



Monterey Bay Air Resources District BOARD OF DIRECTORS MEETING

MONDAY, JUNE 24, 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 Vice Chair Coonerty at 1:33 pm.
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
Present: Mary Ann Carbone, Ryan Coonerty, Zach Friend, Lowell Hurst, Fred Ledesma, Chris Lopez, Jane Parker, John Phillips, Carol Lenoir (alt for Honor Spencer)
Absent: Anthony Botelho, Steve McShane, Honor Spencer.
4. PUBLIC COMMENT PERIOD
None
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
None
7. REPORT FROM AIR POLLUTION CONTROL OFFICER
Richard Stedman, APCO, reported on the following:
Engineering
 - Introduced Leif Halvorson, newly hired Air Quality Compliance Inspector.
 - District completed the software demonstrations for a new permit, compliance, and emission inventory database. We have selected vendors and will be seeking your approval to execute contracts with these vendors in the consent agenda today.
 - Engineering team has launched the process for our first rule development activities per our Best Available Retrofit Control Technology (BARCT) schedule. The first rule will address Boilers, Steam Generators, and Process Heaters.
 - District will be hosting a CalRecycle Compost Odor workshop on July 25. This workshop will provide an opportunity to collaborate with CalRecycle and the local counties on learning about the regulatory structure for addressing odors from composting operations.**Planning and Air Monitoring**
 - Interviewed finalists for the Air Quality Technician position opening. We hope to finalize the selection this week.

- In anticipation of increased prescribed burning in the Air Basin, the District will be receiving \$35,540 through a Prescribed Burn Reporting and Monitoring Support Program grant from CARB to help offset the costs for the District's smoke management program.
- Phase I of the Monterey Bay electric vehicle incentive project, administered by Monterey Bay Community Power, has received 65 requests for certificates to purchase electric vehicles. Phase II, administered by the District, will launch on August 1.
- Eleven school Districts have applied for grants through the District's Zero Emission School Bus Program. The Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) funding from the State of California provides the initial funding for each project.

Outreach

- CALA huge success. Estimated 120 in attendance. Thank Ann and committee.
- Had a booth at the 100th Anniversary Celebration of the cement boat at Seacliff Beach. Very well attended and lots of interaction with the public. A poster advertising the new UCSC class was displayed and generated a number of questions.
- In July we will be testing a program from AQ Treks to take PAMs to middle and high schools. The goal is to assist science based classrooms in including air quality education as part of their curriculum. The program lasts three weeks.

Other

- APCO presented at a cruise ship information meeting put on by the City of Monterey and the National Marine Sanctuary.
- The huge, old oak tree in the large parking lot has been removed. The tree was hollow and a significant hazard. The removal went well and a bee keeper removed the residing bees to set them up in a new home at Live Earth Farms.

CONSENT AGENDA

Motion: Approve items on Consent Agenda.

Moved by Zach Friend, seconded by John Phillips, and unanimously approved by the Board.

8. **Accepted and Filed** Summary of Actions for the May 15, 2019 Board of Directors Meeting
9. **Received and Filed** Budget to Actual Report for the Eleven Months Ended May 31, 2019
10. **Accepted and Filed** Report of Summary of Mutual Settlement Program Actions for May 2019
11. **Approved** Out-of-State Travel Request for the Air Pollution Control Officer (APCO) to Attend the 2019 National Association of Clean Air Agencies' (NACAA) Summer Board of Directors and Committee Chairs' Meeting in Portland, Oregon
12. **RESOLUTION NO. 19-007: Adopted a Resolution** Approving and Adopting an Updated District Pay Schedule Salary Ranges for Management and Confidential Employees Effective July 1, 2019
13. **RESOLUTION NO. 19-008: Adopted a Resolution** Authorizing the Air Pollution Control Officer to Negotiate a Contract and Execute an Agreement for Implementation Services and Software as a Service with Appleby & Co for a Laserfiche Document Management System and to Procure Related Fixed Assets and Professional Services for an Amount Not to Exceed \$40,000


