



Monterey Bay Air Resources District BOARD OF DIRECTORS MEETING

WEDNESDAY, MAY 16, 2018 – 1:30 P.M.

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

Summary of Actions

1. Call to Order – **The meeting was called to order by Chair Muenzer at 1:30 p.m.**

2. Pledge of Allegiance

3. Roll Call

Present

Jerry Muenzer, Chair

Ryan Coonerty, Vice Chair

Steve Dallas

Zach Friend

Lowell Hurst

Steve McShane

Jane Parker

John Phillips

Simon Salinas

Absent

Fred Ledesma

4. PRESENTATION OF 2018 ART CONTEST WINNERS FOR DISTRICT'S 2019 CALENDAR

5. Public Comment Period – **None.**

6. Reports by Committee Chairs on Committee Meetings

a. Budget, Personnel, and Nominating Committee

b. Advisory Committee

7. Comments and Referrals From Chair and Board Members

a. Director McShane noted the Clean Air Leaders Awards will be on May 31, 2018.

8. Report From Air Pollution Control Officer

Richard Stedman, APCO, reported on the following:

District Business

- May is Clean Air Month.
- Introduction of Osiris Torres as new Air Quality Engineer.
- On April 19, the Hearing Board granted the Monterey Regional Waste Management District a variance for SOx emissions from the permitted engines and flare as they install and operate a short-term treatment system to remove hydrogen sulfide from the landfill gas.
- The District has received several odor complaints from the public in Greenfield regarding a cannabis cultivation operation. Our inspector has made contact with both the grower and City of Greenfield staff to address the public concerns. Our inspector issued notices to the grower to apply for permits and the grower has been in contact with our Engineering team to acquire permits.

Outreach

- Clean Air Leaders Awards – May 31st at 7:00 pm at Nicklaus Golf Club in Pasadera. Nominations for awards closed on April 30th. This year we received 23 nominations, a new record.

Building Remodel

- Final occupancy received from the County. Some work remains to be done.

CONSENT AGENDA

Upon motion of Director Phillips and seconded by Director Coonerty the Board unanimously moved approval of the items on the Consent Agenda.

9. **Accepted and Filed** Summary of Actions for the April 18, 2018 Board of Directors Meeting
10. **Received and Filed** Budget to Actual Report for the Ten Months Ended April 30, 2018
11. **Received and Filed** Report of Fiscal Year 2017-18 Budget Adjustments Approved by the Air Pollution Control Officer in April 2018
12. **Accepted and Filed** Engineering Division Activity Report for the Month of April 2018
13. **Accepted and Filed** Report of Summary of Mutual Settlement Program Actions for the Month of April 2018
14. **Accepted and Filed** Compliance Division Activity Report for the Month of April 2018
15. **Accepted and Filed** Report on Daily Eight-Hour Peak Ozone Concentrations, Hourly Peak Ozone Concentrations, PM2.5 and PM10 Air Monitoring Data for the Month of March 2018
16. **Approved** Out-of-State Travel Request for Shawn Boyle, Air Quality Inspector II, to Attend National Association of Clean Air Agencies’ (NACAA) 2018 Spring Membership Meeting in Chattanooga, TN
17. **RESOLUTION NO. 18-012: Adopted** a Resolution Authorizing the Air Pollution Control Officer to Enter Into a Grant Agreement with the California Air Resources Board and Accept up to \$35,000 in Funding
18. **RESOLUTION NO. 18-013: Adopted** a Resolution Authorizing the Air Pollution Control Officer to Enter Into a Grant Agreement with the California Air Resources Board and Accept \$85,000 in Funding

REGULAR AGENDA

19. **Held** a First Public Hearing on Proposed Budget for FY 2018-19 and **Provided** Direction to Staff
Held a first public hearing and provided direction to staff. No action required or taken.
20. **Held** First Public Hearing to Consider Adoption of a Resolution Approving Proposed Revisions to the following District Rules and **Provided** Direction to Staff:

- 300 (Permit Fees);
- 301 (Fee Schedules);
- 305 (Fees for Risk Assessments, Risk Notifications, and Risk Reduction Plans and Reports)
(Proposed new title: AB2588 Implementation Fees);
- 306 (Asbestos NESHAP Fees);
- 308 (Title V: Federal Operating Permit Fees);and

Held a first public hearing and provided direction to staff. No action required or taken.

