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
     o Reported that the City of Seaside Sustainability Fair and Electric Vehicle Drive Event was very successful.
     o He has seen our ads being aired on KSBW.
     o 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.
- 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


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*
Permit Fees Revenues History
DMV Fees Revenues History

AGENDA ITEM NO. 8
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

- State Grants $4,124,897 (29%)
- Permit Fees $2,994,319 (21%)
- DMV Fees $4,224,000 (30%)
- CARB Subvention $179,000 (1%)
- Interest Income $282,500 (2%)
- City/County Contributions $367,815 (3%)
- Offsite Mitigation Fees $265,000 (2%)
- Federal Grants $302,000 (2%)
- Special Fees $538,600 (4%)
- Other Revenues $811,266 (6%)
FY 2019-20
Expenditures - All Funds

- Electric Vehicle Incentives: $400,000 (25%)
- Office & Bldg Exp: $474,206 (25%)
- Fixed Assets: $562,000 (25%)
- Professional Services: $419,205 (25%)
- Salaries and Benefits: $4,766,806 (25%)
- Other Admin Expense: $293,020 (25%)
- Electric Vehicle Infrastructure: $2,650,000 (25%)
- Other Expend: $205,000 (25%)
- Grant Payments: $9,472,000 (25%)

Total: $10,000,000
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

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)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,272,000</td>
<td>$5,391,000</td>
<td>($5,517,000)</td>
<td>$6,146,702</td>
<td>$2,264,000</td>
<td>$3,882,702</td>
<td>$126,000</td>
<td>$511,000</td>
</tr>
</tbody>
</table>
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
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%

<table>
<thead>
<tr>
<th>Current Fee  (FY 18-19)</th>
<th>Fee Increase (4.5%)</th>
<th>Proposed Fee  (FY 19-20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filing Fee $208</td>
<td>$9</td>
<td>Filing Fee $217</td>
</tr>
<tr>
<td>General Permit Fee $926</td>
<td>$42</td>
<td>General Permit Fee $968</td>
</tr>
<tr>
<td>Annual Renewal Fee – Billable Tons &lt; 0.1 $207</td>
<td>$9</td>
<td>Annual Renewal Fee – Billable Tons &lt; 0.1 $216</td>
</tr>
<tr>
<td>Emergency Diesel Engine $357</td>
<td>$16</td>
<td>Emergency Diesel Engine $373</td>
</tr>
<tr>
<td>Hourly Staff Rate $149</td>
<td>$5 (increase by 3.5%)</td>
<td>Hourly Staff Rate $154</td>
</tr>
</tbody>
</table>
### AGENDA ITEM NO. 8

**Gasoline Dispensing Facilities**

- No fee increase

<table>
<thead>
<tr>
<th>Gasoline Throughput; Gallons per Year</th>
<th>Rule 300 (FY 2018-2019)</th>
<th>Rule 300 (FY 2019-2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Section 4.6</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Nozzle Fee</td>
<td>$53</td>
<td>$53</td>
</tr>
<tr>
<td>Throughput &quot;b&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 - 100,000</td>
<td>$258</td>
<td>$258</td>
</tr>
<tr>
<td>100,000 - 400,000</td>
<td>$413</td>
<td>$413</td>
</tr>
<tr>
<td>400,000 - 800,000</td>
<td>$610</td>
<td>$610</td>
</tr>
<tr>
<td>800,000 - 1,200,000</td>
<td>$812</td>
<td>$812</td>
</tr>
<tr>
<td>1,200,000 - 1,600,000</td>
<td>$1,011</td>
<td>$1,011</td>
</tr>
<tr>
<td>1,600,000 - 2,000,000</td>
<td>$1,307</td>
<td>$1,307</td>
</tr>
<tr>
<td>2,000,000 - 3,000,000</td>
<td>$1,983</td>
<td>$1,983</td>
</tr>
<tr>
<td>3,000,000 - 4,000,000</td>
<td>$2,642</td>
<td>$2,642</td>
</tr>
<tr>
<td>4,000,000 - 5,000,000</td>
<td>$3,301</td>
<td>$3,301</td>
</tr>
<tr>
<td>5,000,000 - 6,000,000</td>
<td>$3,960</td>
<td>$3,960</td>
</tr>
<tr>
<td>6,000,000 - 7,000,000</td>
<td>$4,619</td>
<td>$4,619</td>
</tr>
<tr>
<td>7,000,000 - 8,000,000</td>
<td>$5,278</td>
<td>$5,278</td>
</tr>
<tr>
<td>8,000,000 - 9,000,000</td>
<td>$5,937</td>
<td>$5,937</td>
</tr>
<tr>
<td>9,000,000 - 10,000,000</td>
<td>$6,596</td>
<td>$6,596</td>
</tr>
<tr>
<td>10,000,000 - 11,000,000</td>
<td>$7,255</td>
<td>$7,255</td>
</tr>
<tr>
<td>3,000,000 and greater</td>
<td>$7,914</td>
<td>$7,914</td>
</tr>
<tr>
<td>Greater than 11,000,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Rule 306 – Asbestos NESHAP Fees

