Summary of Actions

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

2. Pledge of Allegiance

3. Roll Call
   Present
   Jerry Muenzer, Chair
   Ryan Coonerty, Vice Chair
   Steve Dallas
   Zach Friend
   Lowell Hurst
   Absent
   Steve McShane
   Jane Parker
   Simon Salinas
   Fred Ledesma
   John Phillips

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

5. Public Comment Period – None.

6. Reports by Committee Chairs on Committee Meetings
   a. Budget, Personnel, and Nominating Committee
   b. Advisory Committee

7. Comments and Referrals From Chair and Board Members
   a. Director McShane noted the Clean Air Leaders Awards will be on May 31, 2018.

8. Report From Air Pollution Control Officer
   Richard Stedman, APCO, reported on the following:
   District Business
   - May is Clean Air Month.
   - Introduction of Osiris Torres as new Air Quality Engineer.
   - On April 19, the Hearing Board granted the Monterey Regional Waste Management District a variance for SOx emissions from the permitted engines and flare as they install and operate a short-term treatment system to remove hydrogen sulfide from the landfill gas.
   - The District has received several odor complaints from the public in Greenfield regarding a cannabis cultivation operation. Our inspector has made contact with both the grower and City of Greenfield staff to address the public concerns. Our inspector issued notices to the grower to apply for permits and the grower has been in contact with our Engineering team to acquire permits.
Outreach
- Clean Air Leaders Awards – May 31st at 7:00 pm at Nicklaus Golf Club in Pasadera.
  Nominations for awards closed on April 30th. This year we received 23 nominations, a new record.

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

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

9. Accepted and Filed Summary of Actions for the April 18, 2018 Board of Directors Meeting

10. Received and Filed Budget to Actual Report for the Ten Months Ended April 30, 2018

11. Received and Filed Report of Fiscal Year 2017-18 Budget Adjustments Approved by the Air Pollution Control Officer in April 2018

12. Accepted and Filed Engineering Division Activity Report for the Month of April 2018

13. Accepted and Filed Report of Summary of Mutual Settlement Program Actions for the Month of April 2018

14. Accepted and Filed Compliance Division Activity Report for the Month of April 2018

15. Accepted and Filed Report on Daily Eight-Hour Peak Ozone Concentrations, Hourly Peak Ozone Concentrations, PM2.5 and PM10 Air Monitoring Data for the Month of March 2018


17. RESOLUTION NO. 18-012: Adopted a Resolution Authorizing the Air Pollution Control Officer to Enter Into a Grant Agreement with the California Air Resources Board and Accept up to $35,000 in Funding

18. RESOLUTION NO. 18-013: Adopted a Resolution Authorizing the Air Pollution Control Officer to Enter Into a Grant Agreement with the California Air Resources Board and Accept $85,000 in Funding

REGULAR AGENDA

19. Held a First Public Hearing on Proposed Budget for FY 2018-19 and Provided Direction to Staff
   Held a first public hearing and provided direction to staff. No action required or taken.

20. Held First Public Hearing to Consider Adoption of a Resolution Approving Proposed Revisions to the following District Rules and Provided Direction to Staff:
- 300 (Permit Fees);
- 301 (Fee Schedules);
- 305 (Fees for Risk Assessments, Risk Notifications, and Risk Reduction Plans and Reports)
  (Proposed new title: AB2588 Implementation Fees);
- 306 (Asbestos NESHAP Fees);
- 308 (Title V: Federal Operating Permit Fees); and

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

CLOSED SESSION

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

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

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

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

Ann O'Rourke
Executive Assistant
DMV Fees Revenues History
District Organization Chart
(Agenda Page 115)
Total budget of $15.5 million

Loss of major source permit and Title V fees.

Proposed permit fee increases of 5 – 15% for most fee categories

Proposed increase to City and County per capita fees – $.04 increase to $.43

Elimination of 2 unfilled positions. Total of 32 FTEs.

Fixed Asset Purchases:
- Document management system - $81,000
- Building improvements - $99,000
- Vehicles and equipment - $100,000

New sources of state revenues for grant programs – CAPP & FARMER

Major grant programs continued: AB2766, AB923, Carl Moyer, Woodstove Changeouts
FY 2018-19
Revenue - All Funds

- Permit Fees $2,833,000 (23%)
- State Grants $2,942,062 (24%)
- DMV Fees $4,179,000 (34%)
- Other Revenues $654,690 (5%)
- Federal Grants $250,100 (2%)
- Offsite Mitigation Fees $308,000 (2%)
- City/County Contributions $334,210 (3%)
- Interest Income $203,000 (2%)
- CARB Subvention $182,000 (1%)
- Special Fees $504,000 (4%)
FY 2018-19
Expenditures - All Funds

- Grant Payments: $7,215,075 (47%)
- Salaries and Benefits: $4,638,614 (30%)
- Professional Services: $706,490 (4%)
- Fixed Assets: $280,000 (2%)
- Office & Bldg Exp: $499,966 (3%)
- Other Admin Expense: $293,930 (2%)
- Electric Vehicle Rebates: $400,000 (2%)
- Electric Vehicle Infrastructure: $1,350,000 (9%)
- OPEB Trust Deposit: $100,000 (1%)
- Grant Payments: $7,215,075 (47%)

Total Expenditures: $16,385,880
Total Operating Budget of $6.4 million.

$281,000 decrease in permit & Title V revenues (net of permit fee increases and loss of major source revenues).

