



Monterey Bay Air Resources District BOARD OF DIRECTORS MEETING

WEDNESDAY, May 15, 2019 – 1:30 P.M.

24580 SILVER CLOUD COURT, 3RD FLOOR, MONTEREY, CA, 93940

Summary of Actions

1. CALL TO ORDER – The meeting was called to order by Chair McShane at 1:32 pm.
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
Present: Carbone, Coonerty, Friend, Hurst, Lopez, McShane, Parker, Phillips, and Spencer
Absent: Botelho and Ledesma
4. PUBLIC COMMENT PERIOD –
Tom Brokaw, Chair, District Advisory Committee – The Advisory Committee reviewed the new District website. As Committee Chair, Mr. Brokaw asked that a climate change information tab be added to the website to help raise public awareness and enlightenment.
5. REPORTS BY COMMITTEE CHAIRS ON COMMITTEE MEETINGS
 - a. Budget, Personnel, and Nominating Committee
 - b. Advisory Committee
6. COMMENTS AND REFERRALS FROM CHAIR AND BOARD MEMBERS
 - **McShane**
 - **Reported that the City of Seaside Sustainability Fair and Electric Vehicle Drive Event was very successful.**
 - **He has seen our ads being aired on KSBW.**
 - **Enthusiastic about partnership between MBARD and Monterey Bay Community Power on an electric vehicle incentives program.**
7. REPORT FROM AIR POLLUTION CONTROL OFFICER
Richard Stedman, APCO, reported on the following:

Personnel

 - Rosa Rosales has been promoted to the District's new Administrative Services Manager. Rosa has been with the District for five years as an Administrative and Financial Specialist.
 - Currently recruiting for an Air Quality Technician. Applications are due this Friday and we hope to conduct interviews in the next few weeks.

Engineering

 - Staff interviewed two potential vendors for a document management system. Next step is to contact the vendor's references and make a final decision and bring to the Board in June.
 - We received three proposals for a new permit, compliance, and emission inventory database system. The new system will replace our existing TRAKiT software. We will be interviewing the vendors this month.

Wednesday, May 15, 2019

- Staff participated in Quarterly Coastal Cannabis Program Forum on May 10. The meeting provided a networking opportunity to understand cannabis-related challenges and successes both within our local jurisdictions and other areas of the state.
- On May 13, the California Air Resources Board released a 25-day Notice of Public Availability for the proposed Regulation for the Reporting of Criteria Air Pollutants and Toxic Air Contaminants (or CTR Regulation). We are working with our sources to make sure they understand the emission reporting requirements imposed by this state regulation and to give them the opportunity to comment.

Planning and Air Monitoring

- Newly updated MBARD website was launched on Monday May 13. The District redesigned the website for improved navigation, faster access to information, compliance with legal transparency and access requirements, and to provide an overall cleaner and less cluttered look. The website can be viewed at the same web addresses.
- MBCP and the District launched the Monterey Bay Electric Vehicle Incentives Program on May 1 with a ride and drive event at Monterey City Hall. The two agencies teamed up to provide incentives for alternative fuel vehicle purchases and leases this year. MBCP is running the "Buy Local" phase of the program which runs through July 31.
- District signed an agreement with CARB to receive \$35,540 in support of the District's Smoke Management Program which includes permitting and air monitoring for prescribed burns.

Building

- District has issued a Request for Proposals for exterior painting and repair of office building.

Outreach

- Clean Air Leaders Awards May 16 at Wedgewood Carmel, formerly Rancho Canada.
- We will have a booth at the 100th anniversary celebration for the SS Palo Alto (aka cement boat) at Seacliff Beach on June 1st.

CONSENT AGENDA

Motion: Approve items on Consent Agenda.**Moved: Lopez; Seconded: Coonerty****Yes: Carbone, Coonerty, Friend, Hurst, Lopez, McShane, Parker, Phillips, and Spencer****No: None.****Absent: Botelho and Ledesma**

8. **Accepted and Filed** Summary of Actions for the April 17, 2019 Board of Directors Meeting
9. **Received and Filed** Budget to Actual Report for the Ten Months Ended April 30, 2019
10. **RESOLUTION NO. 19-006: Adopted** a Resolution Commending First Solar® on the Development and Construction of the California Flats Solar Power Project
11. **Accepted and Filed** Report of Summary of Mutual Settlement Program Actions for April 2019

REGULAR AGENDA

12. **Held** a first Public Hearing on the Proposed Budget for Fiscal Year 2019-20 and **Provided** Direction to Staff
Held public hearing only; no action required or taken.