**Fee Increase by 10%**

<table>
<thead>
<tr>
<th>Proposed Fee (FY 19-20)</th>
<th>Fee Increase (10%)</th>
<th>Current Fee (FY 18-19)</th>
<th>Cancellation Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolition Fee</td>
<td>$464</td>
<td>$422</td>
<td>$149</td>
</tr>
<tr>
<td>Renovation RACM (260-599 lf)</td>
<td>$806</td>
<td>$733</td>
<td>$164</td>
</tr>
<tr>
<td>Cancellation Fee</td>
<td></td>
<td>$15</td>
<td></td>
</tr>
</tbody>
</table>

AGENDA ITEM NO. 8

Monterey Bay Air Resources District
### Rule 306 – Asbestos NESHAP Fees

<table>
<thead>
<tr>
<th>Demolition or Renovation involving RACM (fees apply to the material quantity in the highest fee category):</th>
<th>Square Feet</th>
<th>Linear Feet</th>
<th>Rule 306 (FY 2018-2019)</th>
<th>Rule 306 (FY 2019-2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 4.5.1</td>
<td>Equal to or Greater that 35 cubic feet between 160 and 999 sq. ft. RACM, or between 260 and 499 linear ft. RACM</td>
<td>260-499</td>
<td>$733</td>
<td>$805</td>
</tr>
<tr>
<td>Section 4.5.2</td>
<td>Demolition or Renovation involving: between 1,000 and 1,999 sq. ft. RACM, or between 500 and 749 linear ft. RACM</td>
<td>500-749</td>
<td>$945</td>
<td>$1,040</td>
</tr>
<tr>
<td>Section 4.5.3</td>
<td>Demolition or Renovation involving: between 1,500 and 1,999 sq. ft. RACM, or between 750 and 999 linear ft. RACM</td>
<td>750-999</td>
<td>$1,156</td>
<td>$1,272</td>
</tr>
<tr>
<td>Section 4.5.4</td>
<td>Demolition or Renovation involving: between 2,000 and 3,999 sq. ft. RACM, or between 1,000 and 1,999 linear ft. RACM</td>
<td>1,000-1,999</td>
<td>$1,369</td>
<td>$1,498</td>
</tr>
<tr>
<td>Section 4.5.5</td>
<td>Demolition or Renovation involving: between 4,000 and 9,999 sq. ft. RACM, or between 2,000 and 2,999 linear ft. RACM</td>
<td>2,000-2,999</td>
<td>$1,580</td>
<td>$1,718</td>
</tr>
<tr>
<td>Section 4.5.6</td>
<td>Demolition or Renovation involving: greater than 10,000 sq. ft. RACM, or greater than 5,000 linear ft. RACM</td>
<td>3,000-4,999</td>
<td>$1,799</td>
<td></td>
</tr>
</tbody>
</table>

*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

- Provide direction to staff