cost would increase each year based on covered payroll. Had Great Basin Unified Air Pollution Control District begun accruing retiree health benefits when each current employee and retiree was hired, a liability would have accumulated. We estimate the amount that would have accumulated to be \$4,425,779. This amount is called the "Total OPEB Liability" (TOL). Great Basin Unified Air Pollution Control District has set aside funds to cover retiree health liabilities in a GASB 75 qualifying trust. The Fiduciary Net Position of this trust at June 30, 2019 was \$6,999,923. This leaves a Net OPEB Liability (NOL) of (\$2,574,144).

Based on the information we were provided, the OPEB Expense for the fiscal year ending June 30, 2019 is \$52,119.

We based all of the above estimates on participants as of July, 2019. Over time, liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees.

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### C. Description of Retiree Benefits

Following is a description of the current retiree benefit plan:

	<b>All Employees</b>
Benefit types provided	Medical Only
Duration of Benefits	Lifetime
Required Service	CalPERS Retirement
Minimum Age	CalPERS Retirement
Dependent Coverage	Yes
District Contribution %	100%
District Cap	None

### D. Recommendations

It is outside the scope of this report to make specific recommendations of actions Great Basin Unified Air Pollution Control District should take to manage the liability created by the current retiree health program. Total Compensation Systems, Inc. can assist in identifying and evaluating options once this report has been studied. The following recommendations are intended only to allow the District to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of Great Basin Unified Air Pollution Control District's practices, it is possible that Great Basin Unified Air Pollution Control District is already complying with some or all of our recommendations.

- We recommend that Great Basin Unified Air Pollution Control District maintain an inventory of all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, Great Basin Unified Air Pollution Control District should determine whether the benefit is material and subject to GASB 74 and/or 75.
- Under GASB 75, it is important to isolate the cost of retiree health benefits. Great Basin Unified Air Pollution Control District should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – ***even on a retiree-pay-all basis*** – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, Great Basin Unified Air Pollution Control District should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.
- Great Basin Unified Air Pollution Control District should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for District-paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.
- Several assumptions were made in estimating costs and liabilities under Great Basin

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Unified Air Pollution Control District's retiree health program. Further studies may be desired to validate any assumptions where there is any doubt that the assumption is appropriate. (See Appendices B and C for a list of assumptions and concerns.) For example, Great Basin Unified Air Pollution Control District should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for Great Basin Unified Air Pollution Control District to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

### **E. Certification**

The actuarial information in this report is intended solely to assist Great Basin Unified Air Pollution Control District in complying with Governmental Accounting Standards Board Accounting Statements 74 and 75 and, unless otherwise stated, fully and fairly discloses actuarial information required for compliance. Nothing in this report should be construed as an accounting opinion, accounting advice or legal advice. TCS recommends that third parties retain their own actuary or other qualified professionals when reviewing this report. TCS's work is prepared solely for the use and benefit of Great Basin Unified Air Pollution Control District. Release of this report may be subject to provisions of the Agreement between Great Basin Unified Air Pollution Control District and TCS. No third party recipient of this report product should rely on the report for any purpose other than accounting compliance. Any other use of this report is unauthorized without first consulting with TCS.

This report is for fiscal year July 1, 2018 to June 30, 2019, using a measurement date of June 30, 2019. The calculations in this report have been made based on our understanding of plan provisions and actual practice at the time we were provided the required information. We relied on information provided by Great Basin Unified Air Pollution Control District. Much or all of this information was unaudited at the time of our evaluation. We reviewed the information provided for reasonableness, but this review should not be viewed as fulfilling any audit requirements. Information we relied on is listed in Appendix A.

All costs, liabilities, and other estimates are based on actuarial assumptions and methods that comply with all applicable Actuarial Standards of Practice (ASOPs). Each assumption is deemed to be reasonable by itself, taking into account plan experience and reasonable future expectations.

This report contains estimates of the Plan's financial condition only as of a single date. It cannot predict the Plan's future condition nor guarantee its future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. Determining results using alternative assumptions (except for the alternate discount and trend rates shown in this report) is outside the scope of our engagement.

Future actuarial measurements may differ significantly from those presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the measurement methodology (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. We were not asked to perform analyses to estimate the potential range of such future measurements.

The signing actuary is independent of Great Basin Unified Air Pollution Control District and any plan sponsor. TCS does not intend to benefit from and assumes no duty or liability to other parties who receive this report. TCS is not aware of any relationship that would impair the objectivity of the opinion.

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On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and has been prepared in accordance with generally accepted actuarial principles and practices and all applicable Actuarial Standards of Practice. I am a member of the American Academy of Actuaries and meet the Qualification Standards to render this actuarial opinion.

Respectfully submitted,



Geoffrey L. Kischuk, FSA, MAAA, FCA  
Consultant  
Total Compensation Systems, Inc.  
(805) 496-1700

## PART II: BACKGROUND

### A. Summary

Accounting principles provide that the cost of retiree benefits should be “accrued” over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in June of 2015 Accounting Standards 74 and 75 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees), whether they pay directly or indirectly (via an “implicit rate subsidy”),

### B. Actuarial Accrual

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an “actuarial cost method.”

The actuarial cost method mandated by GASB 75 is the “entry age actuarial cost method”. Under this method, there are two components of actuarial cost – a “service cost” (SC) and the “Total OPEB Liability” (TOL). GASB 75 allows certain changes in the TOL to be deferred (i.e. deferred inflows and outflows of resources).

The service cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. Under the entry age actuarial cost method, the actuary determines the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. This amount is the service cost. Under GASB 75, the service cost is calculated to be a level percentage of each employee’s projected pay.

The service cost is determined using several key assumptions:

- The current ***cost of retiree health benefits*** (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the service cost.
- The ***“trend” rate*** at which retiree health benefits are expected to increase over time. A higher trend rate increases the service cost. A “cap” on District contributions can reduce trend to zero once the cap is reached thereby dramatically reducing service costs.
- ***Mortality rates*** varying by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.
- ***Employment termination rates*** have the same effect as mortality inasmuch as higher termination rates reduce service costs. Employment termination can vary considerably between public agencies.
- The ***service requirement*** reflects years of service required to earn full or partial retiree benefits. While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.

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- **Retirement rates** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase service costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.
- **Participation rates** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.
- The **discount rate** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the real rate of return expected for plan assets plus long term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20 year General Obligation municipal bonds. For partially funded plans, the discount rate is a blend of the funded and unfunded rates.

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. If all actuarial assumptions are exactly met and an employer expensed the service cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the Total OPEB Liability (TOL). The excess of TOL over the value of plan assets is called the Net OPEB Liability (NOL). Under GASB 74 and 75, in order for assets to count toward offsetting the TOL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

The total OPEB liability (TOL) can arise in several ways - e.g., as a result of plan changes or changes in actuarial assumptions. TOL can also arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience.

Under GASB 74 and 75, a portion of actuarial gains and losses can be deferred as follows:

- Investment gains and losses can be deferred five years
- Experience gains and losses can be deferred over the expected average remaining service lives (EARSL) of plan participants. In calculating the EARSL, terminated employees (primarily retirees) are considered to have a working lifetime of zero. This often makes the EARSL quite short.
- Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the EARSL.
- Liability changes resulting from plan changes, for example, cannot be deferred.



### PART III: LIABILITIES AND COSTS FOR RETIREE BENEFITS

#### A. Introduction.

We calculated the actuarial present value of projected benefit payments (APVPBP) separately for each participant. We determined eligibility for retiree benefits based on information supplied by Great Basin Unified Air Pollution Control District. We then selected assumptions for the factors discussed in the above Section that, based on plan provisions and our training and experience, represent our best prediction of future plan experience. For each participant, we applied the appropriate factors based on the participant's age, sex, length of service, and employee classification.

We summarized actuarial assumptions used for this study in Appendix C.

#### B. Liability for Retiree Benefits.

For each participant, we projected future premium costs using an assumed trend rate (see Appendix C). We multiplied each year's benefit payments by the probability that benefits will be paid; i.e. based on the probability that the participant is living, has not terminated employment, has retired and remains eligible. The probability that benefit will be paid is zero if the participant is not eligible. The participant is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's benefit payments and the probability the benefit will be paid equals the expected cost for that year. We discounted the expected cost for each year to the measurement date June 30, 2019 at 5.25% interest. Finally, we multiplied the above discounted expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan.

For any *current retirees*, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 1.0000).

We added the actuarial present value of projected benefit payments (APVPBP) for each participant to get the total APVPBP for all participants. The APVPBP is the estimated present value of all future retiree health benefits for all **current** participants. The APVPBP is the amount on June 30, 2019 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last participant dies or reaches the maximum eligibility age.



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### Actuarial Present Value of Projected Benefit Payments at June 30, 2019

<i>All Participants</i>	
Active: Pre-65	\$1,188,453
Post-65	\$1,737,267
Subtotal	\$2,925,720
Retiree: Pre-65	\$617,631
Post-65	\$1,997,839
Subtotal	\$2,615,470
Grand Total	\$5,541,190
Subtotal Pre-65	\$1,806,084
Subtotal Post-65	\$3,735,106

The APVPBP should be accrued over the working lifetime of employees. At any time much of it has not been "earned" by employees. The APVPBP is used to develop expense and liability figures. To do so, the APVPBP is divided into two parts: the portions attributable to service rendered prior to the measurement date (the past service liability or Total OPEB Liability (TOL) under GASB 74 and 75) and to service after the measurement date but prior to retirement (the future service liability).

The past service and future service liabilities are each accrued in a different way. We will start with the future service liability which is funded by the service cost.

### C. Cost to Prefund Retiree Benefits

#### 1. Service Cost

The average hire age for eligible employees is 36. To accrue the liability by retirement, the District would accrue the retiree liability over a period of about 24 years (assuming an average retirement age of 60). We applied an "entry age" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated service cost.

### Service Cost Year Beginning July 1, 2019

<i>All Participants</i>	
# of Employees	24
<b>Per Capita Service Cost</b>	
Pre-65 Benefit	\$2,590
Post-65 Benefit	\$3,225
<b>First Year Service Cost</b>	
Pre-65 Benefit	\$62,160
Post-65 Benefit	\$77,400
Total	\$139,560

Accruing retiree health benefit costs using service costs levels out the cost of retiree health benefits over time and more fairly reflects the value of benefits "earned" each year by employees. This service cost would increase each year based on covered payroll.

#### 2. Total OPEB Liability (TOL) and Net OPEB Liability (NOL)

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If actuarial assumptions are borne out by experience, the District will fully accrue retiree benefits by expensing an amount each year that equals the service cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the Total OPEB Liability. We calculated the Total OPEB Liability (TOL) as the APVPBP minus the present value of future service costs. To the extent that benefits are funded through a GASB 74 qualifying trust, the trust's Fiduciary Net Position (FNP) is subtracted to get the NOL. The FNP is the value of assets adjusted for any applicable payables and receivables.