13. **Held** First Public Hearing and **Considered Adoption** of a Resolution Approving Proposed Revisions to the following District Rules:
- 300 (Permit Fees);
 - 301 (Fee Schedules);
 - 305 (AB2588 Implementation Fees);
 - 306 (Asbestos NESHAP Fees);
 - 310 (Agricultural Diesel Engine Registration Fees);and
- Provide Direction to Staff.
Held public hearing only; no action required or taken.
14. Adjournment – **The meeting was adjourned at 2:15 pm.**

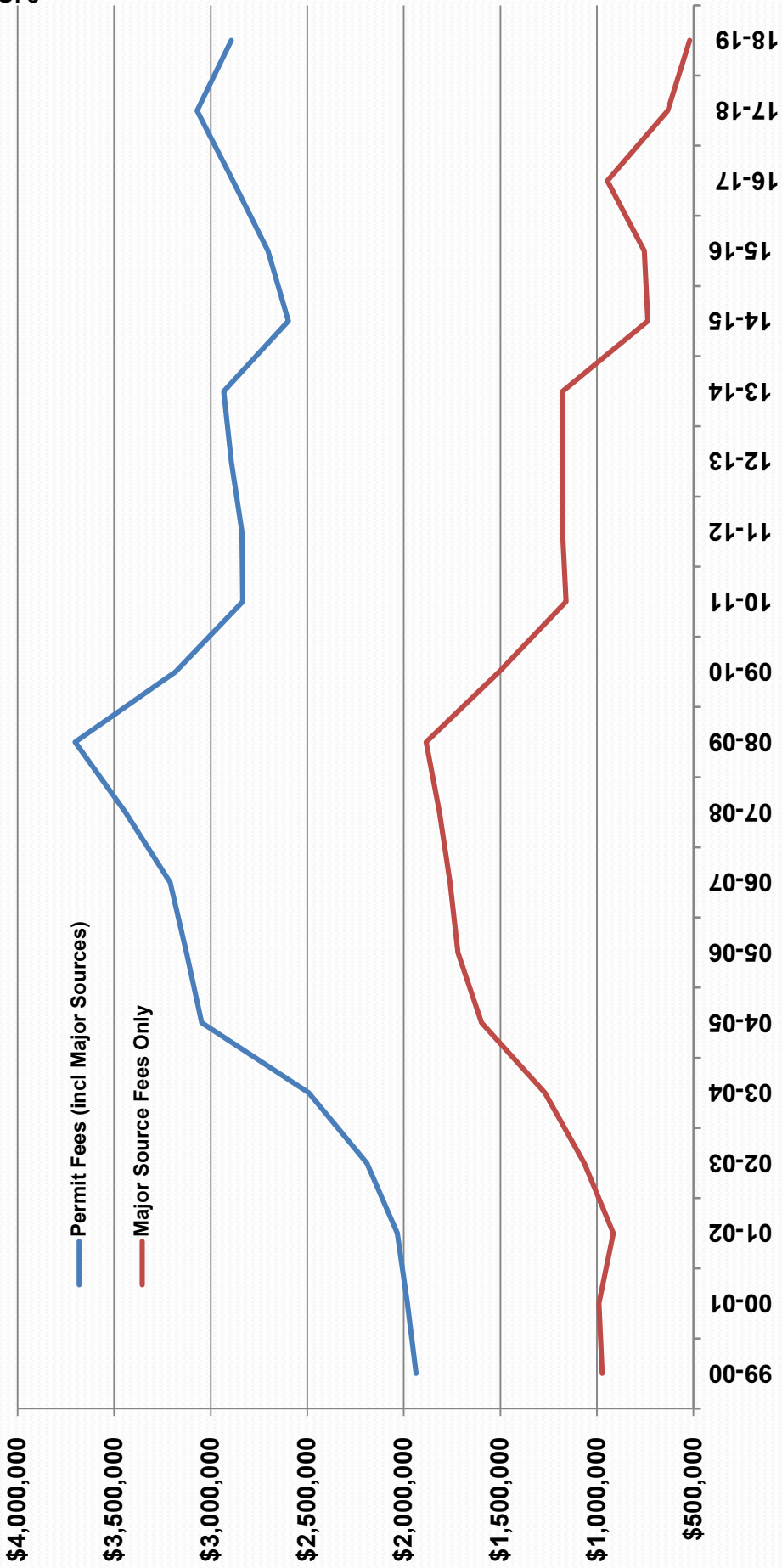
Ann O'Rourke
Executive Assistant

Monterey Bay Air Resources District

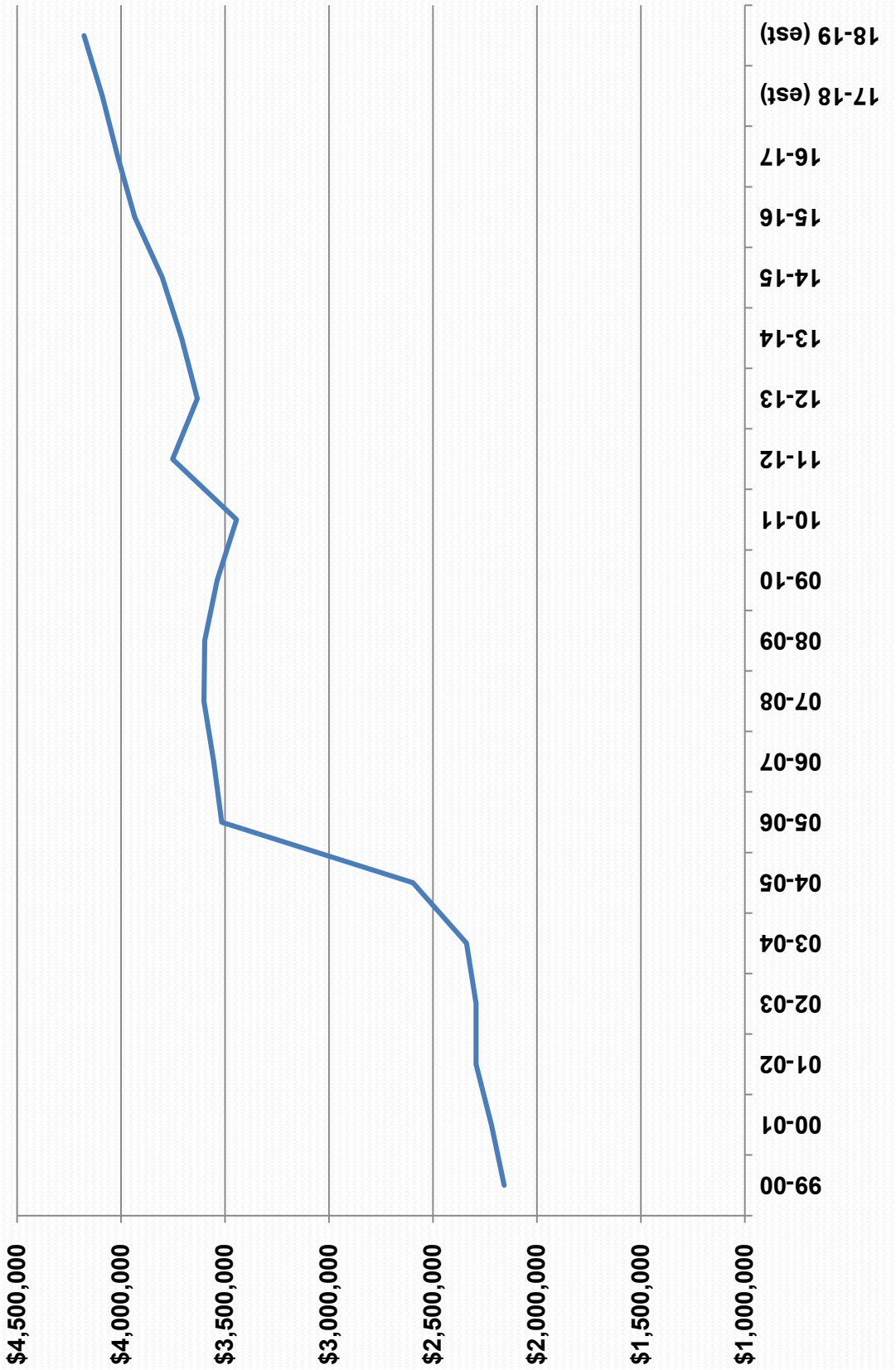
Draft Budget – Fiscal Year 2019-20
Board of Directors Meeting May 15, 2019



