



Monterey Bay Air Resources District
 24580 Silver Cloud Court, Monterey, CA 93940

MEETING DATE:	June 15,2022	REGULAR AGENDA
TO:	The Air Pollution Control Board	
FROM:	Rosa Rosales, Administrative Services Manager	
SUBJECT:	Hold a Second Public Hearing on Proposed Budget for Fiscal Year 2022-23 and Consideration of Resolution Adopting the Fiscal Year 2022-23 Budget in the Amount of \$27,064,134; Approving the FY 2022-23 Per Capita Assessments; Approving Permit Fee Schedule Changes Effective July 1, 2022; Authorizing the Purchase of Specified Fixed Assets; and Approving Direction to Staff for Development of Future District Budgets	

RECOMMENDATION

Hold a second Public Hearing on the proposed budget for Fiscal year 2022-23 and adopt the attached resolution approving the Fiscal Year 2022-23 Budget and the associated actions for approving per capita assessments, permit fee schedule changes, fixed assets purchases, and the development of future budgets.

DISCUSSION

Today’s meeting is the second public hearing for the adoption of the Fiscal Year 2022-23 budget. The following revisions were made to the draft budget that was presented to the Board of Directors on May 18,2022:

- Increased Moyer Grant expenditures by \$315,000 for State Reserve Grant Funds;
- Added Emission Inventory Funding revenue of \$12,583 based on final contract;
- Increase CARB Prescribed Burn revenues by \$31,400 based on final contract.

The General Fund budget shows a deficit of \$631,364 primarily due to fairly conservative revenue estimates, increased personnel costs, and increase in fixed assets. These deficits can be covered by General Fund reserves. As shown on the Fund Balance schedule in the draft budget, the General Fund projected ending balance (as of 6/30/23) is projected to be about \$6.5 million, including \$4.4 million in undesignated/unreserved funds.

Staff requests that the Board provide direction on making any final changes to the FY 2022-23 draft budget and adopt the budget at today’s meeting so that the District has an approved spending plan for the new fiscal year starting July 1, 2022.

ATTACHMENTS

- Proposed Resolution
- FY 2022-23 Draft Budget

RESOLUTION 22-__

BEFORE THE AIR POLLUTION CONTROL BOARD OF THE MONTEREY BAY AIR RESOURCES DISTRICT

- Adopt the Fiscal Year (FY) 22-23 Budget in the Amount of \$27,064,134 and)
- Authorize the Purchase of Specified Fixed Assets; and)
- Approve the Per Capita Assessment per the District’s Unification Agreement; and)
- Approve Permit Fees Effective July 1, 2022 Per the Attached Fee Schedule; and)
- Approve Direction to Staff for Development of Future District Budgets.....)

BE IT RESOLVED, a budget figure in the amount of \$27,064,134 for FY 22-23 is hereby adopted for the Monterey Bay Air Resources District and the Air Pollution Control Officer is hereby directed to implement the Budget accordingly.

BE IT FURTHER RESOLVED, the Air Pollution Control Officer is authorized and hereby directed to negotiate and sign the final supplemental applications for potential Federal grant and State subvention funds for FY 22-23.

BE IT FURTHER RESOLVED, the Air Pollution Control Officer is hereby authorized to purchase the fixed assets included in the budget at costs not to exceed funds in the total fixed asset account.

BE IT FURTHER RESOLVED, by majority vote, this Board determined the per capita assessment imposed and paid by all cities and counties within the District, as stipulated in the District’s Unification Agreement. The per capita assessment for FY 22-23 shall be fifty cents (\$.50).

BE IT FURTHER RESOLVED, by majority vote, this Board approves the attached permit fee schedule and directs staff to develop future budgets recognizing a consistent index of inflation. As needed, the Budget will be prepared for the Board’s consideration using the San Francisco-Oakland-Hayward Consumer Price Index as available to adjust general regulatory fees.

PASSED AND ADOPTED this 15th day of June, 2022, upon motion of Director _____, seconded by Director _____, and carried by the following vote, to wit:

AYES:

NOES:

ABSENT:

I hereby certify that the foregoing is a true and correct Resolution as duly adopted by the Board of Directors of the Monterey Bay Air Resources District on June 12, 2022.

By: _____ Approved: _____
Sirie Thongchua, Executive Assistant Richard A. Stedman, APCO



FY 2022-23 BUDGET

June 15, 2022

MONTEREY BAY AIR RESOURCES DISTRICT

BOARD OF DIRECTORS

NAME AND JURISDICTION	AREA OF REPRESENTATION
Steve McShane, Chair Councilmember, City of Salinas Budget Committee Chair	City of Salinas
Ryan Coonerty, Vice Chair Supervisor, District 3 - Santa Cruz County Budget Committee Vice Chair	Santa Cruz County
Kollin Kosmicki Supervisor, District 2 - San Benito County	San Benito County
Mary Ann Carbone Mayor, Sand City Budget Committee Member	Monterey County
Zach Friend Supervisor, District 2 - Santa Cruz County Budget Committee Member (alt.)	Santa Cruz County
Sandy Brown Councilmember, City of Santa Cruz	Santa Cruz County Cities
Mike LeBarre Mayor, King City	South Monterey County Cities
Chris Lopez Supervisor – District 3, Monterey County Budget Committee Member	Monterey County
Wendy Root Askew Supervisor, District 4 – Monterey County	Monterey County
John Phillips Supervisor, District 2 - Monterey County	Monterey County
Sam Storey Mayor, City of Capitola Budget Committee Member	Santa Cruz County Cities (Rotates every two years with San Benito County Cities)

Richard A. Stedman, Air Pollution Control Officer



Monterey Bay Air Resources District Fiscal Year 2022-23 Budget

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FY 2022-23 BUDGET ADOPTION SCHEDULE

- April 12, 2022 – Budget Workshop
11:00 am – Monterey Bay Air Resources District
Board Chambers – via Zoom
24580 Silver Cloud Court, Monterey, California
- April 20, 2022: Review first Draft with Budget and Personnel Committee
12:30 pm– Monterey Bay Air Resources District
Board Chambers – via Zoom
24580 Silver Cloud Court, Monterey, California
- May 18, 2022: First Board of Directors Hearing
1:30 pm– Monterey Bay Air Resources District
Board Chambers – via Zoom
24580 Silver Cloud Court, Monterey, California
- June 15, 2022: Second Board of Directors Hearing and Adoption of Final Budget
1:30 pm– Monterey Bay Air Resources District
Board Chambers – via Zoom
24580 Silver Cloud Court, Monterey, California
- July 1, 2022 – MBARD Fiscal Year Begins



AIR POLLUTION CONTROL OFFICER'S BUDGET MEMORANDUM

Date: June 18, 2022

Dear Chair McShane, Board members,

I respectfully submit to you the Fiscal Year 2022-2023 (FY 22-23) proposed budget for the Monterey Bay Air Resources District (MBARD). This budget was prepared according to the state and federal legal requirements as well as policy framework and direction provided by the Board of Directors and the Budget Personnel and Nominating Committee. The following represents the highlights for revenue and expenditures in MBARD's FY 22-23 budget.

MBARD's FY 22-23 budget is estimated at \$27 million, consisting of \$7.5 million in operational and \$19.6 million in non-operational (Grant Programs) costs. This represents an overall increase of approximately thirty seven percent from the FY 21-22 budget. Operational costs are approximately \$860,000 higher than the previous fiscal years budget. Due to additional grant funding from the California Air Resources Board, the non-operational budget has increased by over six million dollars from the previous fiscal year. The number of personnel will increase by three positions, as compared to FY 21-22 staff levels.

The following list some of the more important aspects to the proposed FY 22-23 budget:

- Consumer Price Index (CPI) increase of 4.2 percent for most permit fee categories.
- A three percent cost of living allowance for staff.
- A per capita fee increase from \$.48 to \$.50.
- Cost recovery for the stationary Source Permitting Program will be at 80%. Cost recovery for the Title V Air Operating Permit and Asbestos programs will be at 93% and 82%, respectively.
- \$18 million for grant funding to reduce emissions for MBARD's ongoing AB2766, AB923, Carl Moyer, Community Air Protection (CAPP), Funding Agricultural Replacement Measures (FARMER) programs, East Garrison programs and Central Coast Community Energy electric bus grant program.
- \$1 million to continue MBARD's Plug-In Monterey Bay program to install electric vehicle stations throughout Monterey, Santa Cruz, and San Benito counties. In addition, MBARD will continue its electric vehicle incentive program for residents in the three-county jurisdiction, including e-bikes.

- \$218,750 to reduce PM2.5 wood smoke emissions through MBARD's Wood Stove Change Out Program.

MBARD's commitment to protecting our air while balancing economic considerations is reflected in this proposed budget. We focus on core programs and maintain strong internal controls to minimize financial risks. We seek the most economical and effective solutions on behalf of residents and businesses in Monterey, Santa Cruz, and San Benito counties. We strive every day to work with the community, industry, and regional partners to find reasonable and cost-effective approaches to protect air quality throughout the North Coast Central Air Basin.

Respectfully,



Richard A. Stedman
Air Pollution Control Officer

INTRODUCTION

The Fiscal Year 2022-2023 (FY 22-23) Budget, which runs from July 1, 2022 through June 30, 2023, has been prepared for final adoption by the Monterey Bay Air Resources District (MBARD) Board of Directors. The budget adoption process is specified in the California Health and Safety Code Section 40131 and includes requirements for two public hearings and notification to all fee payers.

The FY 22-23 Budget complies with the policy framework and direction provided by MBARD's Budget and Personnel Committee and the Board of Directors. In addition, comments received through the public hearing process have been fully considered and, where possible, incorporated into the development of this budget.

The FY 22-23 Budget is designed to continue our mission of assuring healthful air quality in the North Central Coast Air Basin while improving levels of service to the public and the regulated community, and reducing and controlling costs.

This Budget funds a comprehensive local air pollution program that includes the following functions:

- Implement MBARD policy to respond to air pollution related complaints in a timely fashion.
- Conduct special air quality field studies as needed.
- Operate and maintain six full-time air monitoring stations and record and report some 46 air quality metrics with full quality control assurance.
- Operate a wildfire smoke network of 25 sensors.
- Annually review California Environmental Quality Act (CEQA) environmental impact reports and other related federal, state, and local documents.
- Implement federal air quality programs including permitting, maintaining national ambient air quality attainment standards, and enforcing air quality laws and regulations.
- Implement MBARD's Education and Outreach Program for schools and the public.
- Implement the Wood Stove Change-Out Program to reduce wood smoke pollution from residential home heating devices.
- Provide smoke management services for areas affected by wood smoke from residential home heating, outdoor backyard burns, and prescribed burns.
- Provide support services for the MBARD Board of Directors, Hearing Board, Advisory Committee, and 33 staff with a total budget of approximately \$7.5 million.

- Offer electric vehicle purchase incentives to residents of Monterey, Santa Cruz, and San Benito counties.
- Administer and process over 40 emissions reduction projects, including grants funded by AB2766 and AB923 funds, Carl Moyer Program grants, Community Air Protection Program (CAPP) grants, and Funding Agricultural Replacement Measures for Emission Reductions (FARMER) grants.
- Process new Authorities to Construct and Permits to Operate and maintain/inspect over 3,000 Permits to Operate.

Revenue Projections

As compared to FY 21-22 estimated actuals, operating revenue projections for FY 22-23 are higher by about \$897,000. This increase is primarily due to additional administrative funding from state grant programs. As the state has significantly increased the grant awards to operate incentive programs, such as the Carl Moyer and FARMER programs, the administrative funding to MBARD for the implementation of these programs has also increased.

City and County contributions are projected to increase by about \$20,000 based on raising the per capita fee from \$.48 to \$.50. The per capita contributions are paid by each city and county in MBARD's Tri-County area in lieu of each jurisdiction creating, operating, and maintaining its own air quality program.

Permit fees for businesses that emit air pollution will increase in FY 22-23 by 4.2 percent, equivalent to the Consumer Price Index for last year. This will bring in an additional \$182,000 to a total of \$3.2 million.

Revenues for grant programs are expected to almost double to over \$10 million in FY 22-23. The state has significantly increased grant funding across the board for the Carl Moyer Program, Community Air Protection Program (CAPP), and Funding Agricultural Replacement Measure for Emission Reductions (FARMER) program.

Expenditure Projections

MBARD operating expenditures for FY 22-23 are projected to be \$7.5 million, which is an increase of almost \$2 million from FY 21-22. However, due to COVID-19 impacts last year, MBARD underspent almost a million dollars. For FY 22-23, expenditure projections are in close alignment with revenue expectations.

Fixed assets purchased are estimated at \$435,000. Proposed fixed asset purchases include a new roof for the MBARD office, a new vehicle for the Compliance Division, new monitoring equipment and cloud computing services.

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With the significant increase in revenue for almost every grant program, MBARD expects approximately \$19 million in expenditures FY 22-23. As compared to estimated actuals for FY 21-22, expenditures will increase by approximately \$17 million in FY 22-23.

Other notable budget highlights are included in the “Budget in Brief” section of this budget document.

Stationary Source Programs

Permitting, Title V and Asbestos make up MBARD’s Stationary Source Programs. Included in the FY 22-23 Budget is a cost rate for each of these programs. For the Permitting program, MBARD will be collecting 80% of the cost estimated to run the program. Title V, also known as the federal Air Operating Permit program, will have a cost recovery of 93%. MBARD’s Asbestos program will recover costs at a rate of 82%.

All of these programs are supported by fees paid by businesses subject to state federal and local air quality laws and regulations. Except for Title V, which requires all work to be wholly supported by fees, the other program shortfalls will be covered by state and federal grants.

Fund Balances

MBARD maintains seven general ledger funds for tracking specific revenues and associated expenditures as summarized in the Budget Schedules section. Within the General Fund, certain monies have been designated for special purposes such as economic uncertainties, building and facilities, and for OPEB and retirement trust accounts. The designated funds are discretionary dollars available for spending as planned during the annual budget process or when unforeseen circumstances arise.

Fund balances for grant programs will show expenditures estimated for FY 22-23. Many of the grants are awarded as multi-year contracts so the revenues and expenditures may not be in close alignment with the current budget cycle.

Summary

The FY 22-23 Budget totals \$27 million of which \$7.5 million is MBARD’s annual operating budget and \$19.6 million is in pass-through and prior year carryover grant funds. Primarily due to a significant increase in state grant awards, the FY 22-23 Budget represents an increase of \$7 million over the previous year.

With this budget, MBARD is committed to efficient and effective air quality management of the three-county jurisdiction. MBARD remains in solid financial health and is well prepared to navigate economic uncertainties in the upcoming year.

ADMINISTRATIVE DIVISION

The Administrative Division consists of the Air Pollution Control Officer (APCO), an Administrative Services Manager, an Executive Assistant, an Administrative and Fiscal Specialist, a Senior Fiscal Assistant, and an Office Assistant. The Division performs the following functions:

General Operations

The Division is responsible for all premises management including building and grounds, vehicle fleet management, Safety Program, administrative support, telephone systems, reception duties, mailroom, copy functions and office supplies. General Operations also includes human resource management and benefit administration for the 33 budgeted positions.

Finance and Accounting

The accounting section is responsible for all general accounting functions including accounts receivable, accounts payable, payroll, fixed asset management, grants, risk management, and related financial reporting.

An important function of this section is the preparation and tracking of the annual budget. All managers participate in a collaborative effort with the APCO and the Administrative Services Manager in compiling and presenting the annual proposal. Additional responsibilities include preparation of annual audit schedules and risk management.

In FY 22-23, the Administrative Division will continue working closely with the Engineering and Compliance Divisions to complete the implementation of the new permitting database program. The Division has also transitioned accounts payable to the new document management system.

Another important function of the Finance and Accounting Division is to assist each year with the audit of the MBARD finances. The financial audit for FY 20-21 was successfully completed in January 2022 with MBARD receiving a “clean” audit with no significant deficiencies or material weaknesses identified.

MBARD Boards

The Division provides support to the MBARD Board of Directors, Hearing Board and Advisory Committee. This support and assistance include distribution and publication of agendas, notices and minutes and processing of public inquiries and information requests.

Monterey County Counsel provides contracted legal advice to the Board of Directors and its committees, the Advisory Committee, APCO and staff as well as representing MBARD in civil litigation, variance cases, abatement actions and permit revocations before the Hearing Board.