CLOSED SESSION

21. The Board **met** in Closed Session pursuant to Government Code section 54956.9 (d) (1), one matter of existing litigation:

- a. Ceyer/Sutton v. MBARD et al., Monterey County Superior Court case no. 17CV001636
No reportable action.

- b. Pursuant to Government Code section 54957.6, the Board will provide direction to negotiators.
Designated representatives: Tom Manniello, Esq. of Lozano Smith; and
Joyce Giuffre, District Administrative Services Manager; and
Rosa Rosales, District Admin & Fiscal Specialist
Employee Organization: SEIU Local 521.
No reportable action.

22. Adjournment – **The meeting was adjourned at 2:50 p.m.**

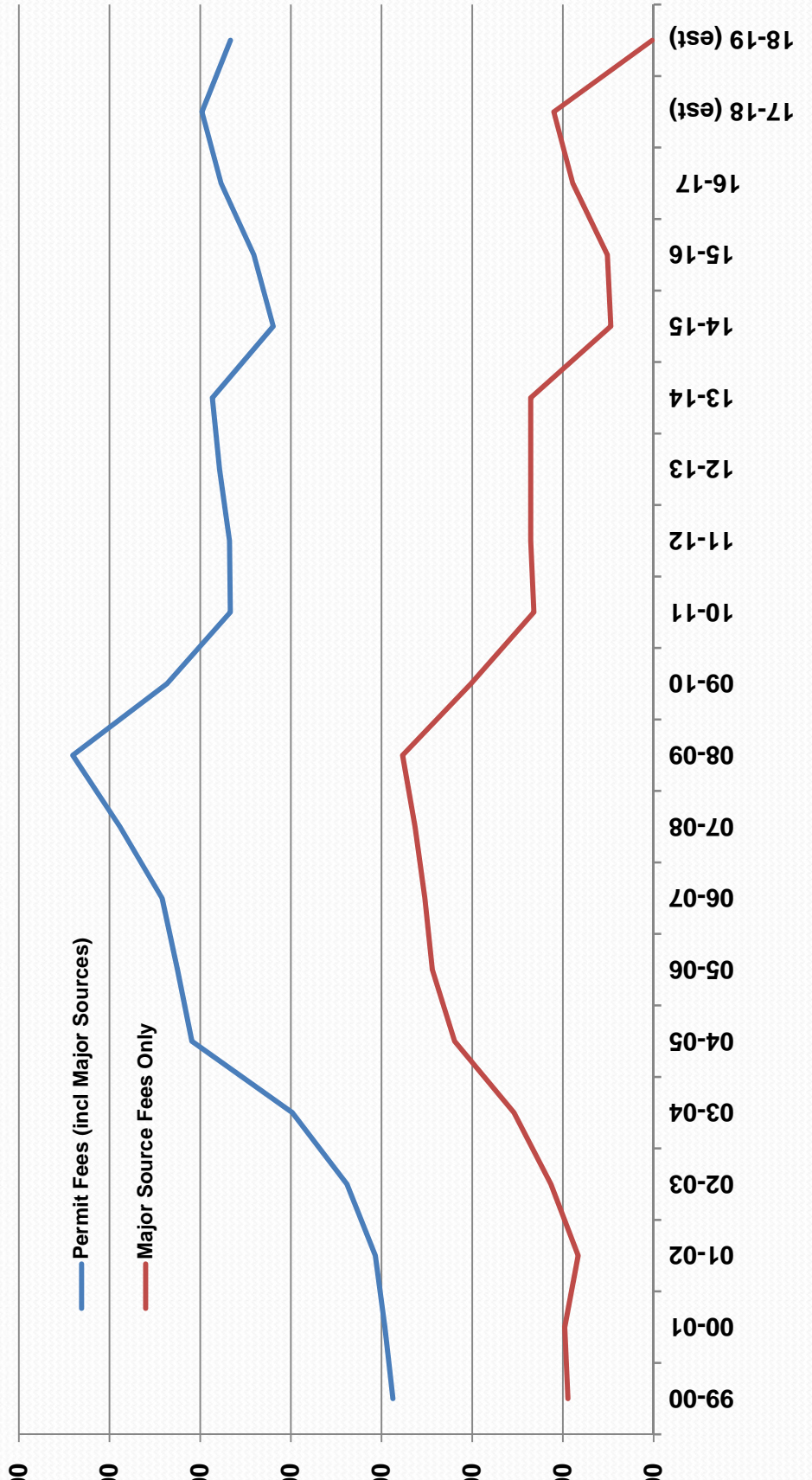
Ann O'Rourke
Executive Assistant

Monterey Bay Air Resources District

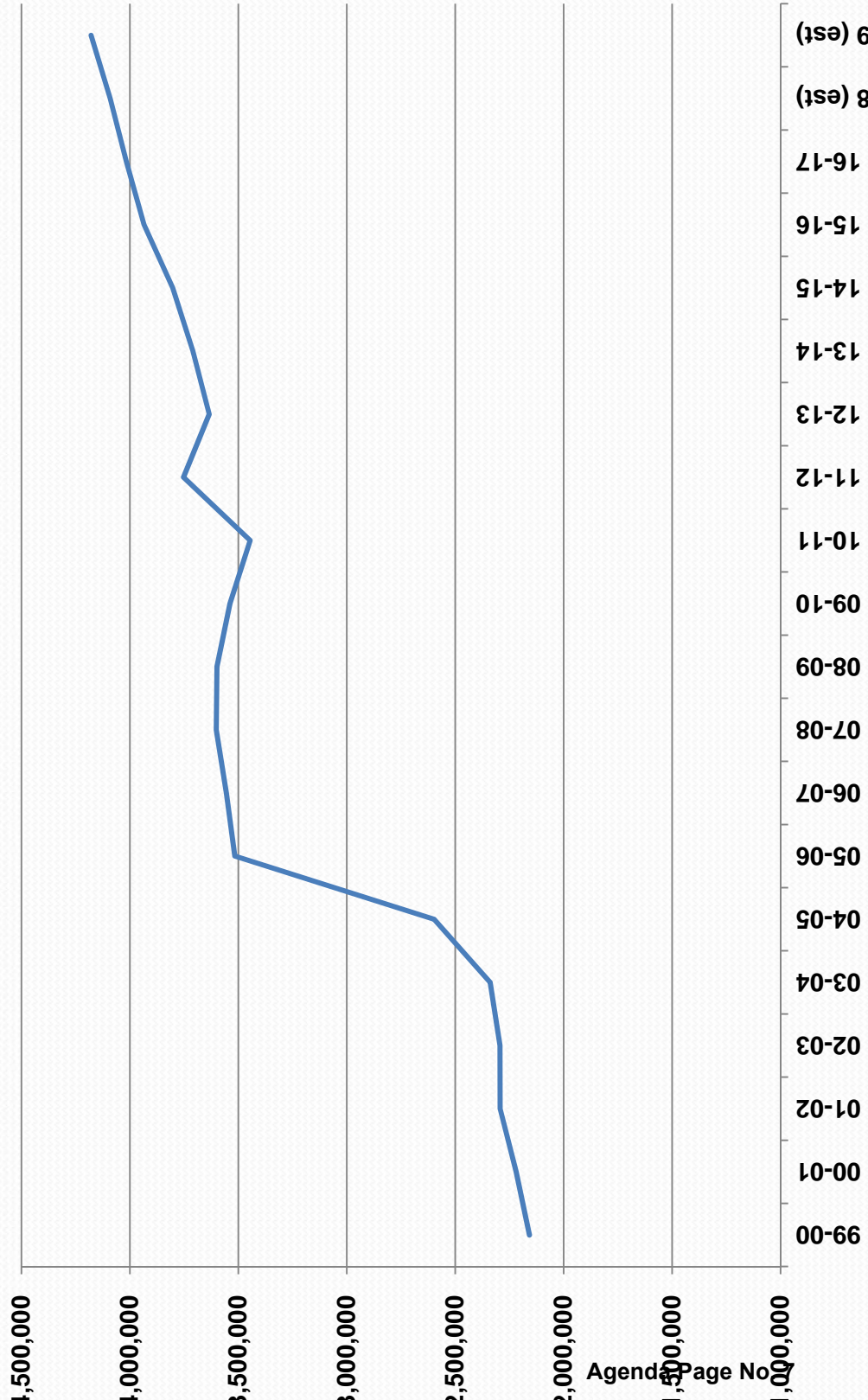
Draft Budget – Fiscal Year 2018-19
Board of Directors Meeting May 16, 2018