Permit Fees Revenues History FY 1999-2000 Through 2018-2019



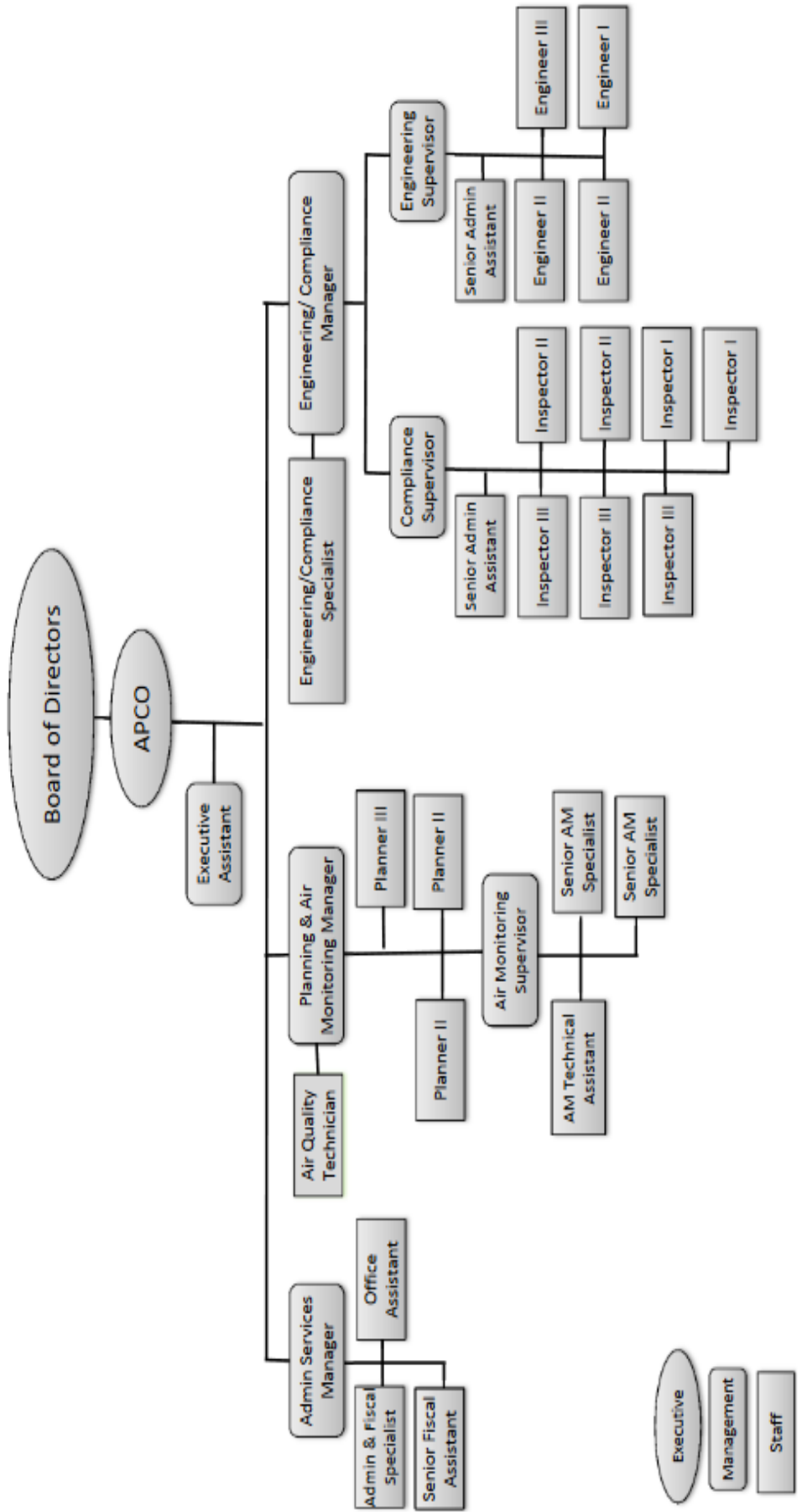
DMV Fees Revenues History FY 1999-2000 Through 2018-2019