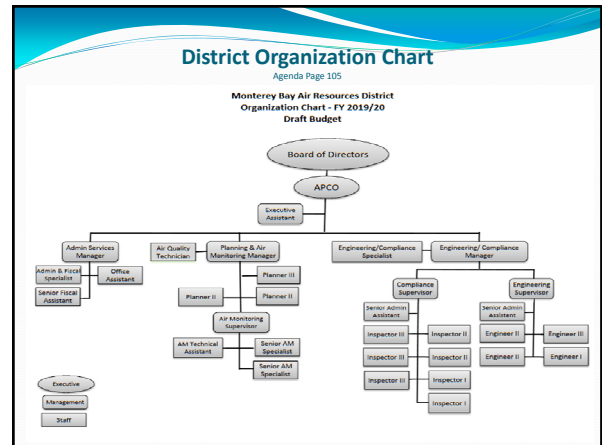
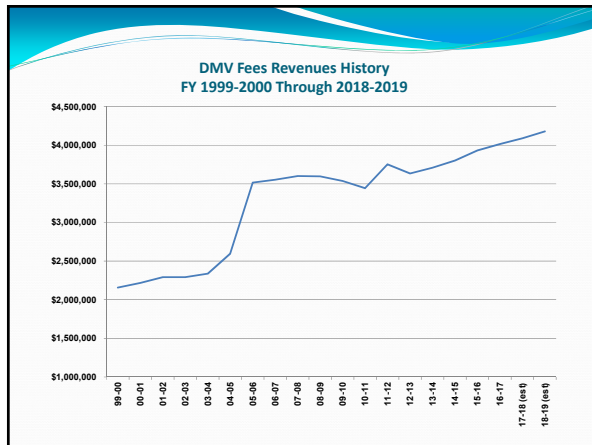
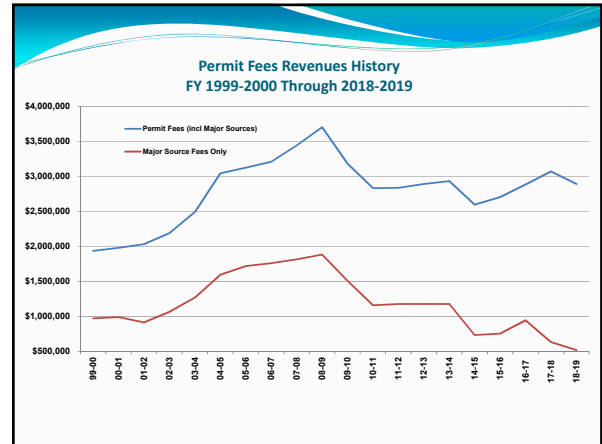
14. **RESOLUTION NO. 19-009: Adopted a Resolution** Authorizing the Air Pollution Control Officer to Negotiate and Execute an Agreement with Lakes Environmental Software for Emission Inventory Software and Related Fixed Assets and Professional Services for an Amount Not to Exceed \$125,000
15. **RESOLUTION NO. 19-010: Adopted a Resolution** Authorizing the Air Pollution Control Officer to Negotiate and Execute an Agreement with Accela for a Permit and Compliance Database and Related Fixed Assets and Professional Services for an Amount Not to Exceed \$350,000
16.
 - a. **Awarded a contract** to Polychrome Construction, the lowest responsible and responsive bidder for the District's building exterior, with the base bid amount of \$97,000;
 - b. **Authorized a contingency** not to exceed 10% of the contract amount to provide funding for approved contract change orders; and
 - c. **Authorized the Air Pollution Control Officer** to execute the base bid contract and approve change orders to the contract that do not exceed 10% of the original contract amount and do not significantly change the scope of work
17. **RESOLUTION NO. 19-011: Adopted a Resolution** Authorizing the Air Pollution Control Officer to Accept Funding and Administer the FY 2018 – 2019 (Year 21) State Reserve portion of the Carl Moyer Program
18. **RESOLUTION NO. 19-012: Adopted a Resolution** Authorizing the Air Pollution Control Officer to Accept \$1,638,062 in Funding and Administer the Fiscal Year (FY) 2018-2019 AB 617 Community Air Protection (CAP 2) Incentives Program