Permit Fees Revenues History FY 1999-2000 Thru 2018-19



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



Budget in Brief

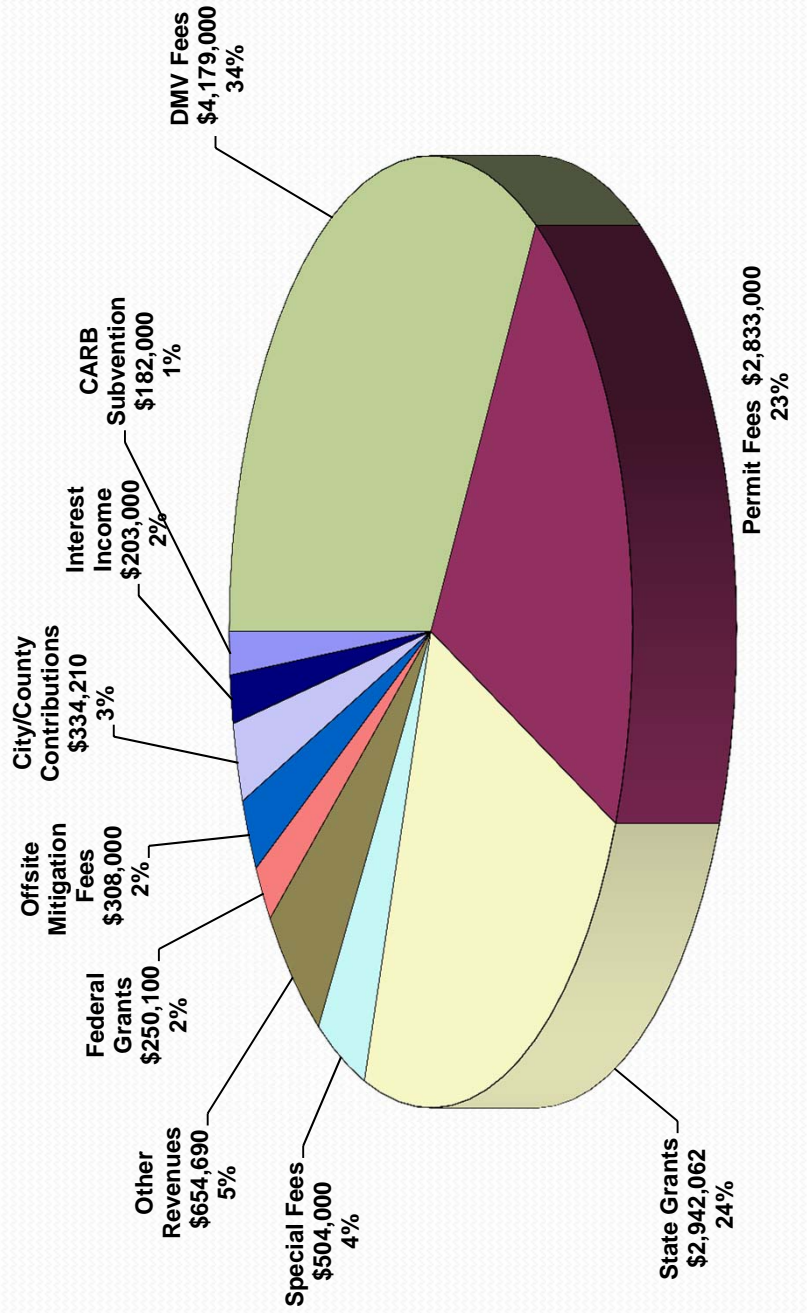
Pg 110 of Draft Budget

- Total budget of \$15.5 million
- Loss of major source permit and Title V fees.
- Proposed permit fee increases of 5 – 15% for most fee categories
- Proposed increase to City and County per capita fees – \$.04 increase to \$.43