AIR MONITORING DIVISION

The Air Monitoring Division consists of one Supervising Air Monitoring Specialist, one Senior Air Monitoring Specialist, and one Air Monitoring Specialist. In FY 22-23, MBARD expects to continue to look for ways to lower expenditures including staff costs through attrition and reorganization. The Division performs the following functions:

Ambient Air Monitoring

MBARD operates a monitoring network to determine compliance with California and federal ambient air quality standards within a three county jurisdiction known as the North Central Coast Air Basin (NCCAB). MBARD also operates special purpose monitoring networks related to smoke management of outdoor burning and fine particle emissions from home heating with wood. These networks deliver near real-time measurements that are presented online in order to provide the public with characterizations of air quality based on the EPA's Air Quality Index (AQI). They also support the MBARD's online pollutant forecasting and wood smoke curtailment programs.

Ozone

Ozone is monitored at six air monitoring stations within the tri-county area. One of these monitors is operated by the National Parks Service. MBARD is in attainment with the federal and state eight-hour ozone ambient air quality standards (AAQS) at all of these stations.

The Division provides technical assistance and collaborates with the National Park Service at the Pinnacles National Park monitoring station. Even though we do not operate this station, ozone measurements from this site can be used to determine MBARD's attainment status. These measurements are most reflective of emission reduction benefits from the ozone precursor source region; the San Francisco Bay Area.

Particulate Matter

"PM₁₀", or PM Coarse, refers to particles that are 10 micrometers or less in aerodynamic diameter (about $\frac{1}{25}$ the diameter of a human hair). The Division conducts PM₁₀ monitoring using continuous measurement devices at the Hollister and King City stations. These sites show periodic exceedances of the California standard caused by fugitive dust emissions on windy days. A violation of the state standard occurs when PM₁₀ exceeds a 24-hour average of 50µg/m³. An exceedance does not necessarily indicate a violation of the standard if the exceedance is caused by an exceptional event such as smoke from a wildfire.

The North Central Coast Air Basin is in attainment of the federal AAQS for PM₁₀, however, it continues to be in non-attainment with the California AAQS. This status is a result of exceedances at the King City station in Monterey County due to dust from plowed agricultural fields in the Salinas Valley. The only other PM₁₀ monitor, located in Hollister, is in attainment for both the federal and state AAQS.

PM_{2.5} or “PM Fine”

The Division monitors PM_{2.5} at stations located in Salinas, Santa Cruz, Hollister, Carmel Valley, King City, and Felton. The North Central Coast Air Basin is currently in attainment of the PM_{2.5} federal and California AAQS. “PM_{2.5}” refers to particles that are 2.5 micrometers or less in aerodynamic diameter (about 1/70th the diameter of a human hair).

PM_{2.5} is also monitored in support of MBARD’s Smoke Management Program. Temporary networks are established to detect fine particle emissions from burns conducted at the former Fort Ord, other large prescribed burns, wildfires, and in the San Lorenzo Valley for wood smoke from wood stoves and fireplaces.

Other Criteria Pollutants

Pollutants such as nitrogen dioxide, nitric oxide, oxides of nitrogen, and carbon monoxide are monitored at the Salinas station. We are in attainment of both federal and state AAQS for these pollutants.

FY 2021 – 22 Major Accomplishments

- Met all EPA and ARB data collection, reporting and quality assurance requirements at all stations.
- Received additional 105 Grant funds which offset materials costs of monitoring activities in the San Lorenzo Valley.
- MBARD continues the operation and maintenance of the PM₁₀ network located within the Hollister Hills Recreational Vehicle Park and receives direct compensation for this work.
- Refined operations and modernized air monitoring resources.
- Set up new PM₁₀ ambient air monitoring station in San Juan Bautista.
- Continued to support wood smoke reduction efforts in the San Lorenzo Valley by monitoring PM_{2.5} levels during the winter home heating season.

FY 2022 - 23 Objectives

- Continue to meet all ARB and EPA monitoring requirements.
- Continue modernization activities and apply benefits to expand more efficient operations to meet MBARD needs.
- Continue to optimize and tailor new data acquisition system capabilities to increase automation and remote control capabilities for air monitoring tasks.
- Continue monitoring in the San Lorenzo Valley to support MBARD endeavors to reduce PM fine levels from wood smoke and backyard burning.
- Set up a low-cost sensor network to monitor smoke impacts to population centers throughout the tri-county area.

Meteorological Monitoring

The Division monitors and reports hourly meteorological data at sites in Salinas, Hollister, Santa Cruz, King City, Carmel Valley, and Felton. Parameters recorded are wind speed, wind direction, and ambient temperature. Meteorological measurements are critical to understanding air quality. These measurements directly affect and support MBARD air quality forecasting and smoke management programs. Meteorological data is also used to understand pollutant flux in the air basin and when responding to citizen complaints.

Source Specific Monitoring

The Division supports remote smoke monitoring instruments to detect smoke emissions from controlled burns, wildfires, and prolonged large structure fires. The Division may also assist in complaint response through the use of portable air monitoring equipment.

FY 2021 - 22 Major Accomplishments

- Met all data collection, reporting, and quality assurance objectives.
- Applied meteorological measurements at special study and temporary monitoring sites.
- Continued the use of radiosondes for atmospheric vertical profiling to support smoke management projects.

FY 2022 - 23 Objectives

- Continue meteorological monitoring to meet MBARD needs.
- Continue to upgrade meteorological monitoring systems as needed.
- Establish a sensor network at various locations throughout the tri-county area.

COMPLIANCE DIVISION

The Compliance Division staff consists of an Engineering and Compliance Manager (0.5 FTE), a Supervising Inspector, seven field Air Quality Compliance Inspectors, one Senior Administrative Assistant, and one Engineering & Compliance Specialist (0.75 FTE).

The Division performs the following functions:

Inspections of Stationary Sources

Compliance inspectors conduct unannounced inspections of over 3,000 permits to assure compliance with all of the permit requirements, applicable MBARD regulations, and state and federal laws.

Air quality violations trigger investigations and enforcement actions. To ensure compliance with MBARD permit and/or other regulatory requirements, the Division uses a suite of corrective actions including direct remediation, education, supplemental environmental projects and monetary penalties.

Due to having one less inspector and the restrictions from the COVID-19 pandemic, we continued to adjust our inspections techniques during 2021. We continued remote inspections for equipment such as, emergency generators, which involved receiving videos or photographs and logs from sources to document compliance, and in-field inspections at sources where the inspectors could remain outdoors, be physically distanced, and where the source would allow us onsite. We communicated with sources prior to conducting inspections to ensure their COVID-19 protocols would allow us to conduct the inspection.

Observation of Source Tests

Inspectors oversee approximately 100 source tests conducted at stationary sources. Staff reviews the source test protocol prior to the test, reviews the protocol to ensure the proper test is conducted and that the source test contractor has the proper equipment and certification to conduct the test, witnesses the test to ensure the source test contractor follows the correct test procedures, and reviews the source test results to ensure the data is properly reported and to act promptly on any compliance issues related to the testing.

Complaint Investigations

The Division receives several hundred complaints each year. Timely responses and investigations of alleged sources of non-compliance are top priorities.

Compliance Assistance

The Division devotes considerable resources to assist the public and regulated sources with their understanding of regulatory requirements. The primary focus of these activities is to notify, educate and offer solutions to avoid potential compliance problems and achieve the best possible air quality

During calendar year 2021, the Division performed 1,172 inspections of permitted equipment, responded to 230 public complaints, and addressed 23 reported facility equipment breakdowns.

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FY 21-22 Major Accomplishments	FY 22-23 Objectives
<ul style="list-style-type: none"> • Successfully implemented and transitioned to a new permit database with Accela. • Acquired training on the emission detection equipment Forward Looking Infrared (FLIR) camera and used the FLIR on inspections of oil and gas facilities and landfills. • Served on the NACAA Joint Training Committee’s Curriculum Development Workgroup to update the curricula for the source testing training course. • Held source testers accountable for following the test methods and for providing the necessary documentation in the test reports to verify compliance. • Completed all major source inspections and report reviews. • Conducted inspections and enforced the California Air Resources Board Oil and Gas Regulation on the oil and gas industry. Observed and photographed gas leaks from the lens of the FLIR camera where these gas leaks are not visible by the naked eye. • Continued to expanded use of administrative assistance to perform office-based duties to allow field-based inspection staff to remain in the field conducting inspections. • Provided one-on-one help to businesses and individuals to ensure understanding of MBARD requirements. 	<ul style="list-style-type: none"> • Continue improvements in efficiency and further streamlining of functions to meet new mandates without increasing staffing levels. • Continue to develop new policies/procedures and amend existing policies/procedures to enhance consistency and efficiency. • Continue to look for opportunities to reduce unnecessary redundancies with inspection paperwork and to continue to expend the use of administrative assistance. • Continue to review source test protocols and test results and monitor source testers methods through source test observations. • Increase availability of MBARD information for stakeholders and the general public. • Evaluate compliance assistance methods and apply findings towards improvement of MBARD customer support efforts. • Continue identifying unpermitted sources. • Cross-train Compliance Division staff to ensure continuity of operations. • Transition to paperless submission, processing, and review of reports. • Evaluate whether to continue remote inspections on an annual basis for emergency engines to supplement biennial in-person inspections. • Purchase and use of a TVA 2020 at oil and gas facilities, gasoline stations, and landfills, to enhance our inspections. • Complete the online complaint system and automated transfer of complaint data into the Laserfiche system.

Smoke Management Program

The Division actively contributes to MBARD’s smoke management activities. The Division handles complaints and enforcement actions on fireplace smoke, backyard burns, and prescribed burns and agricultural burns.

FY 21-22 Major Accomplishments	FY 22-23 Objectives
<ul style="list-style-type: none"> • Staff responded to public inquiries concerning Rule 438 (Open Outdoor Fires) regulation, including providing compliance assistance brochures. • Worked with Planning Division staff on revisions to Rule 438 – Open Outdoor Fires, based on field experience. • Mailed 15 fireplace smoke complaint letters and educational materials to residents of smoky chimneys. 	<ul style="list-style-type: none"> • Enforce MBARD rules governing excessive smoke and related nuisances. • Examine response objectives and continue to develop ways to effectively handle fireplace smoke complaints. • Expand partnerships with Fire Protection Agencies that issue burn permits to meet Rule 438 standards.

Hearing Board

The Hearing Board is comprised of five citizens appointed by MBARD’s Board of Directors. The Compliance Division staff represents MBARD at variance hearings. Staff prepares draft orders, staff reports, and provides testimony for all variance applications received. Staff also tracks variances to ensure sources comply with variances and other Hearing Board orders. During calendar year 2021, the Hearing Board issued two variances to active operating permits.

Asbestos Program

The Division is the delegated authority to enforce the federal EPA Asbestos NESHAP program (National Emission Standards of Hazardous Air Pollutants). The mission of the program is to prevent and protect public health from unnecessary asbestos fiber releases and exposures associated with disturbing asbestos containing building materials during renovations and/or demolitions. This is conducted by compliance assistance, routine inspections, investigations, and complaint response.

Projects range from renovation asbestos removal to multi-structure demolition projects. Typically, projects that would be regulated by the program are schools, commercial, industry, and residential facilities. Stand-alone single family dwellings are typically not regulated by the program.

The program partners with other governmental agencies such as city and county building departments, county environmental health departments, Cal/OSHA, Contractor State Licensing Board, and other Air Districts to help ensure compliance to protect public health.

When non-compliance is identified, staff in the program work to achieve compliance by working with stakeholders such as contractors, city and county building departments, and/or facility owners to correct issues as soon as possible to protect public health.

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FY 21-22 Major Accomplishments	FY 22-23 Objectives
<ul style="list-style-type: none"> • Received and reviewed 296 project notifications and conducted 191 inspections. • Attended pre-construction meetings, reviewed surveys and other related documentation, offered compliance assistance, and conducted inspections at the Moss Landing Power Plant for the asbestos removal and demolition of Units 6&7 at the facility. • Worked with residential management facilities in the jurisdiction with compliance assistance involving submission of annual notification for emergency, non-scheduled repair work. • Conducted meetings, inspections and offered compliance assistance for various asbestos abatement and demolition projects located at the former Fort Ord site. • Conducted asbestos investigations and complaint response at several regulated facilities in the jurisdiction. • Worked closely with City building and Environmental Health departments on compliance assistance, investigations on construction project issues, structure fire cleanups, and on Asbestos NESHAP and MBARD permit requirements in the various jurisdictions. • Work with the military and their City partner on annual notifications for non-scheduled, emergency repair work at various facilities in the jurisdiction. • Worked with and conducted meetings with consultants and contractors and reviewed Asbestos Dust Mitigation Plan(s) (ADMP) for grading and site work of housing developments containing Naturally Occurring Asbestos (NOA) in the King City vicinity. • Worked with other Air MBARDs and other State Agencies on compliance issues with the Federal EPA Asbestos NESHAP regulation. • Worked with CAPCOA on establishing a protocol for Asbestos NESHAP Program guidance for non-delegated Air MBARDs in California. • Provided an Asbestos NESHAP presentation at the State of California Environmental Symposium. • Provided a presentation(s) at the EPA Region 9 Quarterly Asbestos NESHAP meeting(s). • Continued to actively participate in the Tri-County Environmental Task Force. 	<ul style="list-style-type: none"> • Continue to provide assistance to ensure compliance with facility personnel, contractors, and consultants of the continuing asbestos abatement and demolition of Units 6 & 7 at the Moss Landing Power Plant. • Continue to ensure compliance with City, Consultants, and Contractors on large scale upcoming building demolition projects at the Former Fort Ord. • Continue to maintain and build relationships with City/County Building and Environmental Health Departments to help assure compliance with asbestos regulations and permit requirements as part of the construction permit process. • Continue to assist and be a resource for other air MBARDs throughout the State of California with the Federal EPA Asbestos NESHAP Program. • Continue to enhance the asbestos section of the MBARD website. • Continue to work on and finalize development of the Asbestos Program Rule for the objective of clearing up ambiguities, language, definitions, and enforceability. • Continue to conduct routine inspections to assure compliance of regulated projects.

Mutual Settlement Program

The Mutual Settlement Program resolves violations of air quality regulations without formal legal proceedings. Notices of Violation are usually settled by mutual agreement between MBARD and the respondent.

The program is administered by the Enforcement Division Management and settles Notices of Violation through negotiations with respondents. Cases of significant merit may be referred to the local Attorney’s Office for prosecution.

During 2021, Compliance staff issued 50 Notices of Violation and negotiated over \$57,000 in penalties from these violations.

FY 21-22 Major Accomplishments	FY 22-23 Objectives
<ul style="list-style-type: none"> • Worked to identify and maintain consistent penalties for violations at gasoline stations. • Provided compliance assistance and outreach through our website. • Worked with violators to promote better work practices and improve compliance. • Worked with local building departments to provide MBARD information to permit applicants. • Negotiated significant settlements involving operation without a permit and source testing violations. • Negotiated and executed tolling agreement with corrective actions. 	<ul style="list-style-type: none"> • Expand coordination with local building departments to assure permit applicants are aware of MBARD requirements for both operating permits and asbestos program requirements. • Continue participation in Environmental Task Force meeting and coordinate joint inspections at recalcitrant business with stakeholder agencies. • Expand Accela reports to make Mutual Settlement Data easily available. • Reduce the time between discovery of noncompliance and settlements that include corrective actions that promote future compliance. • Continue to review current Mutual Settlement procedures and propose improvements to program protocol. • Use Accela database information on settled cases as test scenarios for investigation of new penalty calculation structures. • Create a protocol to implement flat penalties for less complex violations to improve efficiency, and provide an additional enforcement tool to inspectors.

Portable Equipment Inspections

In addition to inspecting permitted portable equipment, the Division also inspects portable equipment registered in the State of California’s registration program. There are several portable equipment units that need inspection every year.

Examples of the types of portable equipment inspected include engines that power electrical generators, portable concrete batch plants, oil well service equipment, and engines that power sandblasting/painting operations. This equipment can move many times during the course of the year. Inspections are conducted at large storage yards or in the field when the equipment is in operation.

ENGINEERING DIVISION

The Engineering Division staff consists of an Engineering & Compliance Manager (0.5 FTE), a Supervising Engineer, four Permit Engineers, one Senior Administrative Assistant, and an Engineering & Compliance Specialist (0.25 FTE). The Division performs the following functions:

Permitting

MBARD's permit system is the primary tool to ensure businesses comply with air quality control requirements. Two types of permits issued are Authorities to Construct and Permits to Operate.

Authorities to Construct are preconstruction permits issued after evaluation of project emissions and necessary control technologies and determination of criteria and toxic pollutant regulatory compliance.

Permits to Operate are issued after construction is completed and the equipment is found to be operating in compliance with all terms and conditions of the Authority to Construct and with all applicable regulatory requirements.