California Energy Commission Grant of $150,000 – to promote the use of electric vehicles

New State revenues: Oil and Gas, Emission Inventories, CAPP Grant

Salaries and benefits increase of about $149,000 over FY 17-18 budget

Projected operating surplus of $72,000 – yet Stationary Source Program still operating in a deficit
Total Non-Operating Budget of $9.1 million, which includes grant funding and other non-operating expenditures.

Major Grant Programs - Expenditures:
- AB2766 Program - $2.8 million for grants & $400,000 for electric vehicle incentives
- AB923 Program - $700,000 million for grants + $1.35 mil for EV Infrastructure Project
- Carl Moyer Program - $1.1 million (ag and marine vessel engines)
- Offsite Mitigation Grants - $600,000 mil (ag pumps & school buses)
- Woodstove Change-outs - $220,000
- New Programs: CAPP Grants $618,000 & FARMER $1.2 million
- OPEB Trust deposit - $100,000, funds future retiree health benefits
General Fund Balance

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

Estimated Beginning Balance July 1, 2018 $6,042,000
Revenues 5,028,000
Less Expenditures (5,300,000)
Estimated Ending Fund Balance June 30, 2019 $5,770,000
Budget Review Process

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

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

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

Cost Recovery

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

Increase Fees by 5%

<table>
<thead>
<tr>
<th>Current Fee (FY 17-18)</th>
<th>Fee Increase (5%)</th>
<th>Proposed Fee (FY 18-19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filing Fee $198</td>
<td>$10</td>
<td>Filing Fee $208</td>
</tr>
<tr>
<td>General Permit Fee $882</td>
<td>$44</td>
<td>General Permit Fee $926</td>
</tr>
<tr>
<td>Annual Renewal Fee – Billable Tons &lt; 0.1 $197</td>
<td>$10</td>
<td>Annual Renewal Fee – Billable Tons &lt; 0.1 $207</td>
</tr>
<tr>
<td>Emergency Diesel Engine $110</td>
<td>$57</td>
<td>Emergency Diesel Engine $167</td>
</tr>
<tr>
<td>Hourly Staff Rate $145</td>
<td>$4 (increase by 2.9%)</td>
<td>Hourly Staff Rate $149</td>
</tr>
</tbody>
</table>

Increase Fees by 15%

<table>
<thead>
<tr>
<th>Current Fee (FY 17-18)</th>
<th>Fee Increase (15%)</th>
<th>Proposed Fee (FY 18-19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Non-Diesel Engine $210</td>
<td>$32</td>
<td>Emergency Diesel Engine $242</td>
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<tr>
<td>Emergency Diesel Engine $310</td>
<td>$57</td>
<td>Emergency Diesel Engine $357</td>
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Reduce Wastewater Categories

<table>
<thead>
<tr>
<th>Average Flow: Gallons per Day</th>
<th>Number of Permits in Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 500,000</td>
<td>4</td>
</tr>
<tr>
<td>500,000 – 1,000,000</td>
<td>7</td>
</tr>
<tr>
<td>1,000,000 – 1,500,000</td>
<td>2</td>
</tr>
<tr>
<td>1,500,000 – 2,000,000</td>
<td>0</td>
</tr>
<tr>
<td>2,000,000 – 2,500,000</td>
<td>0</td>
</tr>
<tr>
<td>2,500,000 – 3,000,000</td>
<td>6</td>
</tr>
<tr>
<td>3,000,000 – 4,000,000</td>
<td>0</td>
</tr>
<tr>
<td>4,000,000 – 5,000,000</td>
<td>0</td>
</tr>
<tr>
<td>5,000,000 – 6,000,000</td>
<td>0</td>
</tr>
<tr>
<td>6,000,000 – 7,000,000</td>
<td>0</td>
</tr>
<tr>
<td>7,000,000 – 8,000,000</td>
<td>8</td>
</tr>
<tr>
<td>8,000,000 and greater</td>
<td>3</td>
</tr>
</tbody>
</table>
Reduce Wastewater Categories

<table>
<thead>
<tr>
<th>Rule 306</th>
<th>Wastewater Treatment Facility Fees, Section 4.4</th>
<th>Rule 306</th>
<th>Wastewater Treatment Facility Fees, Section 4.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Flow Rates per Day</td>
<td>Rule 306 (FY 2009-2010)</td>
<td>Rule 100 (FY 2011-2012)</td>
<td></td>
</tr>
<tr>
<td>0 - 2,000,000</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>2,000,001 - 4,000,000</td>
<td>$206</td>
<td>$256</td>
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<tr>
<td>4,000,001 - 6,000,000</td>
<td>$412</td>
<td>$472</td>
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<tr>
<td>6,000,001 - 8,000,000</td>
<td>$820</td>
<td>$947</td>
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<tr>
<td>8,000,001 - 10,000,000</td>
<td>$1,640</td>
<td>$1,894</td>
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</tr>
<tr>
<td>10,000,001 and greater</td>
<td>$3,280</td>
<td>$3,788</td>
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</tbody>
</table>

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

Rule 305 AB2588 Implementation Fees

- Rule 305 AB2588 Implementation Fees
  - Consolidate rule title
  - Add ability for District to assess hourly fee to prepare toxic emissions inventories
- Rule 308 Title V Fees
  - Re-word language to allow a fee adjustment for permanent equipment shutdowns.

Questions/Comments?