- Elimination of 2 unfilled positions. Total of 32 FTEs.
- Fixed Asset Purchases:
 - Document management system - \$81,000
 - Building improvements - \$99,000
 - Vehicles and equipment - \$100,000
- New sources of state revenues for grant programs – CAPP & FARMER

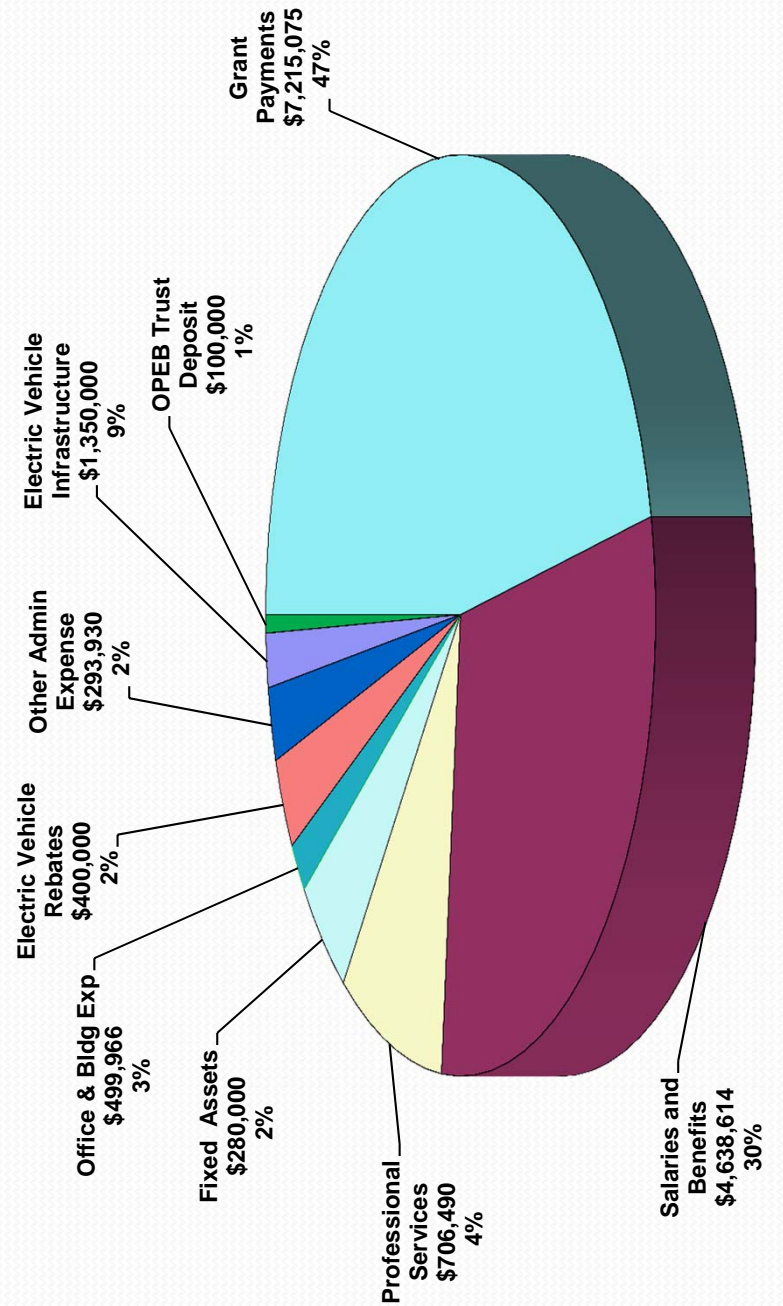
➤ Major grant programs continued: AB2766, AB923, Carl Moyer, Woodstove