REGULAR AGENDA

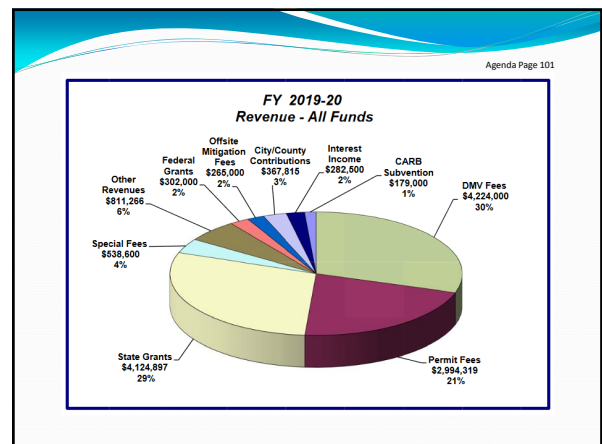
19. **RESOLUTION NO. 19-013: Adopted a Resolution** Approving the Proposed Budget for Fiscal Year 2019-20
Motion: Adopt a resolution approving the District's FY 2019-20 Budget.
Action: Approve.
Moved by John Phillips, seconded by Chris Lopez, and unanimously approved by the Board.
20. **RESOLUTION NO. 19-014: Adopted 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); andAdopt Resolution.
Motion: Adopt the resolution.
Action: Approve.
Moved by Zach Friend, seconded by Jane Parker, and unanimously approved by the Board.
21. Adjournment – **The meeting was adjourned at 2:10 pm.**

Monterey Bay Air Resources District

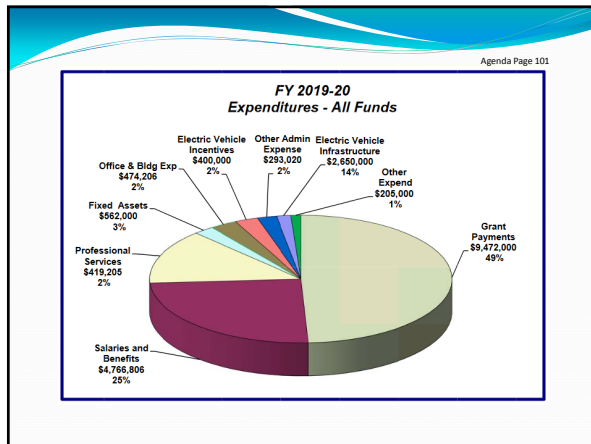
Final Budget – Fiscal Year 2019-20
Board of Directors Meeting June 24, 2019

- ### Budget in Brief
- Agenda Page 100
- 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



AGENDA ITEM NO. 8



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 119 and 130)

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?

Second Public Hearing Board Adoption


Fiscal Year 2019-2020 Fee Rule Revisions



June 24, 2019


Overview

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




Major Fee Rule Revisions

- Increase most fee categories by 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
Agricultural Engine Registration \$208 + \$104 per add'l engine	\$9 + \$5	Agricultural Engine Registration \$217 + \$109 per add'l engine
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	\$ 1,014	\$ 1,014
	1,600,000 - < 2,000,000	\$ 1,207	\$ 1,207
	2,000,000 - < 3,000,000	\$ 1,583	\$ 1,583
	3,000,000 - < 4,000,000	\$ 2,642	\$ 2,642
	4,000,000 - < 5,000,000	\$ 3,301	\$ 3,301
	5,000,000 - < 6,000,000	\$ 3,960	\$ 3,960
	6,000,000 - < 7,000,000	\$ 4,619	\$ 4,619
	7,000,000 - < 8,000,000	\$ 5,278	\$ 5,278
	8,000,000 - < 9,000,000	\$ 5,937	\$ 5,937
	9,000,000 - < 10,000,000	\$ 6,596	\$ 6,596
	10,000,000 - < 11,000,000	\$ 7,255	\$ 7,255
	3,000,000-and-greater-Greater than 11,000,000	\$ 7,914	\$ 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