### Total OPEB Liability (TOL) and Net OPEB Liability (NOL) as of June 30, 2019

<i>All Participants</i>	
Active: Pre-65	\$691,649
Active: Post-65	\$1,118,660
Subtotal	\$1,810,309
Retiree: Pre-65	\$617,631
Retiree: Post-65	\$1,997,839
Subtotal	\$2,615,470
Subtotal: Pre-65	\$1,309,280
Subtotal: Post-65	\$3,116,499
Total OPEB Liability (TOL)	\$4,425,779
Fiduciary Net Position as of June 30, 2019	\$6,999,923
Net OPEB Liability (NOL)	(\$2,574,144)

The following table shows the reconciliation of the June 30, 2018 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2019 NOL.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
Balance at June 30, 2018	\$4,759,913	\$6,791,018	(\$2,031,105)
Service Cost / Expected Employer/Employee Contributions	\$188,103	\$0	\$188,103
Interest on Total OPEB Liability	\$260,923	\$0	\$260,923
Expected Employer/Employee Interest Contributions	\$0	\$0	\$0
Expected Excess ADC Contributions	\$0	\$0	\$0
Expected Investment Income	\$0	\$367,666	(\$367,666)
Expected Benefit Payments	(\$219,807)	(\$219,807)	\$0
Roll-Forward Balance at June 30, 2019	\$4,989,132	\$6,938,877	(\$1,949,745)
Changes in Benefit Terms	\$0	\$0	\$0
Changes in Assumptions	(\$754,357)	\$0	(\$754,357)
Experience Gains/Losses	\$191,004	\$24,435	\$166,569
Employer Contributions (Actual less expected)	\$0	\$0	\$0
Employee Contributions	\$0	\$0	\$0
Investment Gains/Losses	\$0	\$53,603	(\$53,603)
Administrative Expense	\$0	(\$16,992)	\$16,992
Other	\$0	\$0	\$0
Net Change during 2018-19	(\$334,134)	\$208,905	(\$543,039)
Balance at June 30, 2019	\$4,425,779	\$6,999,923	(\$2,574,144)

### 3. OPEB Expense

Changes in the NOL arising from certain sources are recognized on a deferred basis. The deferral history for Great

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Basin Unified Air Pollution Control District is shown in Appendix F. The following table summarizes the beginning and ending balances for each deferral item. The current year expense reflects the change in deferral balances for the measurement year.

### Deferred Inflow/Outflow Balances Fiscal Year Ending June 30, 2019

	<i>Beginning Balance</i>	<i>Ending Balance</i>
Experience Gains/Losses	\$0	\$166,198
Assumption Changes	\$0	(\$656,388)
Investment Gains/Losses	\$150,603	\$70,070
Deferred Balances	\$150,603	(\$420,120)

The following table shows the reconciliation between the change in the NOL and the OPEB expense.

### OPEB Expense Fiscal Year Ending June 30, 2019

	<i>Beginning Balance</i>	<i>Ending Balance</i>	<i>Change</i>
Net OPEB Liability (NOL)	(\$2,031,105)	(\$2,574,144)	(\$543,039)
Deferred Balances	\$150,603	(\$420,120)	(\$570,723)
Change in Net Position	(\$2,181,708)	(\$2,154,024)	\$27,684
Employer Contributions			\$24,435
Actual minus Expected Benefit Payments*			\$0
Other			\$0
OPEB Expense			\$52,119

\* Counts as contribution.

Under GASB 74 and 75, OPEB expense includes service cost, interest cost, change in TOL due to plan changes; all adjusted for deferred inflows and outflows..

### OPEB Expense Fiscal Year Ending June 30, 2019

	<i>Total</i>
Service Cost	\$188,103
Interest on Total OPEB Liability (TOL)	\$260,923
Employee Contributions	\$0
Recognized Experience Gains/Losses	\$24,806
Recognized Assumption Changes	(\$97,969)
Expected Investment Income	(\$367,666)
Recognized Investment Gains/Losses	\$26,930
Contributions After Measurement Date (Prior Year)	\$0
Contributions After Measurement Date (Current Year)	\$0
Changes in Benefit Terms	\$0
Administrative Expense	\$16,992
OPEB Expense*	\$52,119

\* May include a slight rounding error.

The above OPEB expense does not include an estimated \$0 in employer contributions.

#### 4. Deferred Inflows and Outflows

Certain types of TOL changes are subject to deferral, as are investment gains/losses. Appendix F provides information about deferred inflows and outflows.

### PART IV: "PAY AS YOU GO" FUNDING OF RETIREE BENEFITS

We used the actuarial assumptions shown in Appendix C to project the District's ten year retiree benefit outlay. Because these cost estimates reflect average assumptions applied to a relatively small number of participants, estimates for individual years are **certain** to be ***in***accurate. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the District's share of retiree health costs.

<i>Year Beginning</i>	
<i>July 1</i>	<i>All Participants</i>
2019	\$208,534
2020	\$224,656
2021	\$241,270
2022	\$250,468
2023	\$263,593
2024	\$287,872
2025	\$288,204
2026	\$283,780
2027	\$257,582
2028	\$262,756

### PART V: RECOMMENDATIONS FOR FUTURE VALUATIONS

To effectively manage benefit costs, an employer must periodically examine the existing liability for retiree benefits as well as future annual expected premium costs. GASB 74/75 require annual valuations. Every other year, the valuation requirement can be met by doing a “roll-forward” valuation. However, a full valuation may be required or preferred under certain circumstances.

Following are examples of actions that could trigger a new valuation.

- An employer should perform a valuation whenever the employer considers or puts in place an early retirement incentive program.
- An employer should perform a valuation whenever the employer adopts a retiree benefit plan for some or all employees.
- An employer should perform a valuation whenever the employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- An employer should perform a valuation whenever the employer introduces or changes retiree contributions.
- An employer should perform a valuation whenever the employer forms a qualifying trust or changes its investment policy.
- An employer should perform a valuation whenever the employer adds or terminates a group of participants that constitutes a significant part of the covered group.

We recommend Great Basin Unified Air Pollution Control District take the following actions to ease future valuations.

- We have used our training, experience and information available to us to establish the actuarial assumptions used in this valuation. We have no information to indicate that any of the assumptions do not reasonably reflect future plan experience. However, the District should review the actuarial assumptions in Appendix C carefully. If the District has any reason to believe that any of these assumptions do not reasonably represent the expected future experience of the retiree health plan, the District should engage in discussions or perform analyses to determine the best estimate of the assumption in question.

**PART VI: APPENDICES**

**APPENDIX A: MATERIALS USED FOR THIS STUDY**

We relied on the following materials to complete this study.

- We used paper reports and digital files containing participant demographic data from the District personnel records.
- We used relevant sections of collective bargaining agreements provided by the District.

**APPENDIX B: EFFECT OF ASSUMPTIONS USED IN CALCULATIONS**

While we believe the estimates in this study are reasonable overall, it was necessary for us to use assumptions which inevitably introduce errors. We believe that the errors caused by our assumptions will not materially affect study results. If the District wants more refined estimates for decision-making, we recommend additional investigation.

**APPENDIX C: ACTUARIAL ASSUMPTIONS AND METHODS**

Following is a summary of actuarial assumptions and methods used in this study. The District should carefully review these assumptions and methods to make sure they reflect the District's assessment of its underlying experience. It is important for Great Basin Unified Air Pollution Control District to understand that the appropriateness of all selected actuarial assumptions and methods are Great Basin Unified Air Pollution Control District's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 74 and 75, applicable actuarial standards of practice, Great Basin Unified Air Pollution Control District's actual historical experience, and TCS's judgment based on experience and training.

**ACTUARIAL METHODS AND ASSUMPTIONS:**

**ACTUARIAL COST METHOD:** GASB 74/75 require use of the entry age actuarial cost method.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The APVPBP and present value of future service costs are determined on a participant by participant basis and then aggregated.

To the extent that different benefit formulas apply to different employees of the same class, the service cost is based on the benefit plan applicable to the most recently hired employees (including future hires if a new benefit formula has been agreed to and communicated to employees). This greatly simplifies administration and accounting; as well as resulting in the correct service cost for new hires.

**SUBSTANTIVE PLAN:** As required under GASB 74 and 75, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by Great Basin Unified Air Pollution Control District regarding practices with respect to employer and employee contributions and other relevant factors.



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### **ECONOMIC ASSUMPTIONS:**

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

**INFLATION:** We assumed 2.75% per year used for pension purposes. Actuarial standards require using the same rate for OPEB that is used for pension.

**INVESTMENT RETURN / DISCOUNT RATE:** We assumed 5.25% per year net of expenses. This is based on assumed long-term return on employer assets.. We used the “Building Block Method”. (See Appendix E, Paragraph 53 for more information). Our assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

**TREND:** We assumed 4% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

**PAYROLL INCREASE:** We assumed 2.75% per year. Since benefits do not depend on salary (as they do for pensions), using an aggregate payroll assumption for the purpose of calculating the service cost results in a negligible error.

**FIDUCIARY NET POSITION (FNP):** The following table shows the beginning and ending FNP numbers that were provided by Great Basin Unified Air Pollution Control District.

#### **Fiduciary Net Position as of June 30, 2019**

	<b><u>06/30/2018</u></b>	<b><u>06/30/2019</u></b>
Cash and Equivalents	\$0	\$0
Contributions Receivable	\$0	\$0
Total Investments	\$0	\$0
Capital Assets	\$6,791,018	\$6,999,923
Total Assets	<u>\$6,791,018</u>	<u>\$6,999,923</u>
Benefits Payable	\$0	\$0
Fiduciary Net Position	<u>\$6,791,018</u>	<u>\$6,999,923</u>

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### **NON-ECONOMIC ASSUMPTIONS:**

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35). See Appendix E, Paragraph 52 for more information.

### **MORTALITY**

<i>Participant Type</i>	<i>Mortality Tables</i>
Miscellaneous	2014 CalPERS Active Mortality for Miscellaneous Employees

### **RETIREMENT RATES**

<i>Employee Type</i>	<i>Retirement Rate Tables</i>
Miscellaneous	Hired before 2013: 2009 CalPERS 2.5% @55 Rates for Miscellaneous Employees Hired after 2012: 2009 CalPERS 2.0% @60 Rates for Miscellaneous Employees adjusted to reflect a minimum retirement age of 52

### **SERVICE REQUIREMENT**

<i>Employee Type</i>	<i>Service Requirement Tables</i>
Miscellaneous	100% at 5 Years of Service

### **COSTS FOR RETIREE COVERAGE**

Actuarial Standard of Practice 6 (ASOP 6) provides that, as a general rule, retiree costs should be based on actual claim costs or age-adjusted premiums. This is true even for many medical plans that are commonly considered to be “community-rated.” However, ASOP 6 contains a provision – specifically section 3.7.7(c) – that allows use of unadjusted premiums in certain circumstances.

It is my opinion that the section 3.7.7(c)(4) exception allows use of unadjusted premium for PEMHCA agencies if certain conditions are met. Following are the criteria we applied to Great Basin Unified Air Pollution Control District to determine that it is reasonable to assume that Great Basin Unified Air Pollution Control District’s future participation in PEMHCA is likely and that the CalPERS medical program as well as its premium structure are sustainable. (We also have an extensive white paper on this subject that provides a basis for our rationale entirely within the context of ASOP 6. We will make this white paper available upon request.)