District Organization Chart

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Monterey Bay Air Resources District Organization Chart - FY 2019/20 Draft Budget

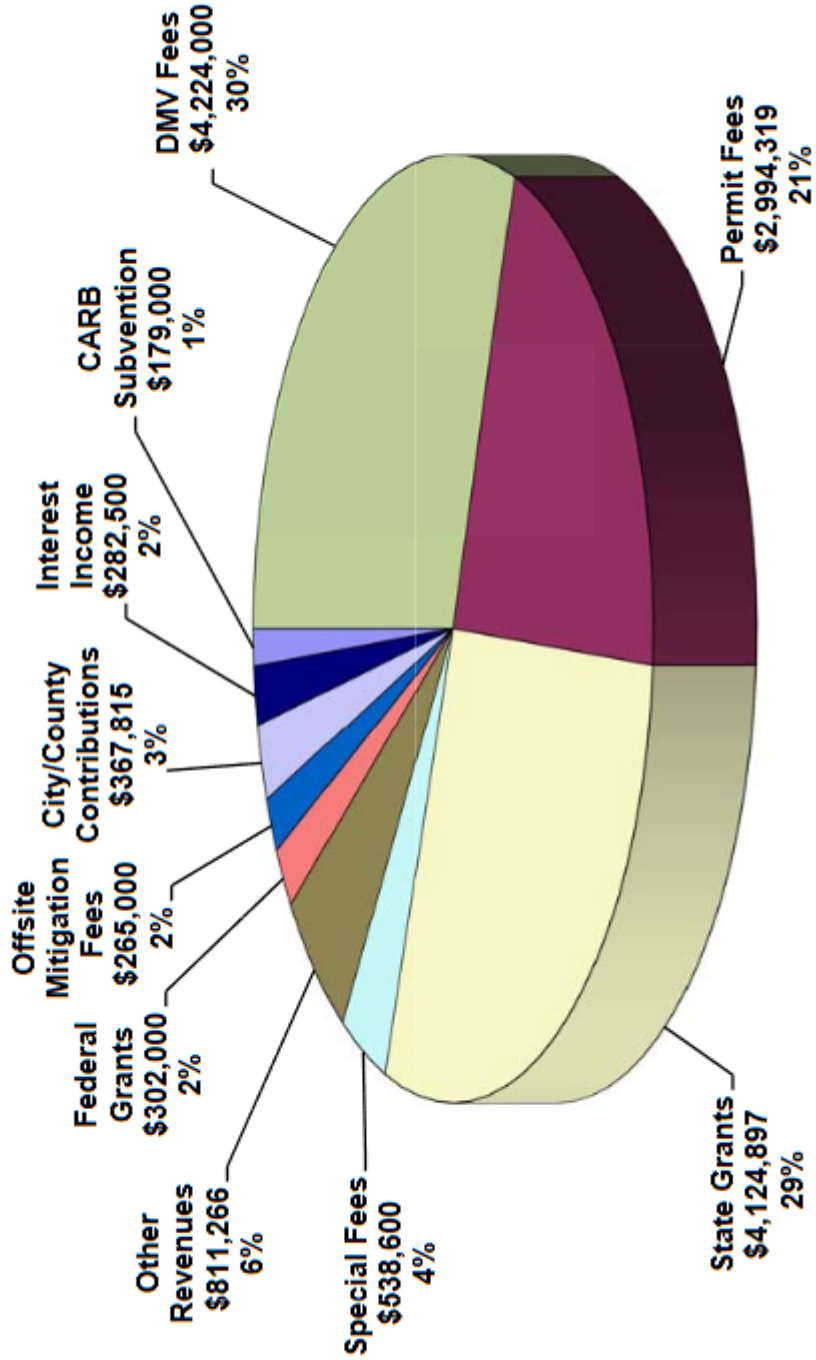


Budget in Brief

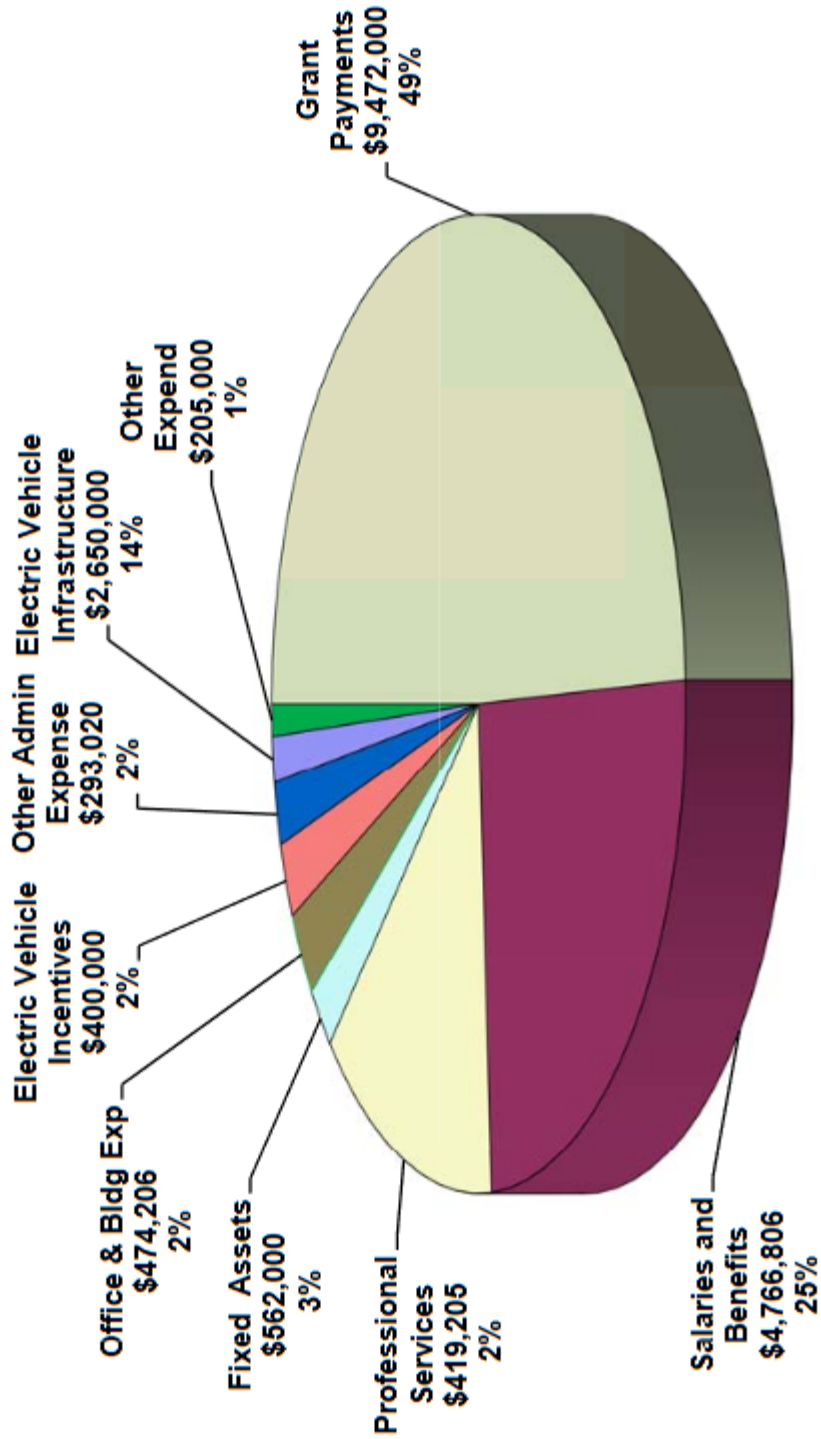
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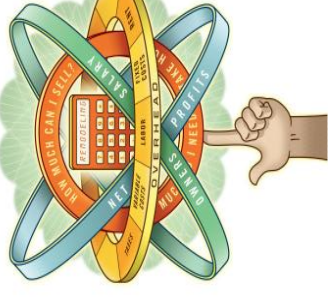
- Total budget of \$19.2 million
- Proposed permit fee increases: 4.5% for most fee categories, 10% for asbestos permit fees, no change to GDFs
- Proposed increase to City and County per capita fees – \$.04 increase to \$.47
- Total of 32 FTEs
- Fixed Asset Purchases: \$562,000
- Estimated \$100,000 deposit to the District’s OPEB trust
- \$9.3 million for grant programs – AB2766, AB923, Carl Moyer, CAPP & FARMER programs
- \$2.65 million to continue District’s Plug-in Monterey Bay for charging stations and EV incentives
- \$175,000 in continued assistance towards Woodstove Change-outs