The Division oversees 3,212 active Permits to Operate, including the annual renewal process. During calendar year 2021, the Division issued 199 Authorities to Construct, 269 Permits to Operate, 1 Agricultural Diesel Engine Registrations, and 1 Title V Permit modification.

To meet state requirements, the Division maintains a registration program for diesel engines used in agricultural operations. Currently, 494 agricultural engines are registered.

The Division also oversees implementation of the Title V Federal Operating Permit program. There are 13 active Title V facility permits within our jurisdiction that are renewed on a five-year cycle.

FY 21-22 Major Accomplishments

- Successfully implemented and transitioned to a new permit database with Accela.
- Updated active large fleet Tier 2 diesel engine permits to enforce and implement the revisions to CARB's Airborne Toxic Control Measure (ATCM) for Diesel Particulate Matter from Portable Engines.
- Participated on CAPCOA, CARB and CalRecycle's Compost Workgroup to find innovative approaches to air quality permitting to achieve the organic diversion mandate of SB1383, Short Lived Climate Pollutant Strategy.
- Issued the first authority to construct for equipment associated with mobile gasoline refueling.
- Evaluated two new Title V facility permit applications. Finalization of the new Title V Operating Permits are anticipated to be issued before end of fiscal year 2022.
- Participated on California Air Resources Board (CARB) AB 617, Community Air Protection Program subcommittees to develop a Technology Clearinghouse for Best Available Retrofit Control Technology and a State-Wide Emissions Inventory Tool.
- Implemented the second phase of Rule 441's Best Available Retrofit Control Technology (BARCT) requirements for boilers, steam generators and process heaters.
- Served as Chair of the California Air Pollution Control Officers Association (CAPCOA) Engineering Managers Committee.

FY 22-23 Objectives

- Update active small fleet Tier 2 diesel engine permits to enforce and implement the revisions to CARB's Airborne Toxic Control Measure (ATCM) for Diesel Particulate Matter from Portable Engines.
- Initiate the process to automate uploading of AB 617 Criteria Pollutant and Toxic Emissions Reporting (CTR) data to CARB reporting database.
- Issue Federal Title V facility permit renewals and modifications.
- Continue to develop an automated permit application form system to streamline the transfer of data into the MBARD's Accela permitting database.
- Implement an electronic filing system.
- Process projects involving on-going installation and/or modification of Enhanced Vapor Recovery and In-Station Diagnostic systems at gasoline stations.
- Continue to participate on CAPCOA, CARB and CalRecycle's Compost Workgroup to find innovative approaches to air quality permitting to achieve the organic diversion mandate of SB1383, Short Lived Climate Pollutant Strategy.
- Continue to conduct an annual permit review of all landfills, and update permits to include the applicable and enforceable requirements of CARB's Methane Emissions from Municipal Solid Waste Landfills.

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Rule Development Program

The process of developing and amending MBARD regulations is achieved through the Rule Development Program. The Engineering and Planning Divisions share this responsibility. Through this program, Divisions detail development of proposed regulations, prepare notification formalities, provide presentations at public workshops and the MBARD Advisory Committee, and participate in public hearings and MBARD Board of Directors meetings.

FY 21-22 Major Accomplishments

- Completed an analysis of the steam drive oil production wells subject to both Rule 427 and CARB AB 617 Community Air Protection Program and determined a Best Available Retrofit Control Technology (BARCT) rule was not justified.
- Completed an analysis of the storage tanks subject to both Rule 417 and CARB AB 617 Community Air Protection Program and determined a Best Available Retrofit Control Technology (BARCT) rule was not justified.

FY 22-23 Objectives

- Consider Best Available Retrofit Control Technology (BARCT) for lime kilns, as required by CARB AB 617 BARCT Implementation Schedule.
- Propose revisions to Rule 207 (Review of New or Modified Sources), develop required Senate Bill 288 (SB288) findings, conduct CEQA analysis, and hold California Air Resources Board (CARB) public hearing to modify offsetting requirements.
- Finalize resolution of CARB's issues regarding Rule 201 (Sources Not Requiring Permits).
- Analyze existing regulations for consistency and conformity with applicable requirements, and initiate rule revisions, as necessary.
- Adopt rule to reduce landfill gas emissions from municipal solid waste landfills by implementing provisions of EPA's Title 40 Code of Federal Regulations Part 60, Subpart Cf.

Toxics Programs

The Engineering Division is responsible for the implementation of the State of California Air Toxics Hot Spots Information and Assessment Act of 1987 (AB 2588). The "Hot Spots" Program requires businesses to develop and update an emissions inventory of toxic air pollutants every four years for sources of intermediate risk, high risk and significant changes. Businesses with high risk are required to perform a health risk assessment. The health risk assessments are based upon computer air quality modeling analysis to determine the potential air quality impacts using highly specialized software, which simulate the movement and dispersion of air pollutants.

In 2015 the Office of Environmental Health Hazard Assessment (OEHHA) updated the methodology used to assess health risks to incorporate childhood exposure to air toxics. Evaluations based upon the updated OEHHA methodology for the same level of emissions and conditions are anticipated to show an increase in potential cancer risk. In addition, the California Air Pollution Control Officers Association

(CAPCOA) updated the Facility Prioritization Guidelines in 2016. Based upon these changes, Rule 1003 was revised in 2017 to reflect the updated OEHHA Health Risk Assessment Guidelines and the updated CAPCOA Facility Prioritization Guidelines. Since 2018, MBARD has been on track to re-evaluate all sources under these new requirements of the AB 2588 “Hot Spots” program.

The Engineering Division is also responsible for the implementation of AB 617 Criteria Air Pollutant and Toxic Air Contaminants Reporting (CTR) regulation as a requirement of California Air Resources Board (CARB) Community Air Protection Program. The CTR requires the annual reporting of criteria and toxic air contaminant emissions by facilities subject to the applicability requirements. The emissions inventory data is critical to understanding the sources of emissions that may contribute to adverse health risks or other impacts at the local, regional, and statewide level. Most recently, in November 2020 CARB adopted amendments to the CTR. The CTR amendments will substantially expand the applicability requirements to increase the number and types of facilities subject to the annual emissions data reporting and are effective January 1, 2022.

To align the “Hots Spots” program with the CTR requirements, the State of California Air Resources Board also adopted amendments to the Emissions Inventory Criteria and Guidelines (EICG) Report to expand the number and types of facilities that must submit quad-annual “Hots Spots” reports. These amendments will also require the phase-in of an additional 900 chemicals to be reviewed under both the CTR and “Hots Spots” programs.

Accordingly, MBARD will be re-positioning its toxic program to conform to the facility sector review schedule as mandated in the revised CTR. Specifically, facilities identified in the first sector phase will be required to submit 2023 emission inventories in reporting year 2024.

FY 21-22 Major Accomplishments

- Reviewed 5 Health Risk Assessments for the implementation of the “Hots Spots” program in CY 21.
- Participated in the California Air Pollution Control Officers Association (CAPCOA) Air Toxics and Risk Managers Committee (TARMAC).
- Organized and provided Hot Spots Analysis & Reporting Program (HARP) training to air district staff throughout the State through TARMAC.
- Served on the TARMAC Diesel Engine Industry-Wide Guidelines and Auto Body Shop Industry-Wide Guidelines Workgroups.

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FY 22-23 Objectives

- Develop a plan to implement the Sector Phase I Emission Reporting under the AB 617 Criteria Air Pollutant and Toxic Air Contaminants Reporting (CTR) regulation as a requirement of California Air Resources Board (CARB) Community Air Protection Program.
- Initiate the process to automate uploading of AB 617 Criteria Pollutant and Toxic Emissions Reporting (CTR) data to the CARB reporting database.
- Provide public outreach and workshops to inform sources of the amendments to the CTR and Emission Inventory Criteria and Guidelines Report (EICG) for the Air Toxic “Hot Spots” Program.
- Continue to re-evaluate sources already in the review process per the AB 588 Hot Spots Program to include the OHHEA updated Health Risk Assessment Guidelines, and CAPCOA updated Facility Prioritization Guidelines.
- Participate in the development of industry-wide risk assessment guidelines for gasoline dispensing facilities, diesel-fired internal combustion engines, and auto body shops, via the California Air Pollution Control Officers Association (CAPCOA) Air Toxics and Risk Managers Committee (TARMAC).
- Review Health Risk Assessments for the implementation of the “Hots Spots” program.

Technical Assistance

The Division provides technical assistance for a broad range of internal actions, including review of State of California and Federal program developments, rule development and implementation, hearing board actions, emissions inventory, and California Environmental Quality Act evaluations.

The Division responds to inquiries from the public regarding permit and regulatory requirements, source information, and general air pollution questions.

Ongoing Objectives

- Collaborate with the California Air Resources Board on implementation of actions in AB 617 such as uniform emissions inventory reporting and BARCT implementation.
- Review and evaluate technical assistance priorities.
- Propose and initiate changes that reflect MBARD needs.

PLANNING DIVISION

The Planning Division includes one Planning and Air Monitoring Manager, one new Planning Supervisor, four Air Quality Planners, and one Air Quality Technician.

The Division performs the following functions:

Preparation of State and Federal Plans

The Division prepares regional air quality plans to show how the region will comply with ambient air quality standards in the future. Plans include technical analysis, growth projections, and attainment strategies based on feasible control measures.

FY 2022 - 23 Objectives

- Prepare documentation to identify exceptional events which caused exceedances of federal PM2.5 and the state ozone ambient air quality standards during wildfires.

Air Emissions Inventories

The Division summarizes estimates of air pollutant emissions from stationary, area and mobile sources in the North Central Coast Air Basin. Inventories are used to identify sources subject to further control, and as input data for computer models to simulate dispersion of pollutants into the atmosphere.

The Division reviews pollutant concentrations and weather conditions to predict future pollutant levels at local and regional scales. Planning staff update the air quality forecast on MBARD’s website several times each week.

Land-Use Planning

The Division provides guidance and assistance to lead agencies, consultants and others concerning air quality and greenhouse gas analyses prepared in accordance with the California Environmental Quality Act (CEQA).

The Division reviews and provides comments on land-use project environmental documents and periodically updates MBARD’s *CEQA Air Quality Guidelines* to reflect current requirements of CEQA statute and CEQA Guidelines.

FY 2021 - 22 Major Accomplishments

- Reviewed and commented on nine environmental documents.

FY 2022 - 23 Objectives

- Continue reviews and comments on environmental documents.
- Develop guidance for addressing greenhouse gas emissions in environmental documents.
- Update CEQA Guidelines.

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Implementation of Grant Programs

The Division manages grant programs funded by the State of California such as the Carl Moyer Memorial (Moyer) Program, DMV fees (AB 2766 and AB 923), the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program and the Community Air Protection Program (CAPP).

The Division also manages the East Garrison (EG) mitigation fee grant program. Under this program, fees collected for the construction of each new home in the EG housing project are used in conjunction with other MBARD grant programs on emission reduction projects such as the replacement of older agricultural pump engines with electric motors, and to purchase electric school buses for school districts in the region.

FY 2021 - 22 Major Accomplishments

- Continued development of an online application system to implement grant funding for FARMER, CAPP, and Moyer.
- Managed grant projects under the AB2766, AB923, FARMER, EG, and Moyer Programs; Projects are evaluated based on emission reductions and availability of grant funds.
- Received and reviewed eligible emission reduction grant applications and electric vehicle replacement applications for AB2766 FY 2021-22 funds.
- Continued the electric vehicle (EV) voucher program for public agencies.
- Administered the EV incentive program which is open to the public. \$450,000 of AB2766 funds were allocated to incentivize residents within MBARD's tri-county area to purchase EVs.
- Established an electric bicycle incentive program for low-income residents. A total of \$50,000 of AB2766 funds were allocated to this program
- Awarded \$1.2 million in AB2766 funds to four motor vehicle emission reduction projects.
- Administered the Wood Stove Change-Out Program with \$158,000 of grant funds from California Climate Investments.
- Initiated another cycle of the Wood Stove Change-Out Program with \$87,500 from the MBARD's Clean Air Fund.
- Coordinated the Zero Emissions School Bus Program (ZESBP) which administers applications for electric school buses and awards grants depending on the most applicable grant fund: AB923, EG, Moyer, or CAPP; worked with Central Coast Community Energy to coordinate passing their funds through this program.

FY 2022 - 23 Objectives

- Manage AB2766, AB923, Moyer, FARMER, EG, ZESBP and CAP Programs.
- Manage the Plug-In Monterey Bay EV Infrastructure Program.
- Implement the Wood Stove Change Out program.
- Rank and select projects to award AB2766 funds.
- Obligate Moyer Program funds to selected projects.
- Administer applications for electric school buses per the ZESBP.
- Manage the EG mitigation fee projects and award funds to additional projects.
- Continue to offer an Electric Vehicle Incentive Program through AB2766.
- Coordinate with CARB and CAPCOA to meet requirements of the Community Air Protection Program (CAPP).

Transportation Planning

The Division participates with the Association of Monterey Bay Area Governments (AMBAG) and regional transportation planning agencies in regional transportation planning efforts. Staff participates in committees as well as being a member of the Monterey Bay Electric Vehicle Alliance (MBEVA).

FY 2021 - 22 Major Accomplishments

- Participated in regular transportation agency meetings.
- Participated in regular MBEVA meetings.

FY 2022 - 23 Objectives

- Continue to participate in local and regional transportation planning agency committees.
- Continue to support AMBAG's efforts in regional transportation planning.
- Continue to participate in MBEVA.

Participation in California Air Pollution Control Officers Association's Committees

The Division participates in two California Air Pollution Control Officers Association's (CAPCOA) committees: Planning Managers and Grants and Incentives.

FY 2022 - 23 Objectives

- Continue to participate in the Planning Managers and Grants and Incentives committees.

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Rule Development

The Division conducts rule development for rules that address programs the Division manages.

FY 2021 - 22 Major Accomplishments

- Completed development and adoption of revisions to Rule 438, Open Burning

FY 2022 - 23 Objectives

- Develop a rule to require the change-out of non-EPA certified wood stoves when residential properties are sold.

Education and Outreach Program

The Division manages MBARD's outreach program including participation in regional events, public education, press releases, advertisements, Air Quality Awareness week in April, and Clean Air Month in May.

FY 2021 - 22 Major Accomplishments

- Improved our presence in social media through posting of information to the MBARD's Facebook and Instagram pages.
- Expanded public outreach to support FARMER, CAPP, Moyer Program, and AB2766.
- Established an air sensor network at public schools throughout the North Central Coast Air Basin

FY 2022 - 23 Objectives

- Participate in community events.
- Continue to expand public outreach to publicize grant programs.
- Expand air sensor network at schools, hospitals, daycare/eldercare facilities and other locations.
- Continue expanding the use of MBARD's website and social media accounts.

Smoke Management Program

The Division is continuously improving the MBARD's Smoke Management Program (SMP) to make the program more protective of public health and more user friendly to the public.

The Division coordinates agricultural and prescribed burning SMP which includes analysis and technical assistance for burn projects. The Division is also responsible for the backyard burning smoke management program.

Agricultural and backyard burn permits are issued through MBARD's online permit systems. Broadcast

burn projects are tracked and reviewed through the CARB's Prescribed Fire Incident Reporting System (PFIRS).

The Division provides technical assistance and comments to other agencies whose land-use projects have the potential to cause smoke impacts.

The Division also administers a contract with the State Department of Toxic Substances Control for Division work on the former Fort Ord Burn Program.

FY 2021 - 22 Major Accomplishments

- Assisted with planning, implementation, and monitoring of prescribed burns.
- Rebuilt online agricultural and backyard burn application systems with Laserfiche.
- Worked with land managers to evaluate burn areas prior to planned burns.
- Used grant funding from CARB for the smoke management program to administer the SMP.
- Increased staff training for implementation of SMP with reimbursable funding from CAPCOA.

FY 2022 - 23 Objectives

- Assist with planning, implementation, and monitoring of prescribed burns.
- Improve outreach to effectively report smoke impacts from prescribed burns and wildfires.

Special Projects

San Lorenzo Valley PM2.5 Reduction Project

The San Lorenzo Valley (SLV) is a narrow river valley located in Santa Cruz County. In past winter seasons MBARD has measured PM2.5 concentrations above the federal 24-hour standard. The primary source of PM2.5 emissions is smoke from wood burning for home heating. The Division implements programs to reduce PM2.5 emissions during Fall and Winter, including a Spare the Air program which asks residents in the SLV to voluntarily use an alternative fuel, other than wood, for heating their homes when meteorological conditions are unfavorable for air quality.

FY 2021 - 22 Major Accomplishments

- Continued the Woodstove Change-Out Program.
- Continued Spare the Air alerts, a voluntary program which lets residents know when poor meteorological conditions develop in the SLV so they can choose cleaner burning options other than wood to heat their homes.