- **Plan qualifies as a “pooled health plan.”** ASOP 6 defines a “pooled health plan” as one in which premiums are based at least in part on the claims experience of groups other than the one being valued.” Since CalPERS rates are the same for all employers in each region, rates are clearly based on the experience of many groups.
- **Rates not based to any extent on the agency’s claim experience.** As mentioned above, rates are the same for all participating employers regardless of claim experience or size.
- **Rates not based to any extent on the agency’s demographics.** As mentioned above, rates are the same for all participating employers regardless of demographics.
- **No refunds or charges based on the agency’s claim experience or demographics.** The terms of operation of the CalPERS program are set by statute and there is no provision for any refunds and charges that vary from employer to employer for any reason. The only charges are uniform administrative charges.
- **Plan in existence 20 or more years.** Enabling legislation to allow “contracting agencies” to participate in the CalPERS program was passed in 1967. The CalPERS medical plan has been successfully operating for almost 50 years. As far back as we can obtain records, the rating structure has been

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consistent, with the only difference having been a move to regional rating which is unrelated to age-adjusted rating.

- **No recent large increases or decreases in the number of participating plans or enrollment.** The CalPERS medical plan has shown remarkably stable enrollment. In the past 10 years, there has been small growth in the number of employers in most years – with the maximum being a little over 2% and a very small decrease in one year. Average year over year growth in the number of employers over the last 10 years has been about 0.75% per year. Groups have been consistently leaving the CalPERS medical plan while other groups have been joining with no disruption to its stability.
- **Agency is not expecting to leave plan in foreseeable future.** The District does not plan to leave CalPERS at present.
- **No indication the plan will be discontinued.** We are unaware of anything that would cause the CalPERS medical plan to cease or to significantly change its operation in a way that would affect this determination.
- **The agency does not represent a large part of the pool.** The District is in the CalPERS Other Southern California region. Based on the information we have, the District constitutes no more than 0.1% of the Other Southern California pool. In our opinion, this is not enough for the District to have a measurable effect on the rates or viability of the Other Southern California pool.

Retiree liabilities are based on actual retiree costs. Liabilities for active participants are based on the first year costs shown below. Subsequent years' costs are based on first year costs adjusted for trend and limited by any District contribution caps.

<i>Participant Type</i>	<i>Future Retirees Pre-65</i>	<i>Future Retirees Post-65</i>
All Participants	\$17,500	\$6,892

### ***PARTICIPATION RATES***

<i>Employee Type</i>	<i>&lt;65 Non-Medicare Participation %</i>	<i>65+ Medicare Participation %</i>
Miscellaneous	100%	100%

### ***TURNOVER***

<i>Employee Type</i>	<i>Turnover Rate Tables</i>
Miscellaneous	2009 CalPERS Turnover for Miscellaneous Employees

### ***SPOUSE PREVALENCE***

To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

### ***SPOUSE AGES***

To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

**APPENDIX D: DISTRIBUTION OF ELIGIBLE PARTICIPANTS BY AGE**

**ELIGIBLE ACTIVE EMPLOYEES**

<i>Age</i>	<i>All Participants</i>
Under 25	0
25-29	2
30-34	2
35-39	3
40-44	5
45-49	3
50-54	2
55-59	6
60-64	1
65 and older	0
Total	24

**ELIGIBLE RETIREES**

<i>Age</i>	<i>All Participants</i>
Under 50	0
50-54	0
55-59	4
60-64	3
65-69	5
70-74	4
75-79	1
80-84	1
85-89	0
90 and older	0
Total	18

## **APPENDIX E: GASB 74/75 ACCOUNTING ENTRIES AND DISCLOSURES**

This report does not necessarily include the entire accounting values. As mentioned earlier, there are certain deferred items that are employer-specific. The District should consult with its auditor if there are any questions about what, if any, adjustments may be appropriate.

GASB 74/75 include a large number of items that should be included in the Note Disclosures and Required Supplementary Information (RSI) Schedules. Many of these items are outside the scope of the actuarial valuation. However, following is information to assist the District in complying with GASB 74/75 disclosure requirements:

### **Paragraph 50: Information about the OPEB Plan**

Most of the information about the OPEB plan should be supplied by Great Basin Unified Air Pollution Control District. Following is information to help fulfill Paragraph 50 reporting requirements.

50.c: Following is a table of plan participants

	Number of Participants
Inactive Employees Currently Receiving Benefit Payments	18
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	24
Total Number of participants	42

\*We were not provided with information about any terminated, vested employees

### **Paragraph 51: Significant Assumptions and Other Inputs**

shown in Appendix C.

### **Paragraph 52: Information Related to Assumptions and Other Inputs**

The following information is intended to assist Great Basin Unified Air Pollution Control District in complying with the requirements of Paragraph 52.

52.b: Mortality Assumptions Following are the tables the mortality assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Mortality Table	2014 CalPERS Active Mortality for Miscellaneous Employees
Disclosure	The mortality assumptions are based on the 2014 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

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Mortality Table	2014 CalPERS Retiree Mortality for Miscellaneous Employees
Disclosure	The mortality assumptions are based on the 2014 CalPERS Retiree Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

52.c: Experience Studies Following are the tables the retirement and turnover assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

### Retirement Tables

Retirement Table	2009 CalPERS 2.0% @55 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2009 CalPERS 2.0% @55 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Retirement Table	2009 CalPERS 2.5% @55 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2009 CalPERS 2.5% @55 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

### Turnover Tables

Turnover Table	2009 CalPERS Turnover for Miscellaneous Employees
Disclosure	The turnover assumptions are based on the 2009 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

For other assumptions, we use actual plan provisions and plan data.

52.d: The alternative measurement method was not used in this valuation.

52.e: NOL Using alternative trend assumptions The following table shows the Net OPEB Liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation.

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	(\$3,041,167)	(\$2,574,144)	(\$2,025,288)

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### **Paragraph 53:**      **Discount Rate**

The following information is intended to assist Great Basin Unified Air Pollution Control District to comply with Paragraph 53 requirements.

53.a: A discount rate of 5.25% was used in the valuation. The interest rate used in the prior valuation was 5.5%.

53.b: We assumed that all contributions are from the employer.

53.c: We used historic 27 year real rates of return for each asset class along with our assumed long-term inflation assumption to set the discount rate. We offset the expected investment return by investment expenses of 25 basis points.

53.d: The interest assumption does not reflect a municipal bond rate.

53.e: Not applicable.

53.f: Following is the assumed asset allocation and assumed rate of return for each.  
PARS - Moderately Conservative Index PLUS

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Domestic Equities	30.0000	7.5000
All Fixed Income	65.0000	4.5000
Short-Term Gov't Fixed	5.0000	3.2500

We looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. We used geometric means.

53.g: The following table shows the Net OPEB liability with a discount rate 1% higher and 1% lower than assumed in the valuation.

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB Liability	(\$2,008,230)	(\$2,574,144)	(\$3,041,529)

### **Paragraph 55:**      **Changes in the Net OPEB Liability**

Please see reconciliation on page 10.

### **Paragraph 56:**      **Additional Net OPEB Liability Information**

The following information is intended to assist Great Basin Unified Air Pollution Control District to comply with Paragraph 56 requirements.

56.a: The valuation date is June 30, 2019.

The measurement date is June 30, 2019.

56 b: We are not aware of a special funding arrangement.

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56.c: The discount rate was decreased from 5.50% to 5.25%. The medical trend rate was decreased from 5.00% to 4.00%. The implicit subsidy assumption was eliminated.

56.d: There were no changes in benefit terms since the prior measurement date.

56.e: Not applicable

56.f: To be determined by the employer

56.g: To be determined by the employer

56.h: Other than contributions after the measurement, all deferred inflow and outflow balances are shown in Appendix F

56.i: Future recognition of deferred inflows and outflows is shown in Appendix F

### **Paragraph 57:**

#### **Required Supplementary Information**

57.a: Please see reconciliation on page 10. Please see the notes for Paragraph 244 below for more information.

57.b: These items are provided on page 10 for the current valuation, except for covered payroll, which should be determined based on appropriate methods.

57.c: We have not been asked to calculate an actuarially determined contribution amount. We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 27 years.

57.d: We are not aware that there are any statutorily or contractually established contribution requirements.

### **Paragraph 58:**

#### **Actuarially Determined Contributions**

We have not been asked to calculate an actuarially determined contribution amount. We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 27 years.

### **Paragraph 244:**

#### **Transition Option**

Prior periods were not restated due to the fact that prior valuations were not rerun in accordance with GASB 75. It was determined that the time and expense necessary to rerun prior valuations and to restate prior financial statements was not justified.



**APPENDIX F: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

**EXPERIENCE GAINS AND LOSSES**

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Experience Gains and Losses (Measurement Periods)											
Measurement Period	Experience Gain/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2018	Amounts to be Recognized in OPEB Expense after 2019							
					2019	2020	2021	2022	2023	2024	Thereafter
2018-19	\$191,004	7.7	\$0	\$166,198	\$24,806	\$24,806	\$24,806	\$24,806	\$24,806	\$24,806	\$42,168
Net Increase (Decrease) in OPEB Expense			\$0	\$166,198	\$24,806	\$24,806	\$24,806	\$24,806	\$24,806	\$24,806	\$42,168

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Agenda Item No. 8c Attachment 1  
191107

## CHANGES OF ASSUMPTIONS

### Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Changes of Assumptions (Measurement Periods)

Measurement Period	Changes of Assumptions	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2018	Amounts to be Recognized in OPEB Expense after 2019	2019	2020	2021	2022	2023	2024	Thereafter
2018-19	(\$754,357)	7.7	\$0	(\$656,388)	(\$97,969)	(\$97,969)	(\$97,969)	(\$97,969)	(\$97,969)	(\$97,969)	(\$166,543)
Net Increase (Decrease) in OPEB Expense			\$0	(\$656,388)	(\$97,969)	(\$97,969)	(\$97,969)	(\$97,969)	(\$97,969)	(\$97,969)	(\$166,543)

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Agenda Item No. 8c - Attachment 1  
191107

## INVESTMENT GAINS AND LOSSES

### Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Investment Gains and Losses (Measurement Periods)

Measurement Period	Investment Gain/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2018	Amounts to be Recognized in OPEB Expense after 2019	2019	2020	2021	2022	2023	2024	Thereafter
2017-18	\$188,254	5	\$37,651	\$112,952	\$37,651	\$37,651	\$37,651	\$37,650			
2018-19	(\$53,603)	5	\$0	(\$42,882)	(\$10,721)	(\$10,721)	(\$10,721)	(\$10,721)	(\$10,719)		
Net Increase (Decrease) in OPEB Expense			\$37,651	\$70,070	\$26,930	\$26,930	\$26,930	\$26,929	(\$10,719)	\$0	\$0

### **APPENDIX G: GLOSSARY OF RETIREE HEALTH VALUATION TERMS**

Note: The following definitions are intended to help a *non*-actuary understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

<u>Actuarial Cost Method:</u>	A mathematical model for allocating OPEB costs by year of service. The only actuarial cost method allowed under GASB 74/75 is the entry age actuarial cost method.
<u>Actuarial Present Value of Projected Benefit Payments:</u>	The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation or measurement date.
<u>Deferred Inflows/Outflows of Resources:</u>	A portion of certain items that can be deferred to future periods or that weren't reflected in the valuation. The former includes investment gains/losses, actuarial gains/losses, and gains/losses due to changes in actuarial assumptions or methods. The latter includes contributions made to a trust subsequent to the measurement date but before the statement date.
<u>Discount Rate:</u>	Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower service costs and total OPEB liability.
<u>Fiduciary Net Position:</u>	Net assets (liability) of a qualifying OPEB "plan" (i.e. qualifying irrevocable trust or equivalent arrangement).
<u>Implicit Rate Subsidy:</u>	The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees and the employer is expected, in the long run, to pay the underlying cost of retiree benefits.
<u>Measurement Date:</u>	The date at which assets and liabilities are determined in order to estimate TOL and NOL.
<u>Mortality Rate:</u>	Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied.
<u>Net OPEB Liability (NOL):</u>	The Total OPEB Liability minus the Fiduciary Net Position.
<u>OPEB Benefits:</u>	Other Post Employment Benefits. Generally, medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits.
<u>OPEB Expense:</u>	This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Service Cost plus interest on the Total OPEB Liability (TOL) plus change in TOL due to plan changes minus projected investment income; all adjusted to reflect deferred inflows and outflows of resources.
<u>Participation Rate:</u>	The proportion of retirees who elect to receive retiree benefits. A lower

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participation rate results in lower service cost and a TOL. The participation rate often is related to retiree contributions.