FY 2019-20 Revenue - All Funds



FY 2019-20 Expenditures - All Funds





Operating Budget

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- Total Operating Budget of \$6.3 million.
- New State revenues: CEC, Oil and Gas, Emission Inventories, CAPP Grants
- Increase per capita assessment from \$.43 to \$.47
- Salaries and benefits increase of about \$88,000 over FY 18-19 budget
- Fixed Asset Expenditures of \$562,000
 - Portion of new database - \$225,000
 - Vehicle replacements - \$67,000
 - Document management software - \$30,000
 - Air monitoring equipment/upgrades - \$50,000
 - Building exterior painting – \$140,000
 - Building roof repair - \$50,000

Non-Operating Budget

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- Total Non-Operating Budget of \$12.9 million, which includes grant funding and other non-operating expenditures.
- Major Grant Programs - Expenditures:
 - AB2766 Program - \$2.9 million for grants + \$400,000 for EV Incentives
 - AB923 Program - \$1 million for grants + \$2.65 million for EV Infrastructure Projects
 - Carl Moyer Program - \$1.3 million (ag, marine vessel engines)
 - Offsite Mitigation Grants - \$1 million (ag pumps, school buses, EV Infrastructure)
 - Woodstove Change-outs - \$175,000
 - New Programs: CAPP Grants \$615,000 and FARMER \$1.4 million
- OPEB Trust deposit - \$100,000, funds future retiree health benefits



General Fund Balance

Projected, rounded to nearest thousand (Agenda Page 61 and 72)

Estimated Beginning Balance July 1, 2019	\$6,272,000
Revenues	\$5,391,000
Less Expenditures	<u>(\$5,517,000)</u>
Estimated Ending Fund Balance June 30, 2019	<u>\$6,146,702</u>
Reserved Balance	\$2,264,000
Unreserved Fund Balance	\$3,882,702
Net Decrease in Fund Balance	\$ 126,000
Stationary Source Program	\$ 511,000





Budget Review Process

- April 17, 2019: Initial Review by Budget & Personnel Cmte
- April 11th, 15th, 22nd, 2019 : Tri-Counties Budget Workshops
- May 15, 2019: First Hearing at Board of Directors Meeting
- June 24, 2019: Second Hearing at Board of Directors Meeting
Scheduled for Adoption





Questions
or
Comments?



First Public Hearing

Fiscal Year 2019-2020 Fee Rule Revisions

May 15, 2019

*Monterey Bay Air
Resources District*



Overview

- Proposed fee rule revisions
 - 300, 301, 305, 306, 310

Major Fee Rule Revisions

- Increase most fee categories by the Consumer Price Index (CPI) of 4.5 %
- No increase for gasoline dispensing facilities (both permit application fees and annual renewal fees)
- Increase hourly staff rate by 3.5%
- Rule 306 Asbestos NESHAP Fees
 - Increase fees by 10%
 - Add clarification of fee categories for larger projects

Increase Fees by 4.5%

Current Fee (FY 18-19)	Fee Increase (4.5%)	Proposed Fee (FY 19-20)
Filing Fee \$208	\$9	Filing Fee \$217
General Permit Fee \$926	\$42	General Permit Fee \$968
Annual Renewal Fee – Billable Tons < 0.1 \$207	\$9	Annual Renewal Fee – Billable Tons < 0.1 \$216
Emergency Diesel Engine \$357	\$16	Emergency Diesel Engine \$373
Hourly Staff Rate \$149	\$5 (increase by 3.5%)	Hourly Staff Rate \$154