Changeouts

FY 2018-19 Revenue - All Funds



FY 2018-19 Expenditures - All Funds



Operating Budget

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- Total Operating Budget of \$6.4 million.
- \$281,000 decrease in permit & Title V revenues (net of permit fee increases and loss of major source revenues).
- California Energy Commission Grant of \$150,000 – to promote the use of electric vehicles
- New State revenues: Oil and Gas, Emission Inventories, CAPP Grant
- Salaries and benefits increase of about \$149,000 over FY 17-18 budget
- Projected operating surplus of \$72,000 – yet Stationary Source Program still operating in a deficit

Non-Operating Budget

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Total Non-Operating Budget of \$9.1 million, which includes grant funding and other non-operating expenditures.

Major Grant Programs - Expenditures:

- AB2766 Program - \$2.8 million for grants & \$400,000 for electric vehicle incentives
- AB923 Program - \$700,000 million for grants + \$1.35 mil for EV Infrastructure Project
- Carl Moyer Program - \$1.1 million (ag and marine vessel engines)
- Offsite Mitigation Grants - \$600,000 mil (ag pumps & school buses)
- Woodstove Change-outs - \$220,000
- New Programs: CAPP Grants \$618,000 & FARMER \$1.2 million

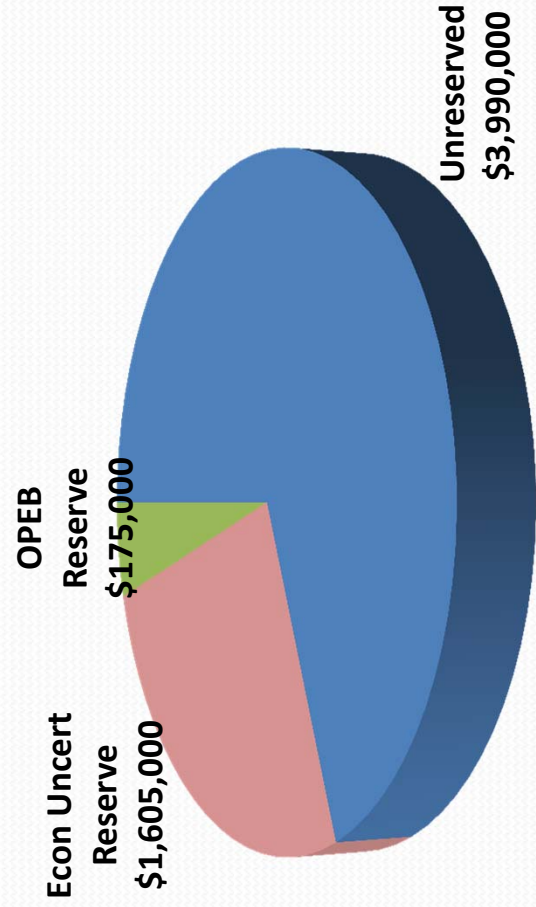
OP&E Trust deposit - \$100,000, funds future retiree health benefits



General Fund Balance

Projected, rounded to nearest thousand (Agenda Page 123 and 140)

Estimated Beginning Balance July 1, 2018	\$6,042,000
Revenues	5,028,000
Less Expenditures	<u>(5,300,000)</u>
Estimated Ending Fund Balance June 30, 2019	<u>\$5,770,000</u>



Budget Review Process

- March 21, 2018: Initial Review by Budget & Personnel Comm
- April 11th - 24th : Tri-Counties Budget Workshops
- May 16, 2018: First Hearing at Board of Directors mtg
- June 25, 2018: Second Hearing at Board of Directors mtg
Scheduled for Adoption



Questions
or
Comments?