<u>Retirement Rate:</u>	The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with the service requirement to reflect both age and length of service). The more likely employees are to retire early, the higher service costs and actuarial accrued liability will be.
<u>Service Cost:</u>	The annual dollar value of the “earned” portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.
<u>Service Requirement:</u>	The proportion of retiree benefits payable under the OPEB plan, based on length of service and, sometimes, age. A shorter service requirement increases service costs and TOL.
<u>Total OPEB Liability (TOL):</u>	The amount of the actuarial present value of projected benefit payments attributable to participants’ past service based on the actuarial cost method used.
<u>Trend Rate:</u>	The rate at which the employer’s share of the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher service costs and TOL.
<u>Turnover Rate:</u>	The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce service costs and TOL.
<u>Valuation Date:</u>	The date as of which the OPEB obligation is determined by means of an actuarial valuation. Under GASB 74 and 75, the valuation date does not have to coincide with the statement date, but can’t be more than 30 months prior.



## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537

Tel: 760-872-8211 Fax: 760-872-6109

### BOARD REPORT

**Mtg. Date:** November 7, 2019

**To:** District Governing Board

**From:** Susan Cash, Administrative Projects Manager

**Subject:** Fiscal Year 2018-2019 Independent Audit

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**Summary:**

The accounting firm of Messner & Hadley has completed their independent audit of the Great Basin Unified Air Pollution Control District for the fiscal year 2018-2019. The District is in a solid financial position, and no findings were noted.

**Fiscal Impact:**

None.

**Board Action:**

None. Information only.

**Attachment:**

1. Fiscal year 2018-2019 Independent Audit by Messner & Hadley

**Great Basin Unified  
Air Pollution Control District**

**Report on Audit**

**June 30, 2019**

# Great Basin Unified Air Pollution Control District

June 30, 2019

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Great Basin Unified Air Pollution Control District  
Bishop, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Great Basin Unified Air Pollution Control District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Great Basin Unified Air Pollution Control District, as of June 30, 2019, 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 as well as accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information on pages 33 through 38, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 39, the Schedule of District Pension Contributions on page 40, and the Schedule of Changes in the District's Net OPEB Liability and Related Ratios on page 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 15, 2019, 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 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.

*Messner & Hadley, LLP.*

Messner & Hadley, LLP  
Certified Public Accountants

Victorville, California  
October 15, 2019

# Great Basin Unified Air Pollution Control District

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

As management of the District, we offer readers of our financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019.

### FINANCIAL HIGHLIGHTS

- On a government-wide basis, the assets of the District exceeded its liabilities at the close of the year by \$12,771,670. Of this amount, the District's ongoing obligations are for accounts payable to vendors, wage accruals to staff, and the District's net pension liability.
- On a fund basis, the District governmental funds reported combined ending fund balances of \$11,097,390, an increase of \$4,091,204 in comparison with the prior year.
- At the end of the current year, unreserved fund balance for the general fund was \$3,662,000 or 506% of total general fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event takes place, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in the statement for certain items that will only result in cash flows in future fiscal periods.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike government-wide financial statements, fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available at the end of the fiscal year*.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate the comparison between governmental funds and government-wide statements. The District adopts an annual appropriated budget for its funds. Budgetary comparison statements have been provided for each fund to demonstrate compliance with the budget.

# Great Basin Unified Air Pollution Control District

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

### Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Basic Financial Statements can be found on pages 14 to 32 of this report.

### Required Supplementary Information

In addition to the Basic Financial Statements and accompanying notes, this report also presents required supplementary information concerning budgetary comparison schedules, pension liability, pension contributions, and postemployment liability. The Notes to these schedules can be found on page 42 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position and the changes in net position of the District's governmental activities.

### Net Position

The following schedule is a condensed Statement of Net Position, as of the year ended June 30, 2019, as compared to the prior year.

	<b>Governmental Activities</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>Assets</b>			
Current and other assets	\$ 18,191,420	\$ 13,462,312	\$ 4,729,108
Capital assets	1,630,777	1,045,261	585,516
Postemployment benefits asset	2,574,144	2,031,105	543,039
Other non current assets	44,993	64,993	(20,000)
Total assets	22,441,334	16,603,671	5,837,663
<b>Deferred outflows of resources</b>	2,319,927	2,139,411	180,516
<b>Liabilities</b>			
Current and other liabilities	7,168,659	6,575,821	592,838
Long-term liabilities	2,663,642	4,319,975	(1,656,333)
Total liabilities	9,832,301	10,895,796	(1,063,495)
<b>Deferred inflows of resources</b>	2,157,290	271,971	1,885,319
<b>Net position</b>			
Invested in capital assets, net of related debt	1,630,777	1,045,261	585,516
Restricted	7,480,383	5,721,311	1,759,072
Unrestricted	3,660,510	808,743	2,851,767
<b>TOTAL NET POSITION</b>	<u>\$ 12,771,670</u>	<u>\$ 7,575,315</u>	<u>\$ 5,196,355</u>

# Great Basin Unified Air Pollution Control District

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

Net assets invested in capital assets, net of related debt, reflect the District's investment in capital assets (i.e., structures and improvements, and equipment) and represent 12% of total net assets. The District uses the capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Restricted net assets reflect resources that are subject to external restrictions on how they may be used, and represent 59% of total net assets. Unrestricted net assets represent 29% of total net assets and may be used to meet the District's ongoing obligations to staff members and creditors.

Net position may serve over time as a useful indicator of a government's financial position. On a government-wide basis, the District's assets exceed liabilities by \$12.8 million at the close of this fiscal year. The most significant portion of the District's net position is its cash and investments balance (\$18.0 million). The majority of cash and investments are maintained in the Inyo County's cash and investment pool where interest earned on the District's balance is apportioned to the District.

### Governmental Activities

The objective of the Statement of Activities is to report the full cost of providing government services for the year. The format also permits the reader to ascertain the extent to which each function is either self-financing or draws from the general revenues of the District.

The Statement of Activities presents information showing how the District's net assets changed during the year. All changes in net assets are reported as soon as the underlying event occurs regardless of the timing of the cash flows.

	<b>Governmental Activities</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>Program revenues</b>	10,150,732	5,622,010	4,528,722
<b>General revenues</b>	235,104	144,092	91,012
Total revenues	10,385,836	5,766,102	4,619,734
<b>Expenses</b>	5,189,481	8,232,454	(3,042,973)
CHANGE IN NET POSITION	5,196,355	(2,466,352)	7,662,707
<b>Net position</b>			
Net Position - Beginning, as originally reported	7,575,315	11,881,277	(4,305,962)
Restatement-change in accounting principle	-	(1,839,610)	1,839,610
Net Position - Beginning, as restated	7,575,315	10,041,667	(2,466,352)
End of year	<u>\$ 12,771,670</u>	<u>\$ 7,575,315</u>	<u>\$ 5,196,355</u>

The District's net position increased overall by \$5,196,355 during the 2018-2019 fiscal year. This increase is primarily a result of increased revenue in the general fund and the clean air projects fund.

# Great Basin Unified Air Pollution Control District

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

For the year ended June 30, 2019, the District's funds reported ending fund balance of \$11,097,390, an increase of \$4,091,204 from the prior year. This increase represents the amount of revenue in excess of expenditures for the year ended June 30, 2019. The table below depicts revenues and expenditures by source for all governmental funds:

	Governmental Funds		
	2019	2018	Change
<b>Revenues</b>			
Charges for services	\$ 10,236,941	\$ 5,482,455	\$ 4,754,486
Operating grants and contributions	138,791	139,555	(764)
Other	25,869	21,434	4,435
Interest	209,778	122,657	87,121
Total revenues	10,611,379	5,766,101	4,845,278
<b>Expenditures</b>			
Salaries and employee benefits	3,442,597	3,474,460	(31,863)
Services and supplies	3,077,578	3,115,347	(37,769)
Total expenditures	6,520,175	6,589,807	(69,632)
 NET CHANGE IN FUND BALANCE	 4,091,204	 (823,706)	 4,914,910
<b>Fund balances</b>			
Beginning of year	7,006,186	7,829,892	(823,706)
 End of year	 \$ 11,097,390	 \$ 7,006,186	 \$ 4,091,204

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

The District's investment in capital assets for its governmental activities, as of June 30, 2019, amounts to \$1,630,777 (net of accumulated depreciation). This investment in capital assets includes buildings, improvements and equipment.

#### Debt Administration

The District's long-term debt obligations consist of compensated absences payable, and the District's net pension liability.

# **Great Basin Unified Air Pollution Control District**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2019

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The fiscal year 2019-2020 budget reflects an increase in expenditures, due primarily to a large construction project expense, increased employee costs, and capital outlay. Revenue for fiscal year 2019-2020 will also be increased over fiscal year 2018-2019 and will meet all planned and unanticipated expenses.

Staff at the Great Basin Unified Pollution Control District are committed to the continuance of no deficit spending and securing adequate reserves.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's financial position for all interested parties. Questions concerning any information in this report or requests for additional financial information should be addressed to the Great Basin Unified Air Pollution Control District, 157 Short Street, Bishop, California 93514-3537.