Gasoline Dispensing Facilities

- No fee increase

Rule 300 (Gasoline Throughput Fees, Section 4.6)		Rule 300 (FY 2018-2019)	Rule 300 (FY 2019-2020)
Section 4.6	Per Nozzle Fee	\$ 53	\$ 53
Throughput "b"	0 - < 100,000	\$ 258	\$ 258
	100,000 - < 400,000	\$ 413	\$ 413
	400,000 - < 800,000	\$ 610	\$ 610
	800,000 - < 1,200,000	\$ 812	\$ 812
	1,200,000 - < 1,600,000	\$ 1,011	\$ 1,011
	1,600,000 - < 2,000,000	\$ 1,207	\$ 1,307
	2,000,000 - < 3,000,000	\$ 1,983	\$ 1,983
	3,000,000 - < 4,000,000		\$ 2,642
	4,000,000 - < 5,000,000		\$ 3,301
	5,000,000 - < 6,000,000		\$ 3,960
	6,000,000 - < 7,000,000		\$ 4,619
	7,000,000 - < 8,000,000		\$ 5,278
	8,000,000 - < 9,000,000	\$ 1,983 + \$659 for each additional	\$ 5,937
	9,000,000 - < 10,000,000	million gallons	\$ 6,596
	10,000,000 - < 11,000,000		\$ 7,255
	3,000,000 and greater-Greater than 11,000,000		\$ 7,914

Rule 306 – Asbestos NESHAP Fees

Fee Increase by 10%

Current Fee (FY 18-19)	Fee Increase (10%)	Proposed Fee (FY 19-20)
Demolition Fee \$422	\$42	Demolition Fee \$464
Renovation RACM (260-599 lf) \$733	\$73	Renovation RACM(260-599 lf) \$806
Cancellation Fee \$149	\$15	Cancellation Fee \$164

Rule 306 – Asbestos NESHAP Fees

- Clarify fees for larger projects

Demolition or Renovation involving RACM (fees apply to the material quantity in the highest fee category):

	Square Feet	Linear Feet	Rule 306 (FY 2018-2019)	Rule 306 (FY 2019-2020)
Section 4.5.1	160-999 OR Equal to or Greater than 35 cubic feet between 160 and 999 sq. ft. RACM, or between 260 and 499 linear ft. RACM 35 cubic ft. or greater RACM—	260-499	\$ _____ 733	\$ _____ 806
Section 4.5.2	1,000-1,499 Demolition or Renovation involving between 1,000 and 1,499 sq. ft. RACM, or between 500 and 749 linear ft. RACM	500-749	\$ _____ 945	\$ _____ 1,040
Section 4.5.3	1,500-1,999 Demolition or Renovation involving between 1,500 and 1,999 sq. ft. RACM, or between 750 and 999 linear ft. RACM	750-999	\$ _____ 1,156	\$ _____ 1,272
Section 4.5.4	2,000-3,999 Demolition or Renovation involving between 2,000 and 3,999 sq. ft. RACM, or between 1,000 and 1,999 linear ft. RACM	1,000-1,999	\$ _____ 1,362	\$ _____ 1,498
Section 4.5.5	4,000-9,999 Demolition or Renovation involving between 4,000 and 9,999 sq. ft. RACM, or between 2,000 and 2,999 linear ft. RACM—	2,000-2,999	\$ _____ 1,560	\$ _____ 1,716
Section 4.5.6	10,000-19,999 Demolition or Renovation involving greater than 10,000 sq. ft. RACM, or greater than 3,000 linear ft. RACM—	3,000-4,999	\$ _____	\$ _____ 1,879
	20,000-29,999	5,000-6,999	\$ _____	\$ _____ 2,315
	30,000-39,999	7,000-9,999	\$ _____	\$ _____ 2,815
	40,000-49,999	10,000-11,999	\$ _____	\$ _____ 3,271
	Equal to or Greater than 50,000	Equal to or Greater than 12,000	\$ _____	\$ _____ 3,735

Rule 305 AB2588 Implementation Fees

Rule 310 Agricultural Diesel Engine Fees

- Rule 305 AB2588 Implementation Fees
 - Revise late penalties to match Rule 300
- Rule 310 Agricultural Diesel Engine Fees
 - Revise language for transfer in interest and name change for consistency with Rule 300.
 - Eliminate separate fee for registering a new engine 90 days after purchase.
 - Increase fee for additional new engine registration to match the staff hourly rate.

Public Input

- Three public workshops
- Proposed changes posted on website since March 25
- No comments received

Action

- Provide direction to staff