FY 2022 - 23 Objectives

- Continue PM2.5 reduction efforts in SLV.
- Continue administering a Wood Stove Change-Out Program.
- Seek continuous improvements for implementation of the Spare the Air program to reduce localized impacts from wood burning stoves and fireplaces.

BUDGET

IN

BRIEF

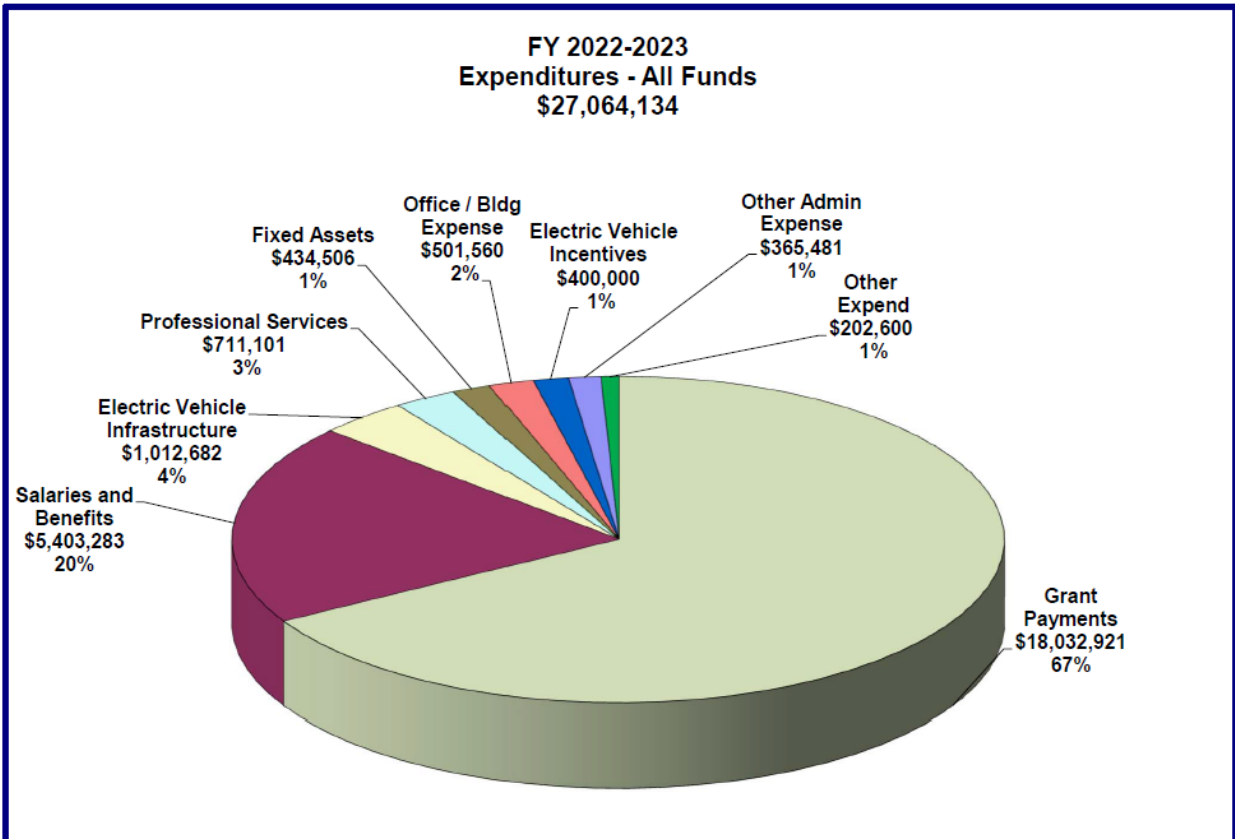
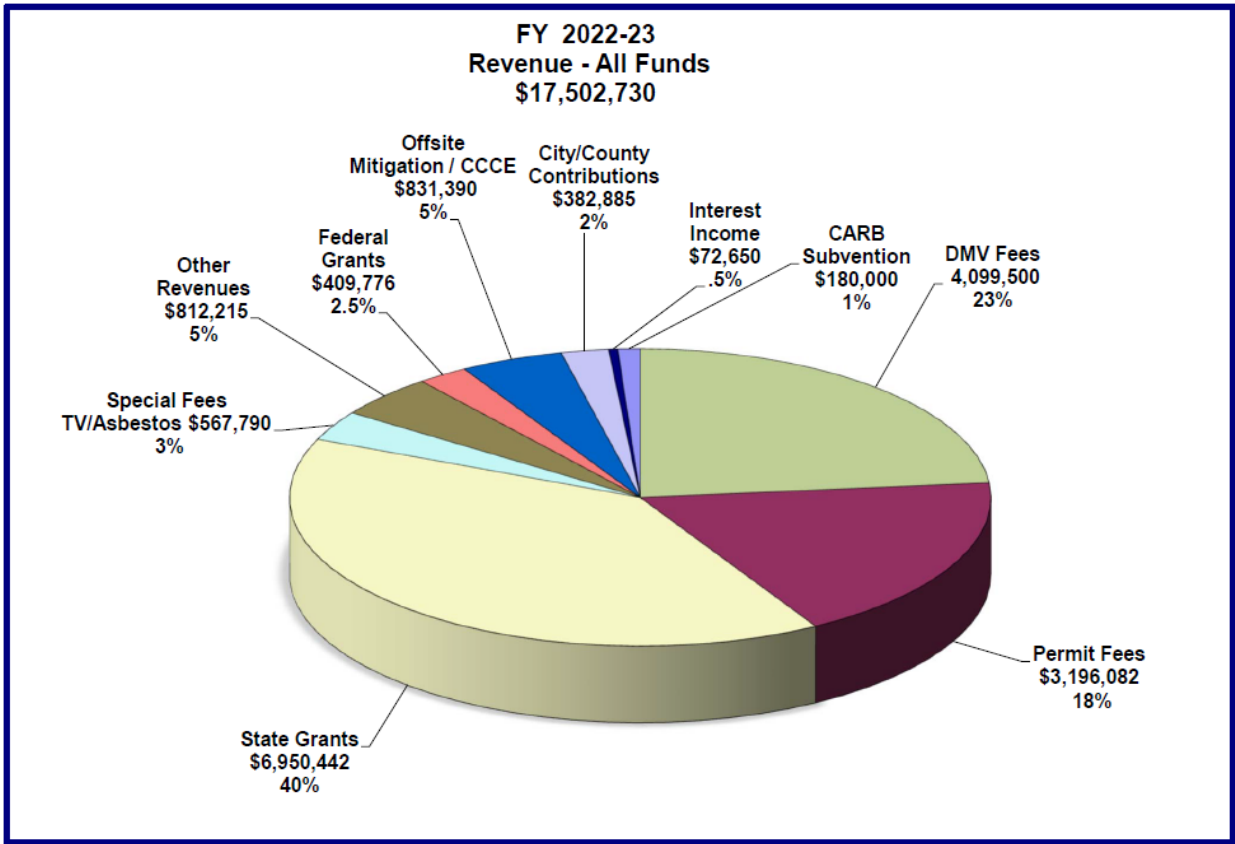


► **Fiscal Year 2022-23 Budget in Brief** ◀

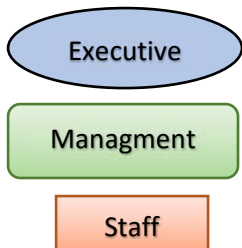
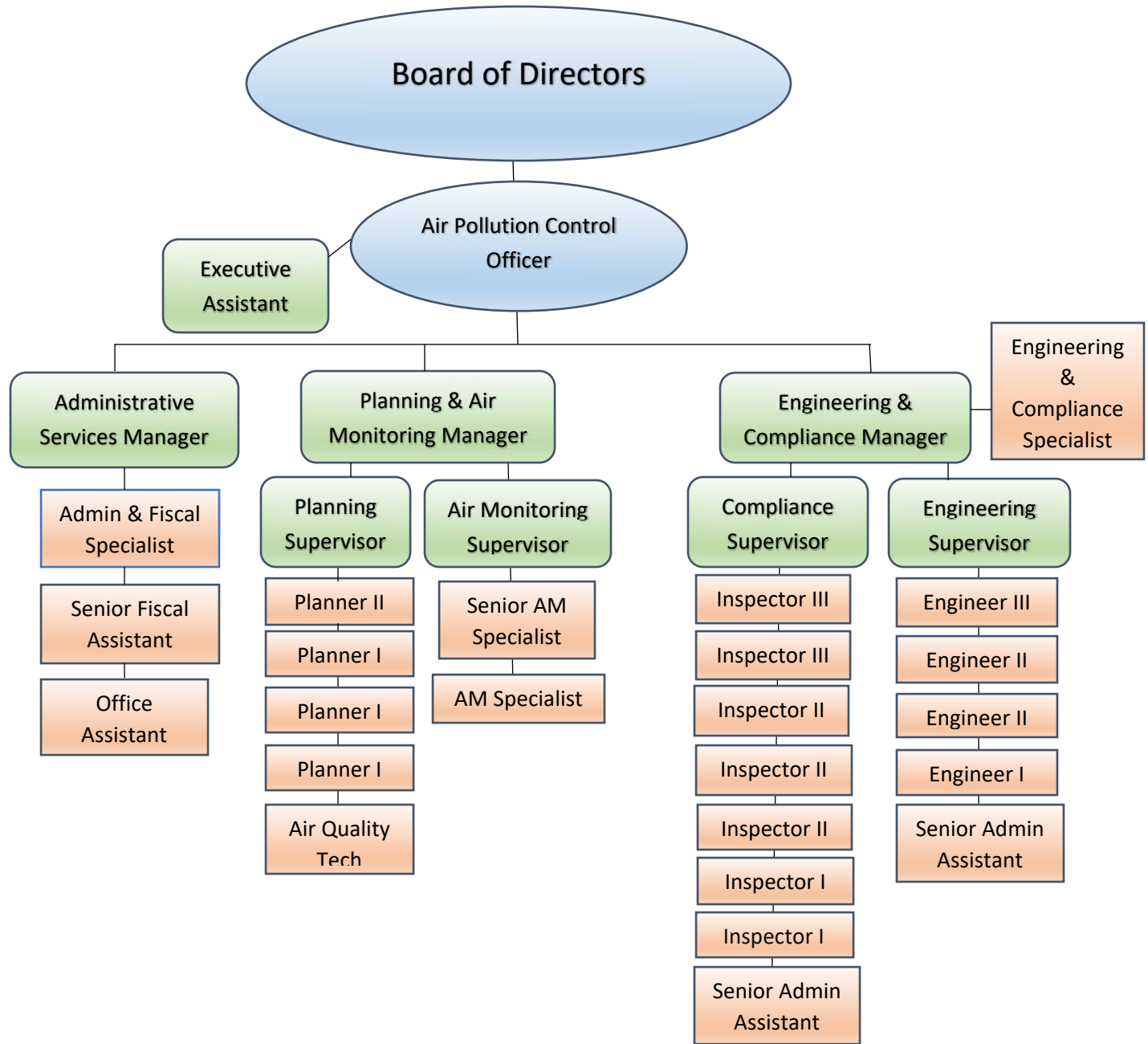
The following are budgetary highlights:

- ❖ Total budget of \$27 million consisting of:
 - Operational Budget \$ 7.5 million
 - Non-Operational Budget (Grant Programs) \$ 19.6 million
- ❖ Total budget increased from FY 2021-22 by approximately 37%
- ❖ Proposed fee changes:
 - CPI Increase of 4.2% for permit fees
 - City and County per capita fees increase by CPI from \$.48 to \$.50.
- ❖ Total of 33 full time employees in the Personnel Schedule. We will fill one currently vacant Inspector position, proposal for new Planning Supervisor, one additional Planner.
- ❖ Fixed Asset purchases of \$434,506 include annual cloud services for document management system and permitting system, one new vehicle, air monitoring equipment, and a new roof for main office.
- ❖ Deposit of \$45,000 to MBARD's Other Post Employment Benefit (OPEB) Trust plus estimated \$75,000 to MBARD's Pension Trust funded by the General Fund reserve designated for post-employment benefits and pension obligations.
- ❖ \$18 million for grant payments to reduce emissions for MBARD's ongoing AB2766, AB923, Carl Moyer, Community Air Protection (CAPP), Funding Agricultural Replacement Measures (FARMER) programs, and East Garrison programs and Central Coast Community Energy electric bus grant program.
- ❖ \$1 million to continue the Plug-In Monterey Bay program to install electric vehicle stations throughout Monterey, Santa Cruz, and San Benito counties. In addition, MBARD will continue its electric vehicle and electric bike incentive program for the Tri-County residents.
- ❖ Continued assistance towards reducing PM_{2.5} emissions in the San Lorenzo Valley, including estimated \$218,750 for Woodstove Changeout grants.

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ORGANIZATIONAL STRUCTURE





Personnel Schedule

<u>Division/Position</u>	<u>Revised Budget FY 2021-22</u>	<u>Additions/ Deletions</u>	<u>Proposed Budget FY 2022-23</u>
<u>ADMINISTRATIVE</u>			
APCO	1.00		1.00
Executive Assistant	1.00		1.00
Admin Services Manager	1.00		1.00
Office Assistant	1.00		1.00
Admin and Fiscal Specialist	1.00		1.00
Senior Fiscal Assistant	1.00		1.00
Subtotal	<u>6.00</u>	<u>0.00</u>	<u>6.00</u>
<u>COMPLIANCE</u>			
Division Manager ¹	0.50		0.50
Division Supervisor	1.00		1.00
Senior Admin Assistant	1.00		1.00
Engineering and Compliance Specialist	1.00		1.00
Air Quality Technician (vacant) ⁴	0.00	0.50	0.50
Inspector I (vacant) ³	1.00	1.00	2.00
Inspector II	4.00	(1.00)	3.00
Inspector III	2.00		2.00
Subtotal	<u>10.50</u>	<u>0.50</u>	<u>11.00</u>
<u>ENGINEERING</u>			
Division Manager ¹	0.50		0.50
Division Supervisor	1.00		1.00
Senior Admin Assistant	1.00		1.00
Engineer I	1.00		1.00
Engineer II	2.00		2.00
Engineer III	1.00		1.00
Subtotal	<u>6.50</u>	<u>0.00</u>	<u>6.50</u>
<u>PLANNING</u>			
Division Manager ²	0.50		0.50
Division Supervisor ⁵	0.00	1.00	1.00
Air Quality Technician (vacant) ⁴	1.00	(0.50)	0.50
Planner I	0.00	3.00	3.00
Planner II	2.00	(1.00)	1.00
Planner III	1.00	(1.00)	0.00
Subtotal	<u>4.50</u>	<u>1.50</u>	<u>6.00</u>
<u>AIR MONITORING</u>			
Division Manager ²	0.50		0.50
Division Supervisor	1.00		1.00
Air Monitoring Specialist	0.00	1.00	1.00
Senior Air Monitoring Specialist	2.00	(1.00)	1.00
Subtotal	<u>3.50</u>	<u>0.00</u>	<u>3.50</u>
Total Number of Positions	<u><u>31.00</u></u>	<u><u>2.00</u></u>	<u><u>33.00</u></u>

Notes:

- 1) Position oversees both Compliance & Engineering divisions.
- 2) Position oversees both Planning and Air Monitoring divisions.
- 3) Position currently vacant
- 4) Position will work with Compliance & Planning divisions
- 5) New proposed position in Planning

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Monterey Bay Air Resources District
Monthly Salaries for Staff Positions (All Full-Time)
Effective 7/11/22 (based on SEIU labor contract 7/1/21-6/30/26)