**BASIC FINANCIAL STATEMENTS –  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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# Great Basin Unified Air Pollution Control District

## STATEMENT OF NET POSITION

June 30, 2019

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### Assets

Cash and cash equivalents	\$ 3,607,881
Restricted cash	14,408,186
Accounts Receivable	67,743
Interest receivable	68,570
Prepaid expenses	39,040
Other postemployment benefits	2,574,144
Notes receivable	44,993
Capital assets, net of depreciation	<u>1,630,777</u>
<b>TOTAL ASSETS</b>	<b><u>22,441,334</u></b>

### Deferred Outflows

Deferred outflows related to pension	2,319,927
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### Liabilities

Accounts payable	538,330
Unearned revenue	6,555,700
Noncurrent liabilities:	
Due within one year	74,629
Due in more than one year	170,094
Net pension liability	<u>2,493,548</u>
<b>TOTAL LIABILITIES</b>	<b>9,832,301</b>

### Deferred Inflows

Deferred inflows related to postemployment benefits	420,120
Deferred inflows related to pension	<u>1,737,170</u>
<b>TOTAL DEFERRED INFLOWS</b>	<b>2,157,290</b>

### Net Position

Invested in capital assets, net of depreciation	1,630,777
Restricted for Special Projects/Programs	7,480,383
Unrestricted	<u>3,660,510</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 12,771,670</u></b>

See the accompanying notes and auditors' report

# Great Basin Unified Air Pollution Control District

## STATEMENT OF ACTIVITIES

June 30, 2019

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>
Functions/Programs				
Governmental activities:				
Public protection	\$ 5,189,481	10,011,941	138,791	<u>\$ 4,961,251</u>
General revenues				
Investment earnings				209,235
Miscellaneous				<u>25,869</u>
Total general revenues				<u>235,104</u>
Change in net position				5,196,355
Net position - beginning				<u>7,575,315</u>
Net position - ending				<u><u>\$ 12,771,670</u></u>

See the accompanying notes and auditors' report

**BASIC FINANCIAL STATEMENTS –**  
**FUND FINANCIAL STATEMENTS**

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# Great Basin Unified Air Pollution Control District

## GOVERNMENTAL FUNDS – BALANCE SHEET

June 30, 2019

	General Fund	SB 270	Owens Lake Trust Fund	Clean Air Project Fund	Keeler Dunes Fund	Woodsmoke Fund	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 3,607,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,607,881
Restricted cash	-	9,922,549	1,084,551	2,575,335	826,265	(514)	14,408,186
Accounts receivable	62,104	5,125	-	-	-	514	67,743
Interest receivable	18,679	26,498	5,577	13,251	4,565	-	68,570
Prepaid expenses	39,040	-	-	-	-	-	39,040
<b>TOTAL ASSETS</b>	<u>\$ 3,727,704</u>	<u>\$ 9,954,172</u>	<u>\$ 1,090,128</u>	<u>\$ 2,588,586</u>	<u>\$ 830,830</u>	<u>\$ -</u>	<u>\$ 18,191,420</u>
<b>Liabilities</b>							
Accounts payable	\$ 65,704	\$ 441,115	\$ -	\$ -	\$ 31,511	\$ -	\$ 538,330
Unearned revenue	-	6,555,700	-	-	-	-	6,555,700
<b>Total liabilities</b>	65,704	6,996,815	-	-	31,511	-	7,094,030
<b>Fund Balances</b>							
Restricted	-	2,957,357	1,090,128	2,588,586	799,319	-	7,435,390
Unassigned	3,662,000	-	-	-	-	-	3,662,000
<b>Total fund balances</b>	<u>3,662,000</u>	<u>2,957,357</u>	<u>1,090,128</u>	<u>2,588,586</u>	<u>799,319</u>	<u>-</u>	<u>11,097,390</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,727,704</u>	<u>\$ 9,954,172</u>	<u>\$ 1,090,128</u>	<u>\$ 2,588,586</u>	<u>\$ 830,830</u>	<u>\$ -</u>	<u>\$ 18,191,420</u>

See the accompanying notes and auditors' report

# Great Basin Unified Air Pollution Control District

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2019

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Fund balance - governmental funds \$ 11,097,390

Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Capital assets used in governmental activities are not financial resources and,  
therefore, are not reported as assets in governmental funds.

Cost of capital assets	\$ 3,593,968	
Accumulated depreciation	<u>(1,963,191)</u>	1,630,777

The postemployment benefits assets resulting from contributions in excess of the  
annual required contribution are not financial resources and, therefore, are not  
reported in the funds. 2,574,144

Long term notes receivable are not available at year end to finance expenditures  
of the period, and are deferred in the governmental funds 44,993

Deferred outflows and inflows of resources relating to pensions and  
postemployment benefits: In governmental funds, deferred outflows and inflows of  
resources relating to pensions and postemployment benefits are not reported  
because they are applicable to future periods. In the statement of net position,  
deferred outflows and inflows of resources relating to pensions and  
postemployment benefits are reported.

Deferred outflows of resources relating to pensions	2,319,927	
Deferred inflows of resources relating to pensions	(1,737,170)	
Deferred inflows of resources relating to postemployment benefits	<u>(420,120)</u>	162,637

Long-term liabilities are not due and payable in the current  
period and, therefore, are not reported as liabilities in the governmental  
funds. Long-term liabilities at year end consist of:

Compensated absences	(244,723)	
Net pension liability	<u>(2,493,548)</u>	(2,738,271)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 12,771,670

See the accompanying notes and auditors' report

# Great Basin Unified Air Pollution Control District

## GOVERNMENTAL FUNDS

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

June 30, 2019

	General Fund	SB 270	Owens Lake	Clean Air Project Fund	Keeler Dunes Fund	Woodsmoke Fund	Total
<b>Revenues</b>							
Charges for services	\$ 2,064,270	\$ 5,378,581	\$ -	\$ 2,569,090	\$ -	\$ 225,000	\$ 10,236,941
Operating grants and contributions	138,791	-	-	-	-	-	138,791
Other	-	25,869	-	-	-	-	25,869
Interest	47,257	104,177	17,921	22,721	17,156	546	209,778
Total revenues	2,250,318	5,508,627	17,921	2,591,811	17,156	225,546	10,611,379
<b>Expenditures</b>							
Salaries and employee benefits	530,655	2,844,604	-	-	67,338	-	3,442,597
Services and supplies	192,725	2,306,193	-	-	353,114	225,546	3,077,578
Total expenditures	723,380	5,150,797	-	-	420,452	225,546	6,520,175
Excess (deficiency of revenues over (under) expenditures	1,526,938	357,830	17,921	2,591,811	(403,296)	-	4,091,204
<b>Other financing sources (uses)</b>							
Interfund transfers in (out)	785,194	-	-	(785,194)	-	-	-
NET CHANGES IN FUND BALANCES	2,312,132	357,830	17,921	1,806,617	(403,296)	-	4,091,204
<b>Fund balances</b>							
Beginning	1,349,868	2,599,527	1,072,207	781,969	1,202,615	-	7,006,186
Ending	\$ 3,662,000	\$ 2,957,357	\$ 1,090,128	\$ 2,588,586	\$ 799,319	\$ -	\$ 11,097,390

See the accompanying notes and auditors' report

## Great Basin Unified Air Pollution Control District

### Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

June 30, 2019

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Total net changes in fund balances - governmental funds \$ 4,091,204

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Expenditures for capital assets	820,369	
Less: current year depreciation	<u>(234,853)</u>	585,516

The repayment of long-term notes receivable is recorded as a revenue in the governmental funds, but not on the Statement of Activities (20,000)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in postemployment benefits asset	(27,685)	
Change in compensated absences	<u>(22,948)</u>	(50,633)

In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. The difference between the accrual-basis pension costs and actual employer contributions was:

590,268

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 5,196,355

See the accompanying notes and auditors' report

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

#### **Description of Reporting Entity**

Great Basin Unified Air Pollution Control District (the “District”) was formed in 1974 pursuant to Health and Safety Code Sections 40150 and 40151. All incorporated and unincorporated areas in Inyo, Mono, and Alpine Counties are under the District’s air quality management jurisdiction. The Board includes seven members: two members from each of the County’s Board of Supervisors and one City Council member from the town of Mammoth Lakes. The District is authorized and required by state law to regulate the emission of air contaminants into the ambient air from stationary sources as necessary to obtain the state and federal air pollution standards within the tri-county area. Standards for motor vehicle emissions are set and enforced by the California Air Resources Board and apply uniformly statewide.

The District includes all activities (operations of its administrative staff and District officers) considered to be a part of the District. The District reviewed the criteria developed by the Governmental Accounting Standards Board (GASB) relating to the financial reporting entity to determine whether the District is financially accountable for other entities. The District has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the financial statements. In addition, the District is not aware of any entity that would be financially accountable for the District that would result in the District being considered a component unit of that entity.

#### **Measurement Focus and Basis of Presentation**

**Government-Wide Financial Statements** – The Statement of Net Position and Statement of Activities display information about the primary government (the District). These statements include the non-fiduciary financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and information sales. The Statement of Activities demonstrates the degree to which the program expenses of a given function or identifiable activity is offset by program revenues. Program expenses are those that are clearly identifiable with a specific function or identifiable activity, and allocated indirect expenses. Program revenues include fees, fines and charges paid by the recipient of goods, services, or privileges provided by the program, and 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 and investment earnings, are presented as general revenues.

When both restricted and unrestricted net assets are available, it is the District’s policy that unrestricted resources are used only after restricted resources are depleted.



# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

**Fund Financial Statements** – The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The District had five governmental funds and no enterprise fund for the year ended June 30, 2019.

The District reported the following major funds:

- 1. General Fund** – The general fund or District budget comes from the state, the federal government, fees that industry pays for permits to operate equipment that causes air pollution, fines on industries that violate rules, and county and town contributions at \$.055 per capita. The \$.055 per capital contributions have been waived in recent years, and the fees and fines cover the control of most traditional sources of air pollution.
- 2. Special Revenue Fund SB270** – The Special Revenue Fund SB270 budget comes directly from the City of Los Angeles Department of Water and Power (LADWP). It covers all activities connected with air pollution caused by the water-gathering activities of the LADWP. A special section of the California Health and Safety Code (see 42316) allows the District to require the LADWP to mitigate the air pollution they cause and pay the District's costs, including employee costs, to monitor that pollution, determine what needs to be done to solve the problems and oversee the implementation of the solutions.
- 3. Owens Lake Trust Fund** – The District was involved in a civil suit with the City of Los Angeles (the "City") that determined if Health and Safety Code Section 42316 imposed a mandatory, ministerial duty on the City to pay disputed SB270 fees (for the 1997/1998 fiscal year) prior to resolution of the City's administrative appeals before the California Air Resources Board (CARB). A judgment by the 5<sup>th</sup> Appellate Court of Appeals ruled in favor of the District in 1998. In a subsequent Memorandum of Agreement between the City and District dated July 27, 1999, the City agreed to dismiss its appeal to CARB and to waive its claims concerning the District's use of the 1997/1998 budget and fees (hence, the Owens Lake Trust Fund). This fund earns interest until expended for similar purchases. Expenditures for projects are approved by the Board.
- 4. Clean Air Project Fund** – This fund consists of monies collected from the Los Angeles Department of Water and Power on a Stipulated Order of Abatement for the completion of additional dust control measures at Owens Lake. The fund is to offset excess air pollution caused by the delay of dust controls on the lake bed by funding local projects that control air pollution that otherwise would not be controlled.
- 5. Keeler Dunes Fund** – This fund consists of monies collected from the Los Angeles Department of Water and Power on a Stipulated Order of Abatement for the completion of dust control measures to control dust emissions from an area north of the community known as the Keeler Dunes. The fund is used to offset excess air pollution caused by the delay of dust controls on the Owens Lake bed by funding local projects that control air pollution that otherwise would not be controlled.
- 6. Woodsmoke Fund** – This fund consists of grant monies from California Air Resources Board through the California Climate Investments program. This fund is for vouchers for residents of the District to replace non-EPA-Certified woodstoves with certified units.

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to timing of the measurements made, regardless of the measurement focus applied.

**Government-Wide Financial Statements** – The government-wide financial statements are reported using the economic resources measurement focus and 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. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, includes grants, entitlements and donations. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

**Fund Financial Statements** – The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenue susceptible to accrual includes taxes, interests, and intergovernmental revenue if their receipt occurs within sixty days after the end of the accounting period so as to be measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

#### **Cash and Investments**

The District maintains nearly all of its cash in the Inyo County Treasury. The County pools these funds with those of other entities in the County and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The Treasurer’s investments and policies are overseen by the Inyo County Treasury Oversight Committee. Additional information regarding the categorization of investments can be found in the County of Inyo’s financial statements.