Determination of Asbestos Abatement Implementation Fees (Fees apply to the maximum quantity in the highest risk category)

	Square Feet	Linear Feet	Rule 306 (FY 2018-2019)	Rule 306 (FY 2020-2021)
	200-999 SQ			
	Equal to or Greater than 20 cubic feet between 100 and 999 sq. ft. BACM, or between 200 and 999 linear ft. BACM or greater than 9,999 sq. ft. BACM.			
Section A.5.1		200-499	\$ 782	\$ 858
	1,000-1,499			
	Determination of Asbestos Abatement Implementation Fees (Fees apply to the maximum quantity in the highest risk category) between 1,000 and 1,499 sq. ft. BACM, or between 500 and 499 linear ft. BACM or greater than 9,999 sq. ft. BACM.			
Section A.5.2		500-749	\$ 845	\$ 1,040
	1,500-1,999			
	Determination of Asbestos Abatement Implementation Fees (Fees apply to the maximum quantity in the highest risk category) between 1,500 and 1,999 sq. ft. BACM, or between 750 and 699 linear ft. BACM or greater than 9,999 sq. ft. BACM.			
Section A.5.3		750-999	\$ 1,184	\$ 1,272
	2,000-2,999			
	Determination of Asbestos Abatement Implementation Fees (Fees apply to the maximum quantity in the highest risk category) between 2,000 and 2,999 sq. ft. BACM, or between 1,000 and 999 linear ft. BACM or greater than 9,999 sq. ft. BACM.			
Section A.5.4		1,000-1,999	\$ 1,482	\$ 1,488
	3,000-3,999			
	Determination of Asbestos Abatement Implementation Fees (Fees apply to the maximum quantity in the highest risk category) between 3,000 and 3,999 sq. ft. BACM, or between 1,000 and 999 linear ft. BACM or greater than 9,999 sq. ft. BACM.			
Section A.5.5		2,000-2,999	\$ 1,940	\$ 1,718
	40,000-49,999			
	Determination of Asbestos Abatement Implementation Fees (Fees apply to the maximum quantity in the highest risk category) between 40,000 and 49,999 sq. ft. BACM, or greater than 9,999 linear ft. BACM.			
Section A.5.6		3,000-4,999	\$ 2,341	\$ 1,879
	50,000-59,999			
	Determination of Asbestos Abatement Implementation Fees (Fees apply to the maximum quantity in the highest risk category) between 50,000 and 59,999 sq. ft. BACM, or greater than 9,999 linear ft. BACM.			
	20,000-29,999	5,000-6,999	\$ 2,817	\$ 2,341
	60,000-69,999			
	Determination of Asbestos Abatement Implementation Fees (Fees apply to the maximum quantity in the highest risk category) between 60,000 and 69,999 sq. ft. BACM, or greater than 9,999 linear ft. BACM.			
	30,000-39,999	7,000-9,999	\$ 2,817	\$ 2,817
	70,000-79,999			
	Determination of Asbestos Abatement Implementation Fees (Fees apply to the maximum quantity in the highest risk category) between 70,000 and 79,999 sq. ft. BACM, or greater than 9,999 linear ft. BACM.			
	40,000-49,999	10,000-11,999	\$ 3,271	\$ 3,271
	80,000-89,999			
	Determination of Asbestos Abatement Implementation Fees (Fees apply to the maximum quantity in the highest risk category) between 80,000 and 89,999 sq. ft. BACM, or greater than 9,999 linear ft. BACM.			
	Equal to or Greater than 90,000	Equal to or Greater than 10,000	\$ 3,735	\$ 3,735

• Clarify fees for larger projects

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

- Approve rule revisions and adopt resolution