Job Title	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Office Assistant	\$ 4,165.20	\$ 4,373.20	\$ 4,591.60	\$ 4,822.13	\$ 5,064.80	\$ 5,570.93
Administrative Assistant	\$ 4,335.07	\$ 4,551.73	\$ 4,778.80	\$ 5,018.00	\$ 5,269.33	\$ 5,796.27
Fiscal Assistant	\$ 4,511.87	\$ 4,737.20	\$ 4,974.67	\$ 5,224.27	\$ 5,486.00	\$ 6,035.47
Sr. Admin Assistant (hired after 12/31/14)	\$ 4,787.47	\$ 5,026.67	\$ 5,278.00	\$ 5,541.47	\$ 5,818.80	\$ 6,401.20
Sr. Fiscal Assistant	\$ 4,983.33	\$ 5,232.93	\$ 5,492.93	\$ 5,768.53	\$ 6,058.00	\$ 6,662.93
Sr. Admin Assistant (hired prior to 1/1/15)	\$ 5,449.60	\$ 5,721.73	\$ 6,007.73	\$ 6,307.60	\$ 6,623.07	\$ 7,283.47
Air Quality Technician	\$ 5,501.60	\$ 5,777.20	\$ 6,066.67	\$ 6,370.00	\$ 6,688.93	\$ 7,358.00
Air Monitoring Specialist	\$ 5,610.80	\$ 5,891.60	\$ 6,186.27	\$ 6,494.80	\$ 6,820.67	\$ 7,501.87
Engineering and Compliance Specialist	\$ 5,723.47	\$ 6,009.47	\$ 6,309.33	\$ 6,624.80	\$ 6,957.60	\$ 7,656.13
Air Quality Compliance Inspector I	\$ 5,955.73	\$ 6,253.87	\$ 6,565.87	\$ 6,895.20	\$ 7,240.13	\$ 7,962.93
Air Quality Planner I	\$ 6,448.00	\$ 6,772.13	\$ 7,110.13	\$ 7,465.47	\$ 7,839.87	\$ 8,623.33
Senior Air Monitoring Specialist	\$ 6,512.13	\$ 6,838.00	\$ 7,181.20	\$ 7,540.00	\$ 7,916.13	\$ 8,711.73
Air Quality Compliance Inspector II	\$ 6,917.73	\$ 7,267.87	\$ 7,631.87	\$ 8,014.93	\$ 8,411.87	\$ 9,252.53
Air Quality Planner II	\$ 7,129.20	\$ 7,488.00	\$ 7,860.67	\$ 8,255.87	\$ 8,668.40	\$ 9,535.07
Air Quality Engineer I	\$ 7,200.27	\$ 7,560.80	\$ 7,938.67	\$ 8,335.60	\$ 8,751.60	\$ 9,626.93
Air Quality Compliance Inspector III	\$ 7,567.73	\$ 7,947.33	\$ 8,344.27	\$ 8,762.00	\$ 9,198.80	\$ 10,117.47
Air Quality Planner III	\$ 7,874.53	\$ 8,269.73	\$ 8,684.00	\$ 9,117.33	\$ 9,573.20	\$ 10,530.00
Air Quality Engineer II	\$ 8,356.40	\$ 8,774.13	\$ 9,214.40	\$ 9,677.20	\$ 10,160.80	\$ 11,176.53
Air Quality Engineer III	\$ 9,141.60	\$ 9,597.47	\$ 10,077.60	\$ 10,582.00	\$ 11,110.67	\$ 12,220.00

Management & Confidential Employees Monthly Salary Ranges (All Full-Time) - Effective 7/11/22

Job Title	Low	High
Air Pollution Control Officer (APCO)	\$ 18,025.42	\$ 19,495.00 (per employment agreement)
Engineering & Compliance Manager	\$ 10,916.67	\$ 14,025.00
Administrative Services Manager	\$ 10,416.67	\$ 13,383.34
Engineering Supervisor	\$ 10,333.33	\$ 13,383.34
Planning and Air Monitoring Manager	\$ 10,000.00	\$ 12,925.00
Supervising Air Quality Compliance Inspector	\$ 8,583.33	\$ 11,000.00
Supervising Air Monitoring Specialist	\$ 7,833.33	\$ 10,083.34
Executive Assistant	\$ 6,666.67	\$ 9,166.67
Administrative & Fiscal Specialist	\$ 5,416.67	\$ 6,966.67

BUDGET

SCHEDULES

**Monterey Bay Air Resources District
Operating Budget**

	ACTUALS FY 20-21	REVISED BUDGET FY 21-22	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23
<u>Operating Revenues</u>				
EPA Grants	\$ 328,224	\$ 339,876	\$ 339,876	\$ 409,776
AB2766 DMV Fees	1,100,000	1,100,000	1,100,000	1,100,000
AB923 DMV Fees	60,000	60,000	60,000	60,000
Permit Fees	3,097,618	2,785,164	3,014,542	3,196,082
Special Fees (Title V and Asbestos)	546,986	543,972	538,400	567,790
Penalties and Fines	276,269	154,000	223,370	200,000
CARB Subvention	180,289	180,289	178,054	180,000
City and County Contributions ¹	364,123	365,741	365,740	382,885
Contract Revenues (Source Air Monitoring)	119,059	100,000	38,000	80,000
Woodstove Change Out Admin Funds ⁴	-	12,500	12,500	31,250
Moyer Grant Revenues-Oper Rev	608,075	158,257	158,257	381,635
Other Grant Revenues (CA Energy Commission)	-	10,000	-	-
Oil and Gas Revenues (CARB) ²	120,000	60,000	60,000	60,000
Emission Inventory Funding (CARB) ²	-	12,583	12,583	12,583
CAPP Grant (AB617 Funding) ²	212,598	94,191	94,191	93,959
CARB Prescribed Burn Funding	355	30,000	30,000	61,400
Community Air Protection (CAPP) Funds-Oper Rev ²	219,437	161,235	161,235	200,000
Funding Agric Replacement Measures for Emission Reductions (FARMER) Funds-Oper Rev ²	279,282	80,000	-	267,750
Other Revenues	155,522	178,166	166,824	160,522
Interest Income (Gen Fund)	69,231	75,000	20,000	25,000
Total Operating Revenues	\$ 7,737,068	\$ 6,500,974	\$ 6,573,572	\$ 7,470,632
<u>Expenditures by Division:</u>				
Administrative	\$ 1,655,241	\$ 1,860,065	\$ 1,610,553	\$ 2,156,017
Air Monitoring	663,687	772,059	570,352	754,899
Compliance	1,530,799	1,676,587	1,626,091	1,922,297
Engineering	1,110,038	1,372,506	1,104,816	1,420,700
Planning	806,270	920,967	755,110	1,214,618
Total Operating Expenditures	\$ 5,766,035	\$ 6,602,184	\$ 5,666,922	\$ 7,468,531
Net Surplus (Deficit)	\$ 1,971,033	\$ (101,210)	\$ 906,650	\$ 2,102
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 4,698,913	\$ 4,942,786	\$ 4,515,192	\$ 5,403,283
Maintenance, Equipment, and Supplies	218,102	341,052	246,696	343,740
Legal and Professional Services	518,488	630,863	409,068	711,101
Contractual Svcs	-	-	-	-
Utilities & Office Rent	133,085	144,901	144,920	157,820
Insurance	107,730	111,717	112,516	127,148
Training, Travel, District Board Exp	21,832	153,878	53,852	166,678
Fixed Assets ³	-	174,754	111,624	434,506
Sponsorships	1,237	22,000	4,000	22,000
Transfers to Other Funds (to Clean Air Fund)	30,000	35,000	35,000	52,600
Other	36,649	45,233	34,054	49,655
Total Operating Expenditures	\$ 5,766,035	\$ 6,602,184	\$ 5,666,922	\$ 7,468,531

Notes:

(1) FY 22-23 City and County contributions include per capita assessment increase from \$.48 to \$.50.

(2) State funded revenues based on AB617, AB134, AB197, & SB1260.

(3) FY 22-23 Fixed Assets include: \$200,000 for new roof, \$35K for new compliance vehicle, \$48K for air monitoring equipment, \$104K for cloud services

(4) FY 21-22 Woodstove Changeout funded by Clean Air Fund. FY 22-23 will be funded by CA Air Resources Board

**Monterey Bay Air Resources District
Non-Operating Budget**

	ACTUALS FY 20-21	REVISED BUDGET FY 21-22	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23
<u>Non-Operating Revenues</u>				
AB2766 DMV Fees and Interest	\$ 1,779,408	\$ 1,678,000	\$ 1,518,000	\$ 1,653,000
AB923 DMV Fees and Interest	1,379,756	1,331,500	1,110,500	1,319,500
Moyer Grants and Interest	1,040,793	1,117,792	1,111,592	2,678,448
Community Air Protection (CAPP) Grant Funds/Int ¹	1,591,367	1,140,643	1,132,743	1,406,500
Funding Agric Replacement Measures for Emission				
Reductions (FARMER) Grant Funds and Interest ¹	517,417	505,000	185	1,874,550
Woodstove Change Out Grant Funds ⁶	158,824	87,500	87,500	218,750
Offsite Mitigation/CCCE Fees/Interest ²	48,607	1,346,000	524,137	828,400
Transfer from Gen Fund to Clean Air Fund + Interest	31,066	36,000	35,350	52,950
Total Non-Operating Revenues	\$ 6,547,238	\$ 7,242,435	\$ 5,520,007	\$ 10,032,098
<u>Expenditures by Division:</u>				
Planning (grant payments only)	\$ 4,922,958	\$ 11,572,939	\$ 2,978,538	\$ 18,032,921
Planning - Electric Vehicle Rebates	432,300	500,000	435,000	400,000
Planning - Electric Vehicle Infrastructure Proj ²	551,003	838,138	700,000	1,012,682
Administrative - OPEB & Pension Liability Funding	45,000	120,000	120,000	120,000
Clean Air Fund	28,468	130,000	128,766	30,000
District Building Improvements	-	-	-	-
Total Non-Operating Expenditures	\$ 5,979,729	\$ 13,161,077	\$ 4,362,304	\$ 19,595,603
Net Surplus (Deficit)	\$ 567,509	\$ (5,918,642)	\$ 1,157,703	\$ (9,563,505)
<u>Expenditures by Type:</u>				
AB2766 DMV Grants - Current Year ³	\$ 201,187	\$ 1,200,000	\$ 10,000	\$ 1,200,000
AB2766 DMV Grants - Prior Year ³	282,212	3,644,766	1,608,806	3,979,338
Moyer Grants ³	1,110,717	973,218	307,000	3,448,250
AB923 Grants ³	(76,771)	2,525,980	416,070	3,806,441
AB923 Electric Vehicle Infrastructure Project ⁴	551,003	838,138	700,000	1,012,682
CAPP Grants	1,537,106	1,209,000	-	2,528,642
FARMER Grants	687,038	551,151	-	1,874,250
General Grants-Offsite Mitigation Grants ²	1,051,968	1,350,000	519,838	975,250
Electric Vehicle Incentives	432,300	500,000	435,000	400,000
Woodstove Changeout Grants	129,500	116,824	116,824	218,750
Public Education Grants	-	2,000	-	2,000
Clean Air Fund Projects	28,468	130,000	128,766	30,000
Building Remodel/Improvement Projects	-	-	-	-
OPEB & Pension Trust Account Deposits ⁵	45,000	120,000	120,000	120,000
Total Non-Operating Expenditures	\$ 5,979,729	\$ 13,161,077	\$ 4,362,304	\$ 19,595,603

Notes:

- (1) Revenues funded by State of California for diesel engine emission reduction
- (2) Funded by mitigation fees from the East Garrison project in Marina. Monies to be granted for retrofits/replacements of agricultural pumps and school buses. CCCE funding for zero emission school bus program delayed from previous FY.
- (3) Assumption for FY 21-22 & 22-23 budget columns is that all outstanding grants are paid out during the fiscal period. Over the last five fiscal periods, actual grant reimbursements have averaged 54% of budget.
- (4) Plug-In Monterey Bay electric vehicle infrastructure project using AB923 funds.
- (5) OPEB Trust \$45K, Pension Trust \$75K
- (6) FY 21-22 Woodstove Changeout funded by Clean Air Fund. FY 22-23 will be funded by CA Air Resources Board



**Monterey Bay Air Resources District
Funds Relationships to Divisions and Programs
FY 2022-23**

Division/Program	Funded By						
	General	AB2766	AB923	Moyer	General Grants	CAPP Grants	FARMER Grants
Administrative							
District Boards	X						
Finance	X	X					
Operations	X	X					
Information Systems	X	X					
Public Education		X					
Engineering							
Permitting	X						
Title V	X						
Rule Development	X						
Compliance							
Permitting	X						
Title V	X						
Asbestos	X						
Complaints	X						
Air Monitoring							
General Air Monitoring	X	X					
PM 2.5 Monitoring	X						
Planning							
Planning & Grant Programs	X	X	X	X	X	X	X
Electric Vehicle Incentives		X					
Burn Program	X						
Rule Development	X						

The District's finances are reported in separate funds. The table above portrays the District's divisions and programs and how the programs are funded. Below is a brief description of each fund:

General - Funds collected from permit fees, Title V fees, asbestos fees, EPA grants, City/County per capita fees, CARB subvention, certain State grants, penalties, special contracts and other revenue.

AB2766 - DMV Fees collected from the \$4.00 per vehicle registration surcharge program.

AB923 - DMV Fees collected from the \$2.00 per vehicle registration surcharge program.

Moyer - The Carl Moyer Grant program established by the California Air Resources Board as an emission-reduction incentive program administered by air districts.

General Grants - Funds from construction projects offsite mitigation fees and Central Coast Community Power used for school buses and replacements/retrofits of agricultural pumps.

Community Air Protection Program (CAPP) Grants - Established by AB617 and funded by AB134, grants are intended to reduce air pollution in disadvantaged or low-income areas.

Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Grants - Funded by AB134 and AB109, grants are to be used to reduce agricultural sector emissions.

**Monterey Bay Air Resources District
General Fund Budget**

	ACTUALS	REVISED	ESTIMATED	PROPOSED
	FY 20-21	BUDGET	ACTUALS	BUDGET
	FY 20-21	FY 21-22	FY 21-22	FY 22-23
BEGINNING FUND BALANCE	\$ 5,747,514	\$ 6,733,720	\$ 6,733,720	\$ 7,098,991
Revenues				
EPA Grants	\$ 328,224	\$ 339,876	\$ 339,876	\$ 409,776
Permit Fees ⁵	3,097,618	2,785,164	3,014,542	3,196,082
Special Fees (Title V and Asbestos)	546,986	543,972	538,400	567,790
Penalties and Fines	276,269	154,000	223,370	200,000
CARB Subvention	180,289	180,289	178,054	180,000
City and County Contributions ¹	364,123	365,741	365,740	382,885
Contract Revenues (Source Air Monitoring)	119,059	100,000	38,000	80,000
Woodstove Change Out Grant Funds ⁶	158,824	100,000	100,000	250,000
Other Grant Revenues (CA Energy Commission)	-	10,000	-	-
Oil and Gas Revenues (CARB) ²	120,000	60,000	60,000	60,000
Emission Inventory Funding (CARB) ²	-	12,583	12,583	12,583
CAPP Grant (AB617 Funding) ²	212,598	94,191	94,191	93,959
Prescribed Burn Funding (CARB) ²	355	30,000	30,000	61,400
Other Revenues (PERP fees, cost recoveries, misc income)	83,906	106,550	95,208	85,416
Rental Income	71,616	71,616	71,616	71,616
Interest Income	69,231	75,000	20,000	25,000
Total General Fund Revenues	\$ 5,629,098	\$ 5,028,982	\$ 5,181,580	\$ 5,676,507
Expenditures by Division:				
Administrative (incl OPEB & Pension Trust Acct deposits)	\$ 1,443,020	\$ 1,683,622	\$ 1,491,996	\$ 1,956,022
Air Monitoring	202,573	266,725	207,707	295,600
Compliance	1,530,799	1,676,587	1,626,091	1,922,297
Engineering	1,110,038	1,372,506	1,104,816	1,420,700
Planning	356,462	495,035	385,699	713,252
Total General Fund Expenditures	\$ 4,642,892	\$ 5,494,476	\$ 4,816,309	\$ 6,307,871
Net Surplus (Deficit)	\$ 986,206	\$ (465,494)	\$ 365,271	\$ (631,364)
ENDING FUND BALANCE	\$ 6,733,720	\$ 6,268,227	\$ 7,098,991	\$ 6,467,627
Expenditures by Type:				
Salaries and Benefits ⁴	\$ 3,621,592	\$ 3,956,002	\$ 3,660,975	\$ 4,264,435
Maintenance, Equipment, and Supplies	166,982	262,955	200,857	265,558
Legal and Professional Services	405,700	500,863	314,945	589,303
Utilities & Office Rent	100,045	110,326	111,950	123,387
Insurance	90,493	94,959	95,638	110,620
Training, Travel, District Board Exp	19,627	115,885	42,152	126,213
Fixed Assets ³	-	139,388	84,764	390,380
Grants-Woodstove Changeouts	129,500	116,824	116,824	218,750
OPEB & Pension Trust Account Deposits	45,000	120,000	120,000	120,000
Transfers Out (to Clean Air Fund)	30,000	35,000	35,000	52,600
Other	33,953	42,274	33,204	46,625
Total General Fund Expenditures	\$ 4,642,892	\$ 5,494,476	\$ 4,816,309	\$ 6,307,871

Notes:

(1) FY 22-23 City and County contributions includes per capita assessment increase from \$.48 to \$.50

(2) State funded revenues based on AB617, AB134, AB197, & SB1260.