#### **Capital Assets**

Capital assets are stated on the basis of historical cost, or if historical cost is not determinable, at estimated historical costs. Capital acquisitions are reflected as expenditures in the governmental fund types with the related asset reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$1,000. Capital assets used in operations are depreciated or amortized (assets under capital leases) under the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide financial statements. A full year of depreciation is taken in the year of acquisition. No depreciation is taken in the year of disposal. Estimated useful lives are as follows:

Structures and improvements	10-15 years
Equipment	3-10 years
Vehicles	8-10 years

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Deferred Outflows and Inflows of Resources**

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will be recognized as revenue in future periods.

#### **Fund Balance Reserves and Designation**

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”, the District is required to report fund balances in the following categories: Non-spendable, Restricted, Committed, Assigned and/or Unassigned.

***Non-spendable*** — Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

***Restricted*** — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

***Committed*** — Amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the governing board.

***Assigned*** — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The governing board or Air Pollution Control Officer may assign amounts for specific purposes.

***Unassigned*** — All other spendable amounts. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

#### **Other Postemployment Benefits**

For purposes of measuring the net postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District’s plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan, (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Insurance and Risk of Loss

The District is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

The District participates in a public entity risk pool. The pool is sponsored by Special District Risk Management Agency (SDRMA). The District has coverage under the policy with SDRMA for property in the amount of \$10 million and general liability, automobile liability, and errors and omissions in the amount of \$10 million. Insurance coverage for workers compensation is under a policy with SDRMA. Employee benefits are covered under various commercial insurance policies.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported net income during the reporting period. Actual results could differ from those estimates.

### NOTE 2 – CASH AND INVESTMENTS

#### Cash in County Treasury

The District maintains nearly of its cash and investments with the Treasurer of the County of Inyo in a cash and investment pool. On a quarterly basis the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding the categorization of investments can be found in the County of Inyo's audited financial report. The Inyo County Treasury Oversight Committee oversees the Treasurer's compliance with the County investment policy. Management has determined that the fair value of pooled cash and investments held by the fund is not materially different from the cost (carrying value) of cash and investments and, accordingly, no adjustment is necessary. The County of Inyo's audited financial report may be obtained by contacting the County of Inyo's Auditor-Controller's office at 168 North Edwards St., Independence, California.

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 2 – CASH AND INVESTMENTS (continued)

The total amounts held by the District, as of June 30, 2019, consisted of the following:

Cash in County Treasury	\$ 17,940,457
Cash on hand and in banks	<u>75,610</u>
Total cash and investments	<u>\$ 18,016,067</u>

California Government Code authorizes the Treasurer of the County to invest excess funds in the following list of eligible securities:

- a) Obligation of the County or any local agency and instrumentality in or of the State of California.
- b) Obligations of the U.S. Treasury, agencies and instrumentalities.
- c) Bankers' acceptances eligible for purchase by the Federal Reserve System.
- d) Commercial paper with an A-1 rating by Moody's Investors Service or a P-1 rating by Standard & Poor's Corporation.
- e) Repurchase or reverse repurchase agreements.
- f) Medium-term notes with a five-year maximum maturity of corporations operating with the United States and rated in the top three rating categories by Moody's Investors Service and Standard & Poor's Corporation.
- g) Shares of beneficial interest issued by diversified management companies (money market funds) investing in securities and obligations as outlined in a) through f) above. Certain security rankings and/or organizational requirements apply to this type of investment.

Cash and investments are classified in the financial statements as follows:

Cash and investments	\$ 3,607,881
Restricted	<u>14,408,186</u>
Total cash and investments	<u>\$ 18,016,067</u>

### **Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

### **Credit Risk**

State law limits investments in commercial paper, corporate bonds, and mutual bonds in the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices.

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

### NOTE 2 – CASH AND INVESTMENTS (continued)

#### Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. The District has one outside bank account at Union Bank. At June 30, 2019 the reported amount of the District's deposits was as follows and is reported as cash on hand.

Direct deposits at Union Bank	\$ 75,610
Federally Insured deposits	<u>(75,610)</u>
Uninsured deposits	<u>\$ -</u>

### NOTE 3 – CAPITAL ASSETS

Capital asset activity, for the year ended June 30, 2019, is as follows:

#### GOVERNMENTAL ACTIVITIES

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019
<b>Capital assets, being depreciated:</b>				
Structure and improvements	\$ 445,779	\$ 507,097	\$ (46,465)	\$ 906,411
Equipment	5,166,719	209,592	(3,222,024)	2,154,287
Vehicles	<u>506,046</u>	<u>75,815</u>	<u>(48,591)</u>	<u>533,270</u>
Total capital assets being depreciated	6,118,544	792,504	(3,317,080)	3,593,968
<b>Less accumulated depreciation for:</b>				
Structure and improvements	(275,448)	(30,547)	60,478	(245,517)
Equipment	(4,425,462)	(176,326)	3,215,476	(1,386,312)
Vehicles	<u>(372,373)</u>	<u>(27,980)</u>	<u>68,991</u>	<u>(331,362)</u>
Total accumulated depreciation	<u>(5,073,283)</u>	<u>(234,853)</u>	<u>3,344,945</u>	<u>(1,963,191)</u>
Capital assets, being depreciated, net	<u>\$ 1,045,261</u>	<u>\$ 557,651</u>	<u>\$ 27,865</u>	<u>\$ 1,630,777</u>

Depreciation expense of \$234,853 was charged to public protection for the year ended June 30, 2019.

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 4 – NOTE RECEIVABLE

In 2014, the District made an advance payment to Jimmy Myers for straw bales to be used as part of the Keeler Dunes project. The District received approximately 8,400 bales in November and December, 2014, after which Mr. Myers was unable to deliver any additional bales due to problems in arranging trucking. This was exacerbated by wet conditions that caused the bales to deteriorate such that they were in an unacceptable condition. Thus Mr. Myers was unable to provide the bales as provided for in the contract. Subsequently, on June 30, 2016, Mr. Myers signed a promissory note to repay the District \$94,993, at 0% interest, maturing September 15, 2020. Payments are due as follows:

Year Ended June 30	
2020	20,000
2021	24,993
	<u>\$ 44,993</u>

### NOTE 5 – COMPENSATED ABSENCES

When employment with the District is terminated, an employee will receive compensation for up to 480 hours of unused annual leave hours. The following is a summary of earned compensated absences for the District for the year ended June 30, 2019.

Balance, June 30, 2018	\$ 221,775
Additions	<u>22,948</u>
Balance, June 30, 2019	<u>\$ 244,723</u>
Due Within One Year	<u>\$ 74,629</u>

### NOTE 6 – PENSION PLANS

#### Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at [www.calpers.ca.gov](http://www.calpers.ca.gov).

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 6 – PENSION PLANS (Continued)

The Plan consists of a miscellaneous pool and a safety pool (referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the Great Basin Unified Air Pollution Control District. Great Basin Unified Air Pollution Control District's employer rate plans in the miscellaneous risk pool include the Miscellaneous plan (Miscellaneous) and the PEPRA Miscellaneous plan (PEPRA Misc.). The Great Basin Unified Air Pollution Control District does not have any rate plans in the safety risk pool.

#### **Benefits Provided**

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Plans’ provisions and benefits in effect at June 30, 2019, are summarized as follows:

The Plans’ provisions and benefits in effect at June 30, 2019 are summarized as follows:

	<b>Classic</b>	<b>PEPRA New Members</b>
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2 1/2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.0%-2.5%	1.0%-2.5%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	10.609%	6.842%

#### **Contributions**

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS’ annual actuarial valuation process. Each employer rate plan’s actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan’s allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The Great Basin Unified Air Pollution Control District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.



# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 6 – PENSION PLANS (continued)

The Great Basin Unified Air Pollution Control District's contributions to the risk pools in the Plan for the year ended June 30, 2019, were as follows:

	<u>Contributions</u>
Miscellaneous Risk Pool	\$307,771
Safety Risk Pool	-
Total contributions	<u>\$307,771</u>

### Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, Great Basin Unified Air Pollution Control District reported net pension liabilities for its proportionate shares of the net pension liability of each risk pool as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous Risk Pool	\$2,493,548
Safety Risk Pool	-
Total net pension liability	<u>\$2,493,548</u>

\* The proportionate share of the total NPL to each of the enterprise and internal service funds is not being allocated because it is deemed to have an immaterial effect on the financial statements.

The Great Basin Unified Air Pollution Control District's net pension liability for each risk pool is measured as the proportionate share of each risk pool's net pension liability. GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

The Great Basin Unified Air Pollution Control District's proportionate share of the net pension liability as of June 30, 2017, the valuation date, was calculated as follows:

In determining an employer's proportionate share, the employer rate plans included in the Plan were assigned to either the Miscellaneous or Safety risk pool. Estimates of the total pension liability and the fiduciary net position were first determined for the individual rate plans and each risk pool as of the valuation date, June 30, 2017. Each employer rate plan's fiduciary net position was subtracted from its total pension liability to obtain its net pension liability as of the valuation date.

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 6 – PENSION PLANS (continued)

The Great Basin Unified Air Pollution Control District's proportionate share percentage for each risk pool at the valuation date was calculated by dividing the Great Basin Unified Air Pollution Control District's net pension liability for each of its employer rate plans within each risk pool by the net pension liability of the respective risk pool as of the valuation date.

The Great Basin Unified Air Pollution Control District's proportionate share of the net pension liability as of June 30, 2018, the measurement date, was calculated as follows:

Each risk pool's total pension liability was computed at the measurement date, June 30, 2018, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at June 30, 2018, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.

The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2018, was calculated by applying Great Basin Unified Air Pollution Control District's proportionate share percentage as of the valuation date (described above) to the respective risk pool's total pension liability and fiduciary net position as of June 30, 2018, to obtain the total pension liability and fiduciary net position as of June 30, 2018. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

The Great Basin Unified Air Pollution Control District's proportionate share percentage of the net pension liability for each risk pool as of June 30, 2017, and June 30, 2018, was as follows:

	<b>Miscellaneous Risk Pool</b>
Proportion at measurement date – June 30, 2017	0.106998%
Proportion at measurement date – June 30, 2018	0.066164%
Change – increase (decrease)	<u>(0.040834)%</u>

For the year ended June 30, 2019, the Great Basin Unified Air Pollution Control District recognized pension expense of (\$282,494). At June 30, 2019, the Great Basin Unified Air Pollution Control District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 6 – PENSION PLANS (continued)

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$152,667	(\$49,206)
Changes of Assumptions	423,197	(111,173)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(424,887)
Adjustment due to Differences in Proportions	-	(1,151,904)
Differences between Actual and Required Contributions	1,436,292	-
Contributions after Measurement Date	307,771	-
<b>Total</b>	<b><u>\$2,319,927</u></b>	<b><u>(\$1,737,170)</u></b>

Amounts other than contributions subsequent to the measurement date reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b><u>Measurement Date June 30:</u></b>	<b><u>Deferred Outflows/(Inflows) of Resources</u></b>
2019	\$308,821
2020	162,854
2021	(157,063)
2022	(39,626)
2023	-
Thereafter	-
<b>Total</b>	<b><u>274,986</u></b>

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 6 – PENSION PLANS (continued)

#### Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Miscellaneous	
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Payroll Growth	2.75%
Projected Salary Increase <sup>(1)</sup>	Varies By Age & Length of Service
Investment Rate of Return <sup>(2)</sup>	7.00%
Mortality Rate Table <sup>(3)</sup>	Derived using CalPERS' Membership Data for all Funds

<sup>(1)</sup> Depending on age, service and type of employment

<sup>(2)</sup> Net of Pension Plan Investment and Administrative Expenses; includes Inflation

<sup>(3)</sup> The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2014.pdf>.

#### Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, *GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2018 based on June 30, 2017 Valuations*, that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points.

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 6 – PENSION PLANS (continued)

An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

In the December 2016 and April 2017 meetings, the Board voted to lower the funding discount rates used for the PERF. In making its decision, the Board reviewed recommendations from CalPERS team members, external pension and investment consultants, and input from employer and employee stakeholder groups. A lowered funding discount rate for the PERF will be phased in over a three-year period beginning July 1, 2018 for public agencies and school districts.

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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 11 years) and the long-term (60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the Plan. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New	Real Return	Real Return
	Strategic Allocation	Years 1-10 <sup>(a)</sup>	Years 11+ <sup>(b)</sup>
Global Equity	50.0%	4.8%	5.98%
Fixed Income	28.0	1.0	2.62
Inflation Assets	0.0	0.77	1.81
Private Equity	8.0	6.3	7.23
Real Assets	13.0	3.75	4.93
Liquidity	1.0	0.0	(0.92)

<sup>(a)</sup> An expected inflation of 2.0% used for this period.

<sup>(b)</sup> An expected inflation of 2.92% used for this period.

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 6 – PENSION PLANS (continued)

#### **Sensitivity of the Great Basin Unified Air Pollution Control District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Great Basin Unified Air Pollution Control District's proportionate share of the net pension liability of the each risk pool as of the measurement date, calculated using the discount rate, as well as what the Great Basin Unified Air Pollution Control District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<b>Discount Rate -1% (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>Discount Rate +1% (8.15%)</b>
Great Basin Unified Air Pollution Control District's proportionate share of the Miscellaneous Risk Pool's net pension liability	\$4,905,930	\$2,493,548	\$502,165

### NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

### NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATION

#### **Plan Description**

The District offers post-employment medical insurance to its eligible retirees. Integrated medical/prescription drug coverage is provided through CalPERS under the Public Employees Medical and Hospital Care Act (PEMHCA). Eligible retirees can choose from the PERSCare and PERSChoice PPOs.

The District pays the full cost for the retiree and/or dependent coverage under the above plans for eligible retirees.

The District offers the same medical plans to its retirees as to its active employees, with the general exception that once a retiree become eligible for Medicare (that is, reaches age 65), he or she must join a Medicare Supplement PPO, with Medicare becoming the primary payor. The District does not contribute to dental and vision insurance for retirees.

Employees become eligible to receive District-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service or upon disability before age 50. Benefits are paid for the lifetime of the retiree. Employees are eligible for full retirement benefits at age 55. Employees hired on or after January 1, 2013, and who are not defined as "classic employees" by CalPERS, are eligible for full retirement benefits at age 62.

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATION (continued)

#### Employees Covered

As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB plan:

Active employees	24
Inactive employees or beneficiaries currently receiving benefits	18
Inactive employees entitled to; but not yet receiving benefits	-
Total	<u>42</u>

#### Contributions

For the fiscal year ended June 30, 2019, the District's cash contributions were \$0. The District has created a trust with Public Agency Retirement Services (PARS) for the purpose of prefunding obligations for past services.

#### Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

#### **Actuarial Assumptions:**

Discount rate	5.25%
Healthcare trend rate	4.0%
Salary increases	3.0% per annum, in aggregate
Investment rate of return	5.25%
Pre-retirement mortality rate	RP-2014 Employee Mortality, without projection.
Post-retirement mortality rate	RP-2014 Healthy Annuitant Mortality, without projection.

#### Discount Rate

The discount rate used to measure the total OPEB liability was 5.25 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and retired employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

### NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATION (continued)

#### Changes in the OPEB Liability (Asset)

The changes in the net OPEB liability (asset) for the OPEB plan are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/ (Asset)
Balance, July 1, 2018	\$ 4,759,913	\$ 6,791,018	\$ (2,031,105)
Service cost	188,103		\$ 188,103
Interest (on the total OPEB liability)	260,923	-	\$ 260,923
Changes of benefit terms	-	-	-
Changes of assumptions	(754,357)		\$ (754,357)
Net investment income	-	421,269	\$ (421,269)
Differences between expected and actual experience	191,004	24,435	\$ 166,569
Contributions-employer	-	-	-
Benefit payments, including refunds of employee contributions	(219,807)	(219,807)	\$ -
Administrative expenses	(16,992)	(16,992)	16,992
Net changes	(334,134)	208,905	(543,039)
Balance, June 30, 2019	\$ 4,425,779	\$ 6,999,923	\$ (2,574,144)

#### 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 (4.25 percent) or 1 percentage point higher (6.25 percent) than the current discount rate:

	1% Decrease (4.25%)	Current Rate (5.25%)	1% Increase (6.25%)
Net OPEB Liability (asset)	\$ (2,008,230)	\$ (2,574,144)	\$ (3,041,529)



# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

### NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATION (continued)

#### Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Cost Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.00 percent) or 1 percentage points higher (5.00) than the current healthcare cost trend rates:

	(3.0%)	(4.0%)	(5.0%)
Net OPEB Liability (asset)	\$ (3,041,167)	\$ (2,574,144)	\$ (2,025,288)

#### Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the District's deferred outflows or resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 166,198
Changes in assumptions or other inputs	-	(656,388)
Differences between projected and actual return on investments	-	70,070
<b>Total</b>	<b>\$ -</b>	<b>\$ (420,120)</b>

Amounts reported as deferred outflows and deferred inflows or resources will be recognized in OPEB expense as follows:

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	\$ -	\$ (46,233)
2021	-	(46,233)
2022	-	(46,234)
2023	-	(83,882)
2024	-	(73,163)
2025	-	(124,375)
<b>Total</b>	<b>\$ -</b>	<b>\$ (420,120)</b>

# Great Basin Unified Air Pollution Control District

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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### NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATION (continued)

#### Net OPEB Expense

For the year ended June 30, 2019, the District's OPEB expense was \$52,119.

Net OPEB liability-beginning (a)	\$ (2,031,105)
Net OPEB liability-ending (b)	<u>(2,574,144)</u>
Change in Net OPEB liability [(b)-(a)]	(543,039)
Change in deferred outflows	150,603
Change in deferred inflows	420,120
Employer contributions	<u>24,435</u>
 OPEB expense	 <u><u>52,119</u></u>
 Service cost	 \$ 188,103
Interest cost	260,923
Expected return on assets	(367,666)
Changes of benefit terms	-
Recognition of deferred outflows and inflows	
Differences between expected and actual experience	24,806
Changes of assumptions	(97,969)
Differences between projected and actual investments	26,930
 Administrative expense	 <u>16,992</u>
 Net OPEB expense	 <u><u>\$ 52,119</u></u>

### NOTE 9 – ECONOMIC DEPENDENCY

The District is economically dependent on the City of Los Angeles, receiving from them approximately 52% of their operating revenues.

### NOTE 10 – SUBSEQUENT EVENTS

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2019 through October 15, 2019 the date the financial statements were issued. Management is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

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# Great Basin Unified Air Pollution Control District

## BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2019

### GENERAL FUND

	Budget		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final	GAAP Basis	
<b>Budgetary fund balance</b> , June 30, 2018	\$ 1,349,868	\$ 1,349,868	\$ 1,349,868	\$ -
<b>Resources (inflows):</b>				
Licenses and permits	476,500	476,500	1,019,744	543,244
Fines, forfeitures and penalties	12,000	12,000	1,018,926	1,006,926
Revenues from use of money	2,000	2,000	47,257	45,257
Aid from other government agencies	138,500	138,500	138,791	291
Charges for current services	32,250	32,250	25,600	(6,650)
Amounts available for appropriations	661,250	661,250	2,250,318	1,589,068
<b>Charges to appropriations (outflows):</b>				
Salaries and employee benefits	513,000	513,000	530,655	(17,655)
Services and supplies	115,900	115,900	192,725	(76,825)
Capital outlay	32,350	32,350	-	32,350
Total charges to appropriations	661,250	661,250	723,380	(62,130)
<b>Budgetary fund balance</b> , June 30, 2019	\$ 1,349,868	\$ 1,349,868	\$ 2,876,806	\$ 1,526,938

See the accompanying note to the required supplementary information

# Great Basin Unified Air Pollution Control District

## BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2019

### SPECIAL REVENUE FUND SB 270

	Budget		Actual Amount	Variance with
	Original	Final	GAAP Basis	Final Budget Positive (Negative)
<b>Budgetary fund balance</b> , June 30, 2018	\$ 2,599,527	\$ 2,599,527	\$ 2,599,527	\$ -
<b>Resources (inflows):</b>				
Licenses and permits	5,118,500	5,118,500	5,378,581	260,081
Interest	-	-	104,177	104,177
Other revenues	-	-	25,869	25,869
Amounts available for appropriations	5,118,500	5,118,500	5,508,627	390,127
<b>Charges to appropriations (outflows):</b>				
Salaries and employee benefits	2,764,500	2,764,500	2,844,604	(80,104)
Services and supplies	2,083,000	2,083,000	1,668,471	414,529
Capital outlay	271,000	271,000	637,722	(366,722)
Total charges to appropriations	5,118,500	5,118,500	5,150,797	(32,297)
<b>Budgetary fund balance</b> , June 30, 2019	<u>\$ 2,599,527</u>	<u>\$ 2,599,527</u>	<u>\$ 2,957,357</u>	<u>\$ 357,830</u>

See the accompanying note to the required supplementary information

## Great Basin Unified Air Pollution Control District

### BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2019

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#### OWENS LAKE TRUST FUND

	Budget		Actual Amount GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, June 30, 2018</b>	\$ 1,072,207	\$ 1,072,207	\$ 1,072,207	\$ -
<b>Resources (inflows):</b>				
Interest	-	-	17,921	17,921
Amounts available for appropriations	-	-	17,921	17,921
<b>Charges to appropriations (outflows):</b>				
Services and supplies	-	-	-	-
Total charges to appropriations	-	-	-	-
<b>Budgetary fund balance, June 30, 2019</b>	<u>\$ 1,072,207</u>	<u>\$ 1,072,207</u>	<u>\$ 1,090,128</u>	<u>\$ 17,921</u>

See the accompanying note to the required supplementary information

## Great Basin Unified Air Pollution Control District

### BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2019

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#### CLEAN AIR PROJECT (CAP) FUND

	Budget		Actual Amount GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, June 30, 2018</b>	\$ 781,969	\$ 781,969	\$ 781,969	\$ -
<b>Resources (inflows):</b>				
Licenses and permits	-	-	2,569,090	2,569,090
Interest	-	-	22,721	22,721
Amounts available for appropriations	-	-	2,591,811	2,591,811
<b>Budgetary fund balance, June 30, 2019</b>	<u>\$ 781,969</u>	<u>\$ 781,969</u>	<u>\$ 3,373,780</u>	<u>\$ 2,591,811</u>