Proposed Fee Rule Revisions


First Board Hearing
Amy Clymo, Engineering and Compliance Manager
May 2018



Overview


- Proposed fee rule revisions
 - 300, 301, 305, 306, 308

 Cost Recovery




Major Fee Rule Revisions

- Increase most fee categories by 5 %
- Increase emergency engines by 15%
- Increase hourly staff rate by CPI of 2.9%
- Rule 306 Asbestos NESHAP Fees
 - Eliminate fee exemption for school projects
 - Add fees for larger projects up to a maximum of \$3,000




Increase Fees by 5%

Current Fee (FY 17-18)	Fee Increase (5%)	Proposed Fee (FY 18-19)
Filing Fee \$198	\$10	Filing Fee \$208
General Permit Fee \$882	\$44	General Permit Fee \$926
Annual Renewal Fee – Billable Tons < 0.1 \$197	\$10	Annual Renewal Fee – Billable Tons < 0.1 \$207
Emergency Diesel Engine \$310	\$57	Emergency Diesel Engine \$357
Hourly Staff Rate \$145	\$4 (increase by 2.9%)	Hourly Staff Rate \$149




Increase Fees by 15%

Current Fee (FY 17-18)	Fee Increase (15%)	Proposed Fee (FY 18-19)
Emergency Non-Diesel Engine \$210	\$32	Emergency Diesel Engine \$242
Emergency Diesel Engine \$310	\$57	Emergency Diesel Engine \$357



Reduce Wastewater Categories


Average Flow, Gallons per Day	Number of Permits in Category
0 - < 500,000	48
500,000 - < 1,000,000	7
1,000,000 - < 2,000,000	2
2,000,000 - < 3,000,000	2
3,000,000 - < 4,000,000	0
4,000,000 - < 5,000,000	0
5,000,000 - < 6,000,000	1
6,000,000 - < 7,000,000	0
7,000,000 - < 8,000,000	0
8,000,000 and greater	3



Reduce Wastewater Categories

Rule 300 (Wastewater Treatment Facilities Fees, Section 4.7)

Average Flow; Gallons per Day	Rule 300 (FY 2017-2018)	Rule 300 (FY 2018-2019)
0 -< 500,000	\$ 176	\$ 200
500,000 -< 1,000,000	\$ 294	\$ 2,500
1,000,000 -< 2,000,000	\$ 522	\$ 6,500
2,000,000 -< 3,000,000	\$ 749	\$ 786
3,000,000 -< 4,000,000	\$ 1,160	\$ 1,218
4,000,000 -< 5,000,000	\$ 1,489	\$ 1,563
5,000,000 -< 6,000,000	\$ 1,820	\$ 1,910
6,000,000 -< 7,000,000	\$ 2,151	\$ 2,259
7,000,000 -< 8,000,000	\$ 2,483	\$ 2,607
8,000,000 and greater	\$2,483 + \$332 for each additional million gallons	\$2,483 + \$332 for each additional million gallons

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Rule 306 – Asbestos NESHAP Fees


- Eliminate school fee exemption and small project in unincorporated area
- Add the ability to charge fees for larger projects up to a maximum of \$3,000


RACM

Demolition or Renovation involving: greater than 10,000 sq. ft. RACM, or greater than 3,000 linear ft. RACM


Section 4.5.76 \$ 1,627

\$1,708 + \$422 per each additional 10,000 sq. ft. or each additional 2,000 linear ft. RACM not to exceed \$3,000

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- ## Rule 305 AB2588 Implementation Fees Rule 308 Title V Fees
- Rule 305 AB2588 Implementation Fees
 - Consolidate rule title
 - Add ability for District to assess hourly fee to prepare toxic emissions inventories
 - Rule 308 Title V Fees
 - Re-word language to allow a fee adjustment for permanent equipment shutdowns.
-  Monterey Bay Air Resources District
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Questions/Comments?

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