(3) FY 22-23 Fixed Assets include: \$200,000 for new roof, \$35K for new compliance vehicle, \$13K for air monitoring equipment, \$92K for cloud services

(4) Increase reflects 1 new inspector, 1 new planner, 1 new Planning Supervisor, 3% CPI wage increase, increase in PERS and WC rates.

(5) Permit fee increase of 4.2%, based on CPI

(6) Woodstove change out funds for FY 21-22 were funded with Clean Air Fund monies. FY 22-23 funds will be funded by CA Air Resources Board

Monterey Bay Air Resources District
 AB2766 Fund Budget

	ACTUALS FY 20-21	REVISED BUDGET FY 21-22	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23
BEGINNING FUND BALANCE	\$ 6,176,420	\$ 7,144,114	\$ 7,144,114	\$ 6,812,777
Revenues				
AB2766 DMV Fees-Operating	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000
AB2766 DMV Fees-Non-Operating	1,715,270	1,633,000	1,500,000	1,633,000
AB2766 Fund Interest Income	64,137	45,000	18,000	20,000
Total AB2766 Fund Revenues	\$ 2,879,408	\$ 2,778,000	\$ 2,618,000	\$ 2,753,000
Expenditures by Division:				
Administrative	\$ 257,221	\$ 296,443	\$ 238,557	\$ 321,995
Air Monitoring	461,115	505,334	362,645	459,299
Compliance	-	-	-	-
Engineering	-	-	-	-
Planning ²	1,193,379	5,596,446	2,348,135	5,746,784
Total AB2766 Fund Expenditures	\$ 1,911,714	\$ 6,398,222	\$ 2,949,337	\$ 6,528,078
Net Surplus (Deficit)	\$ 967,694	\$ (3,620,222)	\$ (331,337)	\$ (3,775,078)
ENDING FUND BALANCE	\$ 7,144,114	\$ 3,523,892	\$ 6,812,777	\$ 3,037,699
Expenditures by Type ⁴:				
Salaries and Benefits	\$ 780,910	\$ 714,009	\$ 665,041	\$ 607,078
Maintenance, Equipment, and Supplies	49,184	70,097	44,609	69,582
Legal and Professional Services	109,505	122,500	92,873	114,798
Utilities & Office Rent	33,040	34,575	32,970	34,433
Insurance	17,237	16,758	16,878	16,528
Training, Travel, District Board Expenses	2,204	34,193	11,450	36,165
Sponsorships ¹	1,237	22,000	4,000	22,000
Fixed Assets ⁵	-	35,366	26,860	44,126
Grants-Public Educations	-	2,000	-	2,000
Grants-AB2766 (Current & Prior Years) ²	483,400	4,844,766	1,618,806	5,179,338
Electric Vehicle Incentives ³	432,300	500,000	435,000	400,000
Other	2,697	1,959	850	2,030
Total AB2766 Fund Expenditures	\$ 1,911,714	\$ 6,398,222	\$ 2,949,337	\$ 6,528,078

Notes:

- (1) Includes sponsoring the annual Clean Air awards and electric vehicle events.
- (2) Assumption for FY 21-22 & 22-23 budget columns is that all outstanding grants are paid out during the fiscal period. Over the last five fiscal periods, actual grant reimbursements have averaged 54% of budget.
- (3) Incentives offered to Tri-County residents for purchasing all-electric, plug-in hybrids, hydrogen fuel cell vehicles and electric bikes.
- (4) Expense allocations are based on the percentage of mobile source emission inventory as compared to stationary sources.
- (5) FY 22-23 Fixed Assets include portion of air monitoring equipment (ozone analyzer)

**Monterey Bay Air Resources District
AB923 Fund Budget**

	<u>ACTUALS FY 20-21</u>	<u>REVISED BUDGET FY 21-22</u>	<u>ESTIMATED ACTUALS FY 21-22</u>	<u>PROPOSED BUDGET FY 22-23</u>
<i>BEGINNING FUND BALANCE</i>	<i>\$ 2,781,449</i>	<i>\$ 3,666,560</i>	<i>\$ 3,666,560</i>	<i>\$ 3,683,103</i>
<u>Revenues</u>				
AB923 Fees/ - Operating	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
AB923 Fees/Interest -Non-Operating	1,347,635	1,306,500	1,100,000	1,306,500
AB923 Fund Interest Income	32,121	25,000	10,500	13,000
Total AB923 Fund Revenues	<u>\$ 1,439,756</u>	<u>\$ 1,391,500</u>	<u>\$ 1,170,500</u>	<u>\$ 1,379,500</u>
<u>Expenditures by Division:</u>				
Planning ¹	\$ 554,646	\$ 3,427,477	\$ 1,153,957	\$ 4,882,175
Total AB923 Fund Expenditures	<u>\$ 554,646</u>	<u>\$ 3,427,477</u>	<u>\$ 1,153,957</u>	<u>\$ 4,882,175</u>
Net Surplus (Deficit)	<u>\$ 885,111</u>	<u>\$ (2,035,977)</u>	<u>\$ 16,543</u>	<u>\$ (3,502,675)</u>
<i>ENDING FUND BALANCE</i>	<i><u>\$ 3,666,560</u></i>	<i><u>\$ 1,630,583</u></i>	<i><u>\$ 3,683,103</u></i>	<i><u>\$ 180,428</u></i>
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 80,414	\$ 59,759	\$ 37,887	\$ 59,452
Supplies, Travel, Training	-	2,600	-	2,600
Electric Vehicle Infrastructure Project ¹	551,003	838,138	700,000	1,012,682
Grants-AB923 ²	(76,771)	2,525,980	416,070	3,806,441
Other	-	1,000	-	1,000
Total AB923 Fund Expenditures	<u>\$ 554,646</u>	<u>\$ 3,427,477</u>	<u>\$ 1,153,957</u>	<u>\$ 4,882,175</u>

Notes:

(1) Plug-In Monterey Bay electric vehicle Infrastructure Project to install and operate EV charge stations in the Monterey, Santa Cruz, and San Benito Counties.

(2) Assumption for FY 21-22 & 22-23 budget columns is that all outstanding grants are paid out during the fiscal period. Over the last five fiscal periods, actual grant reimbursements have averaged 54% of budget.

Monterey Bay Air Resources District Moyer Fund Budget

	ACTUALS FY 20-21	REVISED BUDGET FY 21-22	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23
<i>BEGINNING FUND BALANCE</i>	<i>\$ 184,875</i>	<i>\$ 373,112</i>	<i>\$ 373,112</i>	<i>\$ 1,246,682</i>
<u>Revenues</u>				
Moyer Grant-Non Operating	\$ 1,034,000	\$ 1,107,792	\$ 1,107,792	\$ 2,671,448
Moyer Grant - Operating	328,793	158,257	158,257	381,635
Moyer Interest	6,793	10,000	3,800	7,000
Total Moyer Fund Revenues	<u>\$ 1,369,586</u>	<u>\$ 1,276,049</u>	<u>\$ 1,269,849</u>	<u>\$ 3,060,083</u>
<u>Expenditures by Division:</u>				
Planning ¹	\$ 1,181,349	\$ 1,067,229	\$ 396,279	\$ 3,646,030
Total Moyer Fund Expenditures	<u>\$ 1,181,349</u>	<u>\$ 1,067,229</u>	<u>\$ 396,279</u>	<u>\$ 3,646,030</u>
Net Surplus (Deficit)	<u>\$ 188,237</u>	<u>\$ 208,820</u>	<u>\$ 873,570</u>	<u>\$ (585,947)</u>
<i>ENDING FUND BALANCE</i>	<u><u>\$ 373,112</u></u>	<u><u>\$ 581,932</u></u>	<u><u>\$ 1,246,682</u></u>	<u><u>\$ 660,735</u></u>
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 67,581	\$ 86,711	\$ 88,069	\$ 189,880
Professional Services	3,051	5,000	1,000	5,000
Supplies, Travel, Training	-	2,300	210	2,900
Grants - Moyer ¹	1,110,717	973,218	307,000	3,448,250
Total Moyer Fund Expenditures	<u><u>\$ 1,181,349</u></u>	<u><u>\$ 1,067,229</u></u>	<u><u>\$ 396,279</u></u>	<u><u>\$ 3,646,030</u></u>

Notes:

(1) Assumption for FY 21-22 & 22-23 budget columns is that all outstanding grants are paid out during the fiscal period.

**Monterey Bay Air Resources District
General Grants Fund Budget**

	ACTUALS FY 20-21	REVISED BUDGET FY 21-22	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23
BEGINNING FUND BALANCE	\$ 1,191,008	\$ 171,285	\$ 171,285	\$ 174,988
Revenues				
Offsite Mitigation Fees/Revenue ¹	\$ 24,375	\$ 126,000	\$ 107,250	\$ 27,900
Offsite Mitigation Oper Fees - Admin ¹	\$ 3,482	\$ 10,000	\$ 15,321	\$ 3,490
Central Coast Comm. Energy Revenue ²	\$ -	\$ 1,200,000	\$ 400,000	\$ 800,000
Central Coast Comm. Energy Oper - Adm ²	\$ 10,934	\$ -	\$ 1,066	\$ -
General Grants Interest	\$ 9,816	\$ 10,000	\$ 500	\$ 500
Total General Grants Fund Revenues	\$ 48,607	\$ 1,346,000	\$ 524,137	\$ 831,890
Expenditures by Division:				
Planning	\$ 1,068,330	\$ 1,355,322	\$ 520,434	\$ 977,214
Total General Grants Fund Expenditures	\$ 1,068,330	\$ 1,355,322	\$ 520,434	\$ 977,214
Net Surplus (Deficit)	\$(1,019,723)	\$ (9,322)	\$ 3,703	\$ (145,324)
ENDING FUND BALANCE	\$ 171,285	\$ 161,963	\$ 174,988	\$ 29,664
Expenditures by Type:				
Salaries and Wages	16,362	5,322	596	1,964
Grants ¹	\$ 1,051,968	\$ 1,350,000	\$ 519,838	\$ 975,250
Total General Grants Fund Expenditures	\$ 1,068,330	\$ 1,355,322	\$ 520,434	\$ 977,214

Notes:

(1) Funded by developer mitigation fees from the East Garrison project in Marina. Monies to be granted for retrofits/replacements of agricultural pumps and school buses.

(2) Funded by Central Coast Community Energy (CCCE), previously Monterey Bay Community Power, for electric school buses. FY21-22 funding delayed due to manufacturing delays

**Monterey Bay Air Resources District
Community Air Protection Program (CAPP) Fund Budget**

	ACTUALS FY 20-21	REVISED BUDGET FY 21-22	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23
<i>BEGINNING FUND BALANCE</i>	<i>\$ 11,780</i>	<i>\$ 208,765</i>	<i>\$ 208,765</i>	<i>\$ 1,461,848</i>
<u>Revenues</u>				
CAPP Funding-Non Operating	\$ 1,581,188	\$ 1,128,643	\$ 1,128,643	\$ 1,400,000
CAPP Funding-Operating	219,437	161,235	161,235	200,000
CAPP Fund Interest	10,179	12,000	4,100	6,500
Total CAPP Fund Revenues	<u>\$ 1,810,804</u>	<u>\$ 1,301,878</u>	<u>\$ 1,293,978</u>	<u>\$ 1,606,500</u>
<u>Expenditures by Division:</u>				
Planning ¹	\$ 1,613,819	\$ 1,268,836	\$ 40,895	\$ 2,663,986
Total CAPP Fund Expenditures	<u>\$ 1,613,819</u>	<u>\$ 1,268,836</u>	<u>\$ 40,895</u>	<u>\$ 2,663,986</u>
Net Surplus (Deficit)	<u>\$ 196,985</u>	<u>\$ 33,042</u>	<u>\$ 1,253,083</u>	<u>\$ (1,057,486)</u>
<i>ENDING FUND BALANCE</i>	<u><u>\$ 208,765</u></u>	<u><u>\$ 241,807</u></u>	<u><u>\$ 1,461,848</u></u>	<u><u>\$ 404,362</u></u>
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 74,792	\$ 55,936	\$ 39,745	\$ 131,444
Professional Services	-	500	-	500
Supplies, Travel, Training	1,921	3,400	1,150	3,400
Grants ¹	1,537,106	1,209,000	-	2,528,642
Total CAPP Fund Expenditures	<u><u>\$ 1,613,819</u></u>	<u><u>\$ 1,268,836</u></u>	<u><u>\$ 40,895</u></u>	<u><u>\$ 2,663,986</u></u>

Notes:

(1) Grants to reduce air pollution in disadvantaged and low income areas. Grants to be administered based on Carl Moyer Grant Program guidelines.

**Monterey Bay Air Resources District
Funding Agricultural Replacement Measures
for Emission Reductions (FARMER) Fund Budget**

	<u>ACTUALS</u> <u>FY 20-21</u>	<u>REVISED</u> <u>BUDGET</u> <u>FY 21-22</u>	<u>ESTIMATED</u> <u>ACTUALS</u> <u>FY 21-22</u>	<u>PROPOSED</u> <u>BUDGET</u> <u>FY 22-23</u>
<i>BEGINNING FUND BALANCE</i>	<i>\$ 22,814</i>	<i>\$ 74,966</i>	<i>\$ 74,966</i>	<i>\$ 51,902</i>
<u>Revenues</u>				
FARMER Funding-Non Operating	\$ 513,261	\$ 500,000	\$ -	\$ 1,874,250
FARMER Funding-Operating	279,282	80,000	-	267,750
FARMER Fund Interest	4,156	5,000	185	300
Total FARMER Fund Revenues	<u>\$ 796,699</u>	<u>\$ 585,000</u>	<u>\$ 185</u>	<u>\$ 2,142,300</u>
<u>Expenditures by Division:</u>				
Planning ¹	\$ 744,547	\$ 621,699	\$ 23,249	\$ 2,028,780
Total FARMER Fund Expenditures	<u>\$ 744,547</u>	<u>\$ 621,699</u>	<u>\$ 23,249</u>	<u>\$ 2,028,780</u>
Net Surplus (Deficit)	<u>\$ 52,152</u>	<u>\$ (36,699)</u>	<u>\$ (23,064)</u>	<u>\$ 113,520</u>
<i>ENDING FUND BALANCE</i>	<u><u>\$ 74,966</u></u>	<u><u>\$ 38,267</u></u>	<u><u>\$ 51,902</u></u>	<u><u>\$ 165,422</u></u>
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 57,263	\$ 65,048	\$ 22,879	\$ 149,030
Professional Services	246	2,000	250	2,000
Supplies, Travel, Training	-	3,500	120	3,500
Grants ¹	687,038	551,151	-	1,874,250
Total FARMER Fund Expenditures	<u><u>\$ 744,547</u></u>	<u><u>\$ 621,699</u></u>	<u><u>\$ 23,249</u></u>	<u><u>\$ 2,028,780</u></u>

Notes:

(1) Grants to reduce agricultural sector emissions by replacing farm equipment, irrigation pumps, and heavy duty trucks.