See the accompanying note to the required supplementary information

# Great Basin Unified Air Pollution Control District

## BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2019

### KEELER DUNES FUND

	Budget		Actual Amount	Variance with
	Original	Final	GAAP Basis	Final Budget
				Positive
				(Negative)
<b>Budgetary fund balance, June 30, 2018</b>	\$ 1,202,615	\$ 1,202,615	\$ 1,202,615	\$ -
<b>Resources (inflows):</b>				
Licenses and permits	-	-	-	-
Interest	-	-	17,156	17,156
Other revenues	-	-	-	-
Amounts available for appropriations	-	-	17,156	17,156
<b>Charges to appropriations (outflows):</b>				
Salaries and employee benefits	67,664	67,664	67,338	326
Services and supplies	40,000	40,000	99,220	(59,220)
Capital outlay	26,500	26,500	253,894	(227,394)
Total charges to appropriations	134,164	134,164	420,452	(286,288)
<b>Budgetary fund balance, June 30, 2019</b>	<u>\$ 1,068,451</u>	<u>\$ 1,068,451</u>	<u>\$ 799,319</u>	<u>\$ (269,132)</u>

See the accompanying note to the required supplementary information



# Great Basin Unified Air Pollution Control District

## BUDGETARY COMPARISON SCHEDULE For the Year Ended June 30, 2019

### WOODSMOKE FUND

	Budget		Actual Amount	Variance with
	Original	Final	GAAP Basis	Final Budget Positive (Negative)
<b>Budgetary fund balance, June 30, 2018</b>	\$ -	\$ -	\$ -	\$ -
<b>Resources (inflows):</b>				
Licenses and permits	-	-	225,000	225,000
Interest	-	-	546	546
Other revenues	-	-		225,000
Amounts available for appropriations	-	-	225,546	225,546
<b>Charges to appropriations (outflows):</b>				
Services and supplies	-	-	225,546	(225,546)
Total charges to appropriations	-	-	225,546	(225,546)
<b>Budgetary fund balance, June 30, 2019</b>	\$ -	\$ -	\$ -	\$ -

See the accompanying note to the required supplementary information

## Great Basin Unified Air Pollution Control District

### SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY Public Employees Retirement System For the Five Years Ended June 30, 2019\*

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	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.02588%	0.10663%	0.10576%	0.10468%	0.04737%
District's proportionate share of the net pension liability (asset)	\$ 2,493,548	\$ 4,217,895	\$ 3,589,862	\$ 2,736,589	\$ 2,947,572
District's covered-employee payroll	\$ 1,953,006	\$ 1,890,591	\$ 1,845,606	\$ 1,828,298	\$ 1,699,636
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	127.68%	223.10%	194.51%	149.68%	173.42%
Plan fiduciary net position as a percentage of the total pension liability	86.02%	304.90%	324.16%	420.17%	368.16%

\*Measurement date 2014 was the 1st year of implementation, therefore only five years are shown

See the accompanying note to the required supplementary information

## Great Basin Unified Air Pollution Control District

### SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

For the Five Years Ended June 30, 2019\*

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#### SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last 5 Fiscal Years

	CalPERS Fiscal Year				
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 307,771	\$ 348,583	\$ 353,250	\$ 402,814	\$ 478,331
Contributions in relation to the contractually required contribution	<u>307,771</u>	<u>348,583</u>	<u>489,818</u>	<u>1,991,478</u>	<u>1,317,286</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (136,568)</u>	<u>\$ (1,588,664)</u>	<u>\$ (838,955)</u>
District's covered-employee payroll	\$ 2,159,711	\$ 1,890,591	\$ 1,845,606	\$ 1,828,298	\$ 1,699,636
Contributions as a percentage of covered-employee payroll	14.25%	18.44%	26.54%	108.93%	77.50%

\*Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown

See the accompanying note to the required supplementary information

## Great Basin Unified Air Pollution Control District

### SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS For the Two Years Ended June 30, 2019\*

	Plan Year Ended June 30, 2019	Plan Year Ended June 30, 2018
Total OPEB Liability		
Service cost	188,103	182,624
Interest (on the total OPEB liability)	260,923	244,433
Changes of assumptions	(754,357)	-
Differences between expected and actual experience	191,004	-
Benefit payments, including refunds of employee contributions	(219,807)	(219,807)
Administrative expenses		
Net change in Total OPEB Liability	(334,134)	207,250
Total OPEB Liability-beginning	4,759,913	4,552,663
Total OPEB Liability-ending	<u>\$ 4,425,779</u>	<u>\$ 4,759,913</u>
OPEB Plan's Fiduciary Net Position		
Contributions-employer	\$ -	\$ 93,948
Net investment income	445,704	196,841
Benefit payments, including refunds of employee contributions	(219,807)	(219,807)
Administrative expenses	(16,992)	(17,133)
Net change in OPEB Plan's Fiduciary Net Position	208,905	53,849
OPEB Plan's Fiduciary Net Position-Beginning	6,791,018	6,737,169
OPEB Plan's Fiduciary Net Position-Ending	<u>\$ 6,999,923</u>	<u>\$ 6,791,018</u>
Net OPEB Liability-Beginning	\$ (2,031,105)	\$ (2,184,706)
Change in Net OPEB Liability	(543,039)	153,601
Net OPEB Liability-Ending	<u>\$ (2,574,144)</u>	<u>\$ (2,031,105)</u>
OPEB Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	158.16%	142.67%
Covered Employee Payroll	\$ 2,273,667	\$ 1,890,591
Net OPEB Liability as a Percentage of Covered Employee Payroll	-113.22%	-107.43%

\*Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown

See the accompanying note to the required supplementary information

# **Great Basin Unified Air Pollution Control District**

## **NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2019

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### **NOTE 1 – PURPOSE OF SCHEDULES**

#### **Budgetary Basis of Accounting**

The District prepares a final budget on or before June 30 of the preceding fiscal year. Budgets are adopted on a basis that is substantially in accordance with generally accepted accounting principles.

After the budget is approved, the appropriations can be added to, subtracted from or changed only by Board resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within revised revenue estimates as approved by the Board. Appropriations lapse at the end of the fiscal year. Encumbrance accounting is not utilized.

## **OTHER INDEPENDENT AUDITORS' REPORT**

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**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***

The Board of Directors  
Great Basin Unified Air Pollution Control District  
Bishop, California

We have audited the financial statements of the governmental activities and each major fund of Great Basin Unified Air Pollution Control District (the “District”), as of and for the year ended June 30, 2019, and have issued our report thereon on October 15, 2019. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. 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.

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(760) 241-6376 \* Fax (760) 241-2011  
messnerandhadley.com

**Compliance And Other Matters**

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

This report is intended for the information and use of the Great Basin Unified Air Pollution Control District, and its management, and is not intended to be used and should not be used by anyone other than these specified parties.

*Messner & Hadley, LLP.*

Messner & Hadley, LLP  
Certified Public Accountants

Victorville, California  
October 15, 2019



## **FINDINGS AND RESPONSES SECTION**

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# **Great Basin Unified Air Pollution Control District**

## **SCHEDULE OF FINDINGS AND RESPONSES**

For the Year Ended June 30, 2019

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The results of our tests did not disclose any findings related to the financial statements that are required to be reported under *Government Auditing Standards*.

## **Great Basin Unified Air Pollution Control District**

### **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS** **For the Year Ended June 30, 2019**

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There were no prior year findings or questioned costs.



## GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT

157 Short Street, Bishop, California 93514-3537

Tel: 760-872-8211 Fax: 760-872-6109

### BOARD REPORT

**Mtg. Date:** November 7, 2019

**To:** District Governing Board

**From:** Phillip L. Kiddoo, Air Pollution Control Officer

**Subject:** Air Pollution Control Officer Report

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#### District Staff Recruitment

The District is in the process of recruitment and hiring for the District's two Air Quality Specialist positions. The current Air Quality Specialists, Mr. Jon Becknell and Ms. Jan Sudomier, will both be retiring at the end of this year. During both of their tenures, in addition to routine permitting and inspection duties both Jan and Jon have made numerous contributions to the District. Mr. Jon Becknell has been with the District for almost 19 years and has successfully implemented the District's Smoke Management Program and permitted several facilities requiring detailed dispersion modeling. Ms. Jan Sudomier has been with the District for over twelve years and has successfully handled numerous complex and lengthy compliance and enforcement issues. The District would like to thank Jon and Jan for their public service contributions to the District and wish them the best in their upcoming retirement. Additional recruitment is also underway to fill one Air Monitoring Technician position in the Bishop office.

#### Keeler Dunes

In early 2019, the District made some important changes in the operation and management of the Keeler Dunes Project. The biggest of these changes was to contract with American Conservation Experience (ACE) for conducting vital irrigation, planting and other project operation tasks. The second change was to hire an intern, through the ACE EPIC program, to help with day-to-day project work and to help oversee the ACE work crews. The third change was to have District staff take more direct control of the project activities instead of contracting for the services. All three changes have yielded significant benefits for the project.

The ACE crews have completed three seasonal irrigation events this year efficiently and with enthusiasm and will be conducting the upcoming planting work in early 2020. The ACE EPIC intern, My Nguyen, has provided key assistance in preparing for the ACE crew work efforts, organizing work tasks and completing important daily operation and maintenance tasks. District staff have completed significant improvements to the project such as protection and upgrades to the irrigation system and maintenance of project equipment. These changes combined with an overall great year for plant growth have resulted in increased project success over the last year. Additional project updates will be provided to the Board in 2020 following the completion of the upcoming planting effort in which 10,000 native shrubs will be installed in January and February.

Air Pollution Control Officer Report (No Action)  
November 7, 2019 - Agenda Item No. 10 - Page 1

### Clean Air Project Program (CAPP)

On February 6, 2019 the City of Los Angeles Department of Water and Power submitted timely payment of \$3,022,459 to the District for non-compliance with the requirements of District 2011 Stipulated Order of Abatement (2011 SOA) #110317-01 for Phase 7a and Phase 7a Transition Area Best Available Control Measure Managed Vegetation. As specified by the 2011 SOA, eighty-five percent (85%) of the excess air pollution offset/mitigation payment was deposited into an Owens Lake Excess Air Pollution Offset Fund for Clean Air Projects. These monies will be used for Clean Air Projects within the District with preference given to projects in the Owens Valley PM10 Planning Area. "Clean Air Projects" are defined as improvements, replacements, or programs that directly or indirectly result in a reduction in air pollution emissions and are not to be used to fund projects that the City is required to undertake or implement. The District Governing Board shall have the sole authority and discretion regarding project selection and approval but will consider any project recommendations made by the City. District Staff is in the process of preparing to develop the program guidelines and developing an implementation timeline for utilizing the CAPP funds. At a future date, after these additional steps are completed, District staff will seek Board authorization for the appropriation of the funds.



## **GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT**

157 Short Street, Bishop, California 93514-3537

Tel: 760-872-8211 Fax: 760-872-6109

### **BOARD REPORT**

**Mtg. Date:** November 7, 2019

**To:** District Governing Board

**From:** Phillip L. Kiddoo, Air Pollution Control Officer

**Subject:** Consider Cancellation of the Next Regular Meeting (January 2, 2020) of the Governing Board and Scheduling a Special Meeting

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#### **Summary:**

The next regular meeting of the Governing Board falls on January 2, 2020, which directly follows a legal holiday. Governing Board Resolution No. 2018-03, Setting the Time and Place for Regular Board Meetings has no provisions for automatically postponing the meeting. A special may be called by a presiding officer of the Governing Board or by a majority of the legislative body.

#### **Board Action:**

Staff recommends the Governing Board consider canceling the January 2, 2020 regular meeting and schedule a special meeting for Thursday, January 9, 2020, or on a date agreeable to the Board, at 10:00am in Inyo County, CA.