**Monterey Bay Air Resources District
Clean Air Fund Budget**

	ACTUALS FY 20-21	REVISED BUDGET FY 21-22	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23
<i>BEGINNING FUND BALANCE</i>	<u>\$ 97,892</u>	<u>\$ 100,490</u>	<u>\$ 100,490</u>	<u>\$ 7,074</u>
<u>Clean Air Fund</u>				
Transfers from General Fund	\$ 30,000	\$ 35,000	\$ 35,000	\$ 52,600
Interest	1,066	1,000	350	350
Total Clean Air Fund Revenues	<u>\$ 31,066</u>	<u>\$ 36,000</u>	<u>\$ 35,350</u>	<u>\$ 52,950</u>
<u>Expenditures by Type:</u>				
Special Air Quality Projects authorized per District Policy B.12 ¹	<u>\$ 28,468</u>	<u>\$ 130,000</u>	<u>\$ 128,766</u>	<u>\$ 30,000</u>
Total Clean Air Fund Expenditures	<u>\$ 28,468</u>	<u>\$ 130,000</u>	<u>\$ 128,766</u>	<u>\$ 30,000</u>
Surplus (Deficit)	<u>\$ 2,598</u>	<u>\$ (94,000)</u>	<u>\$ (93,416)</u>	<u>\$ 22,950</u>
<i>ENDING FUND BALANCE</i>	<u>\$ 100,490</u>	<u>\$ 6,490</u>	<u>\$ 7,074</u>	<u>\$ 30,024</u>

Notes:

(1) FY 21-22 Woodstove Changeout program funded with Clean Air Funds

Monterey Bay Air Resources District Direct Expenditures by Program - All Funds

	ACTUALS FY 20-21	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23
Support and Operations (1)	\$ 1,568,634	\$ 1,533,097	\$ 2,006,738
Public Education	86,606	77,456	151,279
Permitting (2)	2,436,034	2,456,569	3,015,278
Title V	120,051	140,433	221,525
Asbestos	257,299	316,082	292,094
Air Monitoring AB2766	461,115	362,645	459,299
Air Monitoring PM 2.5	32,883	44,437	111,600
Planning General	163,947	229,390	443,122
Planning AB2766 (3)	1,193,379	2,348,135	5,746,784
AB 923 Grant Program (3)	554,646	1,153,957	4,882,175
Moyer Grant Program (3)	1,181,349	396,279	3,646,030
Offsite Mitigation Grants/CCCE (4)	1,068,330	520,434	977,214
Community Air Protection Grant Program (5)	1,613,819	40,895	2,663,986
Funding Agric Replacement Measures Grant Program (5)	744,547	23,249	2,028,780
Woodstove Changeout Program	189,658	137,402	268,230
Clean Air Fund Projects	28,468	128,766	30,000
Debt Reduction (6)	45,000	120,000	120,000
Total-All Programs	\$ 11,745,764	\$ 10,029,226	\$ 27,064,134

Notes:

- (1) Support and Operations include all overhead expenses, including building remodel expenses.
- (2) Permitting program includes stationary source program expenditures for Engineering & Compliance divisions, rule development, complaints, burn permits, and air monitoring.
- (3) Assumption for FY 22-23 budget is that all outstanding grants are paid out during the fiscal period. Over the last five fiscal periods, actual grant reimbursements have averaged 54% of budget.
- (4) Offsite mitigation grants funded from East Garrison Project / Electric School Bus grants funded by CCCE
- (5) Grant programs to reduce emissions, funded by recent State legislation.
- (6) Debt reduction is for deposits to Other Post Employment Benefit (OPEB) Trust for retiree health benefits.

**Monterey Bay Air Resources District
Stationary Source Programs
FY 2022-23 Budget**

	Program		
	Permitting	Title V	Asbestos
Estimated Revenues:			
Permitting Fees	\$ 3,196,082	\$ 263,818	\$ 303,972
Cost Recoveries	\$ 5,000	\$ -	\$ 15,000
Total Estimated Revenues	\$ 3,201,082	\$ 263,818	\$ 318,972
Estimated direct expenditures			
Engineering Division	\$ 1,317,273	\$ 103,427	\$ -
Compliance Division	1,512,105	118,098	292,094
Air Monitoring Division	184,000	-	-
Planning Division	1,900	-	-
Subtotal - Direct Expenditures	\$ 3,015,278	\$ 221,525	\$ 292,094
Estimated overhead allocations			
Engineering Division	\$ 387,658	\$ 29,359	\$ -
Compliance Division	438,932	33,674	96,639
Air Monitoring Division	53,826	-	-
Planning Division	118,431	-	-
Subtotal - Overhead Allocations	\$ 998,847	\$ 63,033	\$ 96,639
Total Expenditures + Overhead	\$ 4,014,125	\$ 284,558	\$ 388,733
Revenues less Expenditures:			
Surplus or (deficit)	\$ (813,043)	\$ (20,740)	\$ (69,761)
Cost Recovery Rate	80%	93%	82%

*Notes : Deficits in the Stationary Source and Asbestos Programs are funded with the use of unrestricted General Funds.
Deficits in the Title V Program are offset by surpluses in prior fiscal years.*

**Monterey Bay Air Resources District
Fixed Assets
Proposed Budget
FY 2022-23**

Description	Estimated Cost
Document management- Software as a Service Cloud Licenses	\$ 19,442
Permit Database - Software as a Service Cloud licenses	\$ 84,564
Roof for main office	\$ 200,000
Air Monitoring Equipment	\$ 95,500
Compliance - Field Inspector Vehicle	\$ 35,000
Grand Total	<u><u>\$ 434,506</u></u>



ADMINISTRATIVE DIVISION

Under two programs, Support and Operations and Public Education, the Division performs the following functions:

- District Boards
- General Operations, including building and vehicle maintenance
- Finance and Accounting
- Personnel Administration
- Risk Management
- Information System Services
- Public Education

The Administrative Division consists of the Air Pollution Control Officer (APCO), an Administrative Services Manager, an Executive Assistant to the APCO/Clerk of the Boards, an Administrative and Fiscal Specialist, a Senior Fiscal Assistant, and an Office Assistant.

	ACTUALS FY 2020-21	REVISED BUDGET FY 2021-22	ESTIMATED ACTUALS FYE 6/30/22	PROPOSED BUDGET FY 2022-23
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 906,176	\$ 884,825	\$ 868,903	\$ 911,741
Maintenance, Equipment, and Supplies	144,622	189,769	147,601	205,632
Legal and Professional Services	342,101	356,300	274,273	335,600
Utilities & Office Rent	82,572	90,070	92,770	102,800
Insurance	107,730	111,717	112,516	127,148
Training, Travel, District Board Expenses	16,745	56,195	30,075	66,635
Fixed Assets	-	85,754	23,500	304,006
Sponsorships	1,237	20,000	2,000	20,000
Transfers Out	30,000	35,000	35,000	52,600
OPEB/Pension Trust Acct Deposits	45,000	120,000	120,000	120,000
Grants and Other	24,058	30,435	23,915	31,855
Totals	<u>\$ 1,700,241</u>	<u>\$ 1,980,065</u>	<u>\$ 1,730,553</u>	<u>\$ 2,278,017</u>



AIR MONITORING DIVISION

The Air Monitoring Division performs the following functions:

- Ambient Air Monitoring from stations in Salinas, Hollister, Santa Cruz, King City, Carmel Valley, and Felton.
- Meteorological Monitoring
- Enforcement Monitoring in response to complaints
- Data acquisition, data display, and data quality control

The Air Monitoring Division consists of a Planning and Air Monitoring Manager (.5 FTE), a Supervising Air Monitoring Specialist, one Senior Air Monitoring Specialist, and one Air Monitoring Specialist.

	ACTUALS FY 20-21	REVISED BUDGET FY 21-22	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 584,715	\$ 590,765	\$ 409,657	\$ 514,372
Maintenance, Equipment, and Supplies	39,611	63,222	52,851	49,118
Professional Services	11,281	47,446	43,245	55,751
Utilities & Office Rent	28,080	29,875	27,699	30,295
Training & Travel	-	8,751	4,900	9,863
Fixed Assets	-	32,000	32,000	95,500
Totals	<u>\$ 663,687</u>	<u>\$ 772,059</u>	<u>\$ 570,352</u>	<u>\$ 754,899</u>



COMPLIANCE DIVISION

The Compliance Division performs the following major functions:

- Enforcement of all applicable local, state, and federal laws and regulations in the District
- Burn Program for open and prescribed burns
- Compliance Assistance Program to ease and facilitate compliance by regulated sources
- Asbestos Program to enforce federal NESHAP regulations
- Representation at District’s Hearing Board
- Management of Mutual Settlement Program
- Source Testing observations of stack emissions

The Compliance Division consists of an Engineering and Compliance Manager (.5 FTE), a Supervising Inspector, seven field Inspectors, an Engineering and Compliance Specialist (.75 FTE), and a Senior Administrative Assistant.

	ACTUALS FY 20-21	REVISED BUDGET FY 21-22	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 1,438,949	\$ 1,516,281	\$ 1,495,351	\$ 1,726,452
Maintenance, Equipment, and Supplies	11,087	24,070	14,515	27,140
Utilities & Office Rent	21,141	21,956	23,201	21,725
Professional Services	57,600	40,500	30,000	95,000
Training & Travel	2,022	16,780	6,900	16,980
Fixed Assets	-	57,000	56,124	35,000
Other	-	-	-	-
Totals	\$ 1,530,799	\$ 1,676,587	\$ 1,626,091	\$ 1,922,297



ENGINEERING DIVISION

The Engineering Division performs the following major functions:

- Permitting to ensure that businesses comply with air quality control requirements
- Rule Development including proposed regulations and regulatory changes pertaining to engineering activities
- Toxics Program
- Technical Assistance including review of federal and state programs and emission inventory

The Engineering Division staff consists of an Engineering and Compliance Manager (.5 FTE), a Supervisor, four Permit Engineers, an Engineering and Compliance Specialist (.25 FTE), and a Senior Administrative Assistant.

	ACTUALS FY 2020-21	REVISED BUDGET FY 2021-22	ESTIMATED ACTUALS FYE 6/30/22	REQUESTED BUDGET FY 2022-23
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 1,009,711	\$ 1,196,306	\$ 1,041,842	\$ 1,244,500
Maintenance, Equipment, and Supplies	3,845	13,300	3,675	13,300
Utilities	217	1,000	250	1,000
Professional Services	84,051	119,500	45,785	119,500
Training & Travel	1,658	22,400	1,775	22,400
Other	10,555	20,000	11,489	\$ 20,000
Totals	\$ 1,110,038	\$ 1,372,506	\$ 1,104,816	\$ 1,420,700



PLANNING DIVISION

The Planning Division performs the following functions:

- Preparation of Federal and State regional air quality plans
- Development of Emission Inventories from stationary, area, and mobile sources
- Analysis of air quality problems
- CEQA guidance to Lead Agencies, consultants, and others
- Grants and contractual programs
- Educational programs for the general public

The Planning Division consists of a Planning and Air Monitoring Manager (.5 FTE), Planning Supervisor, four Air Quality Planners and an Air Quality Technician (.5 FTE).

	ACTUALS FY 20-21	REVISED BUDGET FY 21-22	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23
<i>Expenditures by Type:</i>				
Salaries and Benefits	\$ 759,362	\$ 774,609	\$ 699,439	\$ 1,006,218
Maintenance, Equipment, and Supplies	3,281	18,200	8,949	21,600
Professional Services	589,964	907,596	732,150	1,137,182
Utilities & Office Rent	1,074	2,000	1,000	2,000
Training & Travel	3,342	56,352	11,322	57,500
Sponsorships	-	2,000	2,000	2,000
Grants-AB2766	483,400	4,844,766	1,618,806	5,179,338
Grants-Moyer	1,110,717	973,218	307,000	3,448,250
Grants-AB923	(76,771)	2,525,980	416,070	3,806,441
Grants-CAPP	1,537,106	1,209,000	-	2,528,642
Grants-FARMER	687,038	551,151	-	1,874,250
Electric Vehicle Incentives	432,300	500,000	435,000	400,000
Grants-Woodstove Changeouts	129,500	116,824	116,824	218,750
Grants-Offsite Mitigation	1,051,968	150,000	119,838	175,250
Grants-CCCE	-	1,200,000	400,000	800,000
Other	250	348	250	800
Totals	\$ 6,712,531	\$ 13,832,044	\$ 4,868,648	\$ 20,658,221

FUND BALANCES

Monterey Bay Air Resources District Fund Balances

	General Fund		AB2766 Fund		AB923 Fund		Moyer Fund		General Grant Fund	
	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23	ESTIMATED ACTUALS FY 21-22	PROPOSED BUDGET FY 22-23
Beginning Fund Balance, July 1st	\$ 5,747,514	\$ 7,098,991	\$ 6,176,420	\$ 6,812,777	\$ 2,781,449	\$ 3,683,103	\$ 184,875	\$ 1,246,682	\$ 1,191,008	\$ 174,988
Revenues	5,629,098	5,676,507	2,879,408	2,753,000	1,439,756	1,379,500	1,369,586	1,269,849	48,607	831,896
Expenditures (1)	(4,642,892)	(6,307,871)	(1,911,714)	(6,528,078)	(554,646)	(4,882,175)	(1,181,349)	(3,646,030)	(1,068,330)	(977,214)
Net Increase (Decrease) in Fund Balance	\$ 986,206	\$ (631,364)	\$ 967,694	\$ (3,775,078)	\$ 885,111	\$ (3,502,675)	\$ 188,237	\$ (685,947)	\$ (1,019,723)	\$ (145,324)
Projected Ending Fund Balance, June 30th	\$ 6,733,720	\$ 6,467,627	\$ 7,144,114	\$ 3,037,699	\$ 3,666,560	\$ 180,428	\$ 373,112	\$ 660,735	\$ 171,285	\$ 29,664
Reserves & Unreserved Fund Balance:										
Reserved for Grants			\$ 2,882,655	\$ 1,600,000	\$ 3,666,560	\$ 180,428	\$ 373,112	\$ 660,735	\$ 171,285	\$ 29,664
Designated for Economic Uncertainties (2)	\$ 1,441,509	\$ 1,867,133								
Designated for Building & Facilities	100,000	100,000								
Designated for Other Post Employment Benefits (OPEB)	175,000	45,000								
Designated for Pension Obligations Prefunding	500,000	75,000								
Designated for Special Projects per District Policy B.12										
Unreserved Fund Balance	5,017,211	4,380,495	4,261,459	1,437,699						
Projected Total-Reserved & Unreserved Fund Balance	\$ 7,233,720	\$ 7,173,991	\$ 7,144,114	\$ 3,037,699	\$ 3,666,560	\$ 180,428	\$ 373,112	\$ 660,735	\$ 171,285	\$ 29,664

Notes:
(1) Assumption for 21-22 is that all outstanding grants are paid out during the fiscal period. Over the last five fiscal periods, actual grant expenditures have averaged 43% of budget.
(2) Per the District's Reserve Policy, the minimum level is 25% of the current year's Operating Budget.

**Monterey Bay Air Resources District
Fund Balances**

	Community Air Protection Program (CAPP)			Funding Agric Replacement Measures (FARMER)			Clean Air Fund		
	ESTIMATED ACTUALS	PROPOSED BUDGET		ESTIMATED ACTUALS	PROPOSED BUDGET		ESTIMATED ACTUALS	PROPOSED BUDGET	
	FY 20-21	FY 21-22	FY 22-23	FY 20-21	FY 21-22	FY 22-23	FY 20-21	FY 21-22	FY 22-23
Beginning Fund Balance, July 1st	\$ 11,780	\$ 208,765	\$ 1,461,848	\$ 22,814	\$ 74,966	\$ 51,902	\$ 97,892	\$ 100,490	\$ 7,074
Revenues	1,810,804	1,293,978	1,606,500	796,699	185	2,142,300	31,066	35,350	52,950
Expenditures (1)	(1,613,819)	(40,895)	(2,663,966)	(744,547)	(23,249)	(2,028,780)	(28,468)	(128,766)	(30,000)
Net Increase (Decrease) in Fund Balance	\$ 196,985	\$ 1,253,083	\$ (1,057,466)	\$ 52,152	\$ (23,064)	\$ 113,520	\$ 2,598	\$ (93,416)	\$ 22,950
Projected Ending Fund Balance, June 30th	\$ 208,765	\$ 1,461,848	\$ 404,362	\$ 74,966	\$ 51,902	\$ 165,422	\$ 100,490	\$ 7,074	\$ 30,024
Reserves & Unreserved Fund Balance:									
Reserved for Grants	\$ 208,765	\$ 1,461,848	\$ 404,362	\$ 74,966	\$ 51,902	\$ 165,422	\$ 100,490	\$ 7,074	\$ 30,024
Designated for Economic Uncertainties (2)									
Designated for Building & Facilities									
Designated for Other Post Employment Benefits (OPEB)									
Designated for Pension Obligations Prefunding									
Designated for Special Projects per District Policy B.12									
Unreserved Fund Balance									
Projected Total-Reserved & Unreserved Fund Balance	\$ 208,765	\$ 1,461,848	\$ 404,362	\$ 74,966	\$ 51,902	\$ 165,422	\$ 100,490	\$ 7,074	\$ 30,024

RESOLUTION

RESOLUTION 22-__

BEFORE THE AIR POLLUTION CONTROL BOARD OF THE MONTEREY BAY AIR RESOURCES DISTRICT

- Adopt the Fiscal Year (FY) 22-23 Budget in the Amount of \$27,064,134 and)
- Authorize the Purchase of Specified Fixed Assets; and)
- Approve the Per Capita Assessment per the District’s Unification Agreement; and)
- Approve Permit Fees Effective July 1, 2022 Per the Attached Fee Schedule; and)
- Approve Direction to Staff for Development of Future District Budgets.....)

BE IT RESOLVED, a budget figure in the amount of \$27,064,134 for FY 22-23 is hereby adopted for the Monterey Bay Air Resources District and the Air Pollution Control Officer is hereby directed to implement the Budget accordingly.

BE IT FURTHER RESOLVED, the Air Pollution Control Officer is authorized and hereby directed to negotiate and sign the final supplemental applications for potential Federal grant and State subvention funds for FY 22-23.

BE IT FURTHER RESOLVED, the Air Pollution Control Officer is hereby authorized to purchase the fixed assets included in the budget at costs not to exceed funds in the total fixed asset account.

BE IT FURTHER RESOLVED, by majority vote, this Board determined the per capita assessment imposed and paid by all cities and counties within the District, as stipulated in the District’s Unification Agreement. The per capita assessment for FY 22-23 shall be fifty cents (\$.50).

BE IT FURTHER RESOLVED, by majority vote, this Board approves the attached permit fee schedule and directs staff to develop future budgets recognizing a consistent index of inflation. As needed, the Budget will be prepared for the Board’s consideration using the San Francisco-Oakland-Hayward Consumer Price Index as available to adjust general regulatory fees.

PASSED AND ADOPTED this 15th day of June, 2022, upon motion of Director _____, seconded by Director _____, and carried by the following vote, to wit:

AYES:

NOES:

ABSENT:

I hereby certify that the foregoing is a true and correct Resolution as duly adopted by the Board of Directors of the Monterey Bay Air Resources District on June 12, 2022.

By: _____ Approved: _____
Sirie Thongchua, Executive Assistant Richard A. Stedman, APCO

Agenda Item No. 14

Table 1. Fee Schedule

Rule 300 (Part 3, Permit Fees)

Permit Fees	Rule 300 (FY 2021-2022)	Rule 300 (FY 2022-2023)
Section 3.1 Filing Fee	\$ 221	\$ 230
Section 3.4.1 Synthetic Minor Permit Filing Fee	\$ 325	\$ 339
Section 3.4.2 Synthetic Minor Permit Evaluation Fee	\$ 1,298	\$ 1,353

Rule 300 (Annual Renewal Fees for Source Specific Categories, Section 4.3)

Source Category	Rule 300 (FY 2021-2022)	Rule 300 (FY 2022-2023)
Dry Cleaner	\$348	\$363
Emergency Diesel Fueled Internal Combustion Engine (fee code 202)	\$380	\$396
Emergency Diesel Fueled Internal Combustion Engine (historical fee code 501)	\$258	\$269
Emergency Non-Diesel Fueled Internal Combustion Engine	\$258	\$269
Fume Hood	\$236	\$246
Fossil Fueled Power Plant Gas Turbine Maximum Rated Heat Input (Moss Landing Power Plant Only)	\$56 per MMBtu/hr	\$58 per MMBtu/hr
Lime Processing Facility (3-year average kiln annual production rates):		
-Kiln production rate < 100,000 short tons per year	\$0.56 per short ton	\$0.58 per short ton
-Kiln production rate > 100,000 short tons per year	\$0.79 per short ton	\$0.82 per short ton
Cannabis Cultivation/Manufacturing/Processing Operations and Odors	\$616	\$642
Synthetic Minor Permit	\$45 per ton	\$47 per ton

Table 1. Fee Schedule

Rule 300 (Annual Renewal Fees , Section 4.4)

Billable Emission per Permit; Tons per Year	Rule 300 (FY 2021-2022)	Rule 300 (FY 2022-2023)
0 - < 0.1	\$ 220	\$ 229
0.1 - < 1	\$ 330	\$ 344
1 - < 2	\$ 412	\$ 429
2 - < 5	\$ 589	\$ 614
5 - < 8	\$ 809	\$ 843
8 - < 10	\$ 1,548	\$ 1,613
10 - < 20	\$ 2,287	\$ 2,383
20 - < 30	\$ 3,966	\$ 4,133
30 - < 45	\$ 5,644	\$ 5,881
45 - < 60	\$ 6,900	\$ 7,190
60 - < 80	\$ 8,159	\$ 8,502
80 - < 100	\$ 8,984	\$ 9,361
100 - < 150	\$ 9,796	\$ 10,207
150 - < 200	\$ 11,863	\$ 12,361
200 - < 250	\$ 13,929	\$ 14,514
> 250	\$ 17,301	\$ 18,028

Rule 300 (Annual Renewal Fee Determination, Section 4.5)

Fees	Rule 300 (FY 2021-2022)	Rule 300 (FY 2022-2023)
Section 4.5.1	\$ 1,073	\$ 1,118
Section 4.5.2	\$ 538	\$ 561
Section 4.5.3	\$ 538	\$ 561

Rule 300 (Gasoline Throughput Fees, Section 4.6)

	Gasoline Fuel Throughput; Gallons per Year	Rule 300 (FY 2021-2022)	Rule 300 (FY 2022-2023)
Section 4.6	Per Nozzle Fee	\$ 54	\$ 56
Throughput "b"	0 - < 120,000	\$ 263	\$ 274
	120,000 - < 400,000	\$ 421	\$ 439
	400,000 - < 600,000	\$ 622	\$ 648
	600,000 - < 1,200,000	\$ 828	\$ 863
	1,200,000 - < 1,600,000	\$ 1,031	\$ 1,074
	1,600,000 - < 2,000,000	\$ 1,333	\$ 1,389
	2,000,000 - < 3,000,000	\$ 2,023	\$ 2,108
	3,000,000 - < 4,000,000	\$ 2,695	\$ 2,808
	4,000,000 - < 5,000,000	\$ 3,367	\$ 3,508
	5,000,000 - < 6,000,000	\$ 4,039	\$ 4,209
	6,000,000 - < 7,000,000	\$ 4,711	\$ 4,909
	7,000,000 - < 8,000,000	\$ 5,384	\$ 5,610
	8,000,000 - < 9,000,000	\$ 6,056	\$ 6,310
	9,000,000 - < 10,000,000	\$ 6,728	\$ 7,011
10,000,000 - < 11,000,000	\$ 7,400	\$ 7,711	
	Greater than 11,000,000	\$ 8,072	\$ 8,411

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Table 1. Fee Schedule

Rule 300 (Wastewater Treatment Facilities Fees, Section 4.7)

Average Flow; Gallons per Day	Rule 300 (FY 2021-2022)	Rule 300 (FY 2022-2023)
0- <9,999,999	\$ 213	\$ 222
10,000,000 - 20,000,000	\$ 2,665	\$ 2,777
>20,000,000	\$ 6,929	\$ 7,220

Rule 300 (Other Annual Renewal Fee Determination)

Fees	Rule 300 (FY 2021-2022)	Rule 300 (FY 2022-2023)
Section 4.8 Annual Renewal Fee for NESHAP Sources	\$ 17,301	\$ 18,028
Section 4.9 Methyl Bromide Fumigation Chambers	\$ 197	\$ 205
Section 4.10 Authorities to Construct	\$ 197	\$ 205
Section 4.11 Toxic Program Sources	\$ 103	\$ 107
Section 6.1 ERC Registry Fee	\$ 653	\$ 680
Section 6.1.2 Annual Regsitry Fee	\$ 218	\$ 227

Rule 300 (Delinquency Penalties)

Fees	Rule 300 (FY 2021-2022)	Rule 300 (FY 2022-2023)
Section 5.1.7.2 Revocation Initiation	\$ 556	\$ 579
Section 5.1.7.3 Reinstatement	\$ 839	\$ 874

Table 1. Fee Schedule

Rule 301 (Permit Fee Schedules)

Fee Schedules		Rule 300 (FY 2021-2022)	Rule 300 (FY 2022-2023)
	Hourly Staff Rate	\$ 157	\$ 164
Schedule 1	General Permit Fee	\$987 plus the hourly staff rate	\$1,028 plus the hourly staff rate
Schedule 2	Administrative Amendment	\$320 plus the hourly staff rate	\$333 plus the hourly staff rate
Schedule 3	Equipment that Lost Permit Exemption		
Schedule 4	Complex Permit Applications Hourly Staff Rate	\$ 157	\$ 164
Schedule 5	Emission Fees	\$ 220	\$ 229
Schedule 6	Toxic Air Contaminants	\$ 221	\$ 230
Schedule 7	Public Notification	\$ 670	\$ 698
Schedule 8	Public Record Request		
	Paper Photocopies	\$0.10 per page	\$0.10 per page
	Scanned Copies	\$0.10 per page	\$0.10 per page
	Electronic Media	\$ 7	\$ 7
Schedule 9	Mutual Settlement Program Base Rate	\$ 208	\$ 217

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Table 1. Fee Schedule

Rule 302 (Source Testing and Analyses)

	Type of Test	Rule 302 (FY 2021-2022)	Rule 302 (FY 2022-2023)
Section 4.1	Visible emission evaluation test or observation of source testing	-\$157 + \$157 per hour for every staff hour in excess of one staff hour	\$164 + \$164 per hour for every staff hour in excess of one staff hour

Rule 305 (AB2588 Implementation Fees)

	Fee Determination	Rule 305 (FY 2021-2022)	Rule 305 (FY 2022-2023)
Hourly Staff Rate for:			
Section 3.1.2-3.1.3	Emission Inventory, Public Notification, Audit and Plan, Supplemental Risk Assessment	\$ 157	\$ 164
Section 3.3.5.1	Revocation Initiation	\$ 556	\$ 579
Section 3.3.5.2	Reinstatement	\$ 839	\$ 874

Table 1. Fee Schedule

Rule 306 (Asbestos NESHAP Fees)

Fee	Rule 306 (FY 2021-2022)	Rule 306 (FY 2022-2023)
Section 4.2 Demolition (cost per structure) (Including Where No Asbestos Present)	\$ 464	\$ 483
Section 4.2.1 Cancellation Fee	\$ 164	NA

Schedule of Fees for Removal of Asbestos-Containing Materials

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

Square Feet	Rule 306 (FY 2021-2022)	Rule 306 (FY 2022-2023)
160-999 OR Equal to or Greater than 35 cubic feet	\$ 806	\$ 840
1,000-1,499	\$ 1,040	\$ 1,084
1,500-1,999	\$ 1,272	\$ 1,325
2,000-3,999	\$ 1,498	\$ 1,561
4,000-9,999	\$ 1,716	\$ 1,788
10,000-19,999	\$ 1,879	\$ 1,958
20,000-29,999	\$ 2,343	\$ 2,441
30,000-39,999	\$ 2,807	\$ 2,925
40,000-49,999	\$ 3,271	\$ 3,408
Equal to or Greater than 50,000	\$ 3,735	\$ 3,892
Cancellation Fee	\$ 164	NA

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Table 1. Fee Schedule

Rule 308 (Title V Fees)

Title V Fees		Rule 308 (FY 2021-2022)	Rule 308 (FY 2022-2023)
Section 3.1.1	Filing Fee for an initial Federal Operating Permit, renewal, or modification	\$ 450	\$ 469
Section 3.1.2	Filing Fee for Change of Ownership	\$ 157	\$ 164
Section 3.3	Evaluation Fee	\$ 157	\$ 164
Section 4.1.1	Minimum Annual Federal Operating Permit Fee (AFOPF)	\$ 1,073	\$ 1,118
Section 4.1.2.1	AFPOF for landfill gas emissions per ton	\$ 3.27	\$ 3.41

Rule 309 (Hearing Board Fees)

Hearing Board Fees		Rule 309 (FY 2021-2022)	Rule 309 (FY 2022-2023)
Section 3.1.1-3.1.10	Fee for Each Additional Hearing	\$ 522	\$ 544
Application Fees:			
Section 3.1.1	Length of variance exceeds 90 days	\$ 1,041	\$ 1,085
Section 3.1.1	Length of variance does not exceed 90 days	\$ 729	\$ 760
Section 3.1.2	Modifying a variance		
Section 3.1.3	Modify a Variance's Schedule of Increments of Progress or Final Compliance Date		
Section 3.1.4	Approval of Schedule of Increments of Progress	\$ 522	\$ 544
Section 3.1.6	Emergency Variance		
Section 3.1.7	Permit Denial		
Section 3.1.8	Issuance of Permit		
Section 3.1.9	Suspension of Permit		
Section 3.1.10	Intervention in a Pending Variance		
Section 3.2	Excess Emissions (\$ per pound of excess emissions)	\$ 0.70	\$ 0.73
Section 3.3.1	Excess Visible Emission	\$ 2.00	\$ 2.08
Section 3.4	Minimum Fees	\$ 522	\$ 544

Table 1. Fee Schedule

Rule 310 (Agricultural Diesel Engine Registration Fees)

Ag Engine Fees	Rule 310 (FY 2021-2022)	Rule 310 (FY 2022-2023)
Application Fees:		
Initial in-use or new registration	\$ 221	\$ 230
Section 3.1.1		
Additional Engine Fee	\$ 157	\$ 164
Section 3.1.2		
Section 3.2 Operational Annual Registration Fees	\$ 82	\$ 85
Non-Operational Annual Registration Fees	\$ 42	\$ 44
Section 3.3 Transfer of Owner/Change of Location	\$ 221	\$ 230

The proposed fee increase is 4.2% based on the CPI for the San Francisco Bay Area.

GLOSSARY

**MONTEREY BAY AIR RESOURCES DISTRICT
FY 2022-23 BUDGET
GLOSSARY OF TERMS & ACRONYMS**

AB2766 Fees: Department of Motor Vehicle (DMV) surcharge fees collected through California's vehicle registration program, pursuant to the 1990 California Assembly Bill (AB) 2766. The fee collected is \$4.00 per vehicle.

AB923 Fees: Department of Motor Vehicle (DMV) surcharge fees collected through California's vehicle registration program, pursuant to the 2004 California Assembly Bill (AB) 923. The fee collected is \$2.00 per vehicle.

AMBAG: Association of Monterey Bay Area Governments serving as both a federally designated Metropolitan Planning Organization and a Council of Governments for the Monterey, San Benito, and Santa Cruz Counties region.

APCO: Air Pollution Control Officer who serves as executive director for the District.

CAPCOA: California Air Pollution Control Officers Association, a non-profit association of the air pollution control officers from all 35 local air quality agencies throughout California. The District is a member of this association.

CAPP: Community Air Protection Program, State funding to implement Assembly Bill 617. Funding is used to deploy community air monitoring systems and to reduce exposure in communities most impacted by air pollution.

CARB: California Air Resources Board, the State agency charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change.

CARB Subvention: Funds provided to the District pursuant to Section 39800 et seq. of the California Health and Safety Code. Subvention funds are provided to districts of up to \$1 for every dollar budgeted, as long as the subvention does not exceed \$.23 per capita.

CITY AND COUNTY CONTRIBUTIONS: Each city and county in the District's Tri-County jurisdiction contributes \$.50 per capita to the District based on a Unification Agreement. The contributions are paid in lieu of each city and county creating and maintaining its own air quality program.

DMV: Department of Motor Vehicles.

EPA: Environmental Protection Agency, a federal agency whose mission is to protect human health and safeguard the environment. The District receives funding from the EPA.

EVR: Enhanced Vapor Recovery refers to a new generation of clean nozzles and equipment that control emissions at gasoline dispensing facilities in California.

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Glossary of Terms and Acronyms

Page Two

FARMER: Funding Agricultural Replacement Measures for Emission Reductions, State funding to reduce agricultural sector emissions by providing grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations.

FTE: Full-time equivalent position scheduled to work 40 hours per week.

FUND: Can be thought of as a separate set of books for a specific purpose.

FUND BALANCE: The excess of assets over liabilities; a negative fund balance is sometimes called a deficit.

GENERAL FUND: Consists of all District revenue and matching expenditures except that which is restricted to specific use by statute or Board action.

NESHAP: National Emission Standards for Hazardous Air Pollutants which are stationary source standards for pollutants that are known or suspected to cause cancer or other serious health effects.

NON-OPERATING BUDGET: Consists of revenue collected from the State and passed on to other entities in the form of grants for emission reducing projects.

OEHHA: Office of Environmental Health Hazard Assessment which is a California State department responsible for developing and providing risk managers in state and local government agencies with toxicological and medical information relevant to decisions involving public health.

OPEB: Other Post Employment Benefits which are retiree benefits other than pensions. The District's pays for a portion of health care premiums for retirees who participate in the District's medical plans.

OPERATING BUDGET: Primarily uses the General Fund to pay for all expenditures incurred in the day-to-day operations of the District.

PERP: Owners or operators of portable engines and other types of equipment can register their units under the CARB Statewide Portable Equipment Registration Program (PERP) in order to operate their equipment throughout California without having to obtain individual permits from local air districts. The State collects the fees and remits them to the District.

PM: Particulate matter, a criteria pollutant.

PROGRAM: Categories of services or activities the District engages in.

TAMC: Transportation Agency for Monterey County which funds and implements transportation projects in Monterey County.

Glossary of Terms and Acronyms
Page Three

TCM: Traffic control measures.

TITLE V Program: Title V of the Federal Clean Air Act requires the collection annual federal permit fees for stationary sources based on annual emissions. This program generally applies to the District's major sources.