



*Monterey Bay Air
Resources District*

FY 2026-2027 BUDGET



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FY 2026-27

FINAL BUDGET

June 17, 2026

MONTEREY BAY AIR RESOURCES DISTRICT

BOARD OF DIRECTORS

NAME AND JURISDICTION	AREA OF REPRESENTATION
 <p>Felipe Hernandez, Chair Supervisor, Santa Cruz County Budget Committee Chair</p>	Santa Cruz County
 <p>Mary Ann Carbone, Vice Chair Mayor, Sand City Budget Committee Vice Chair</p>	Monterey Peninsula Cities
 <p>Luis Alejo Supervisor, Monterey County</p>	Monterey County
 <p>Wendy Root Askew Supervisor, Monterey County</p>	Monterey County
 <p>Kimberly De Serpa Supervisor, Santa Cruz County</p>	Santa Cruz County
 <p>Gerry Jensen Councilmember, City of Capitola</p>	Santa Cruz County Cities
 <p>Kollin Kosmicki Supervisor, San Benito County</p>	San Benito County
 <p>Mike LeBarre Mayor, King City Budget Committee Member</p>	South Monterey County Cities
 <p>Chris Lopez Supervisor, Monterey County Budget Committee Member</p>	Monterey County
 <p>Eduardo Montesino Councilmember, City of Watsonville Budget Committee Member Alternate</p>	Santa Cruz County Cities
 <p>Andrew Sandoval Councilmember, City of Salinas</p>	City of Salinas

Richard A. Stedman, Air Pollution Control Officer



Monterey Bay Air Resources District Fiscal Year 2026-27 Budget

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FY 2026-27 BUDGET ADOPTION SCHEDULE

- March 30, 2026 – Budget Workshops
 - 11:00 am – San Benito County
Board of Supervisors Chambers, 481 4th St. Hollister
 - 3:00 pm – Monterey County
MBARD Board Chambers, 24580 Silver Cloud Court, Monterey
- April 1, 2026 – Budget Workshop
 - 11:00 am – Santa Cruz County
Watsonville Public Library, 275 Main St., Watsonville
- April 15, 2026: Review first Draft with Budget and Personnel Committee
 - 12:30 pm– Monterey Bay Air Resources District
MBARD Board Chambers, 24580 Silver Cloud Court, Monterey
 - First Board of Directors Hearing
 - 1:30 pm– Monterey Bay Air Resources District
MBARD Board Chambers, 24580 Silver Cloud Court, Monterey
- June 17, 2026: Second Board of Directors Hearing and Adoption of Final Budget
 - 1:30 pm– Monterey Bay Air Resources District
MBARD Board Chambers, 24580 Silver Cloud Court, Monterey
- July 1, 2026 – MBARD Fiscal Year Begins



AIR POLLUTION CONTROL OFFICER'S BUDGET MEMORANDUM

Date: June 17, 2026

Dear Chair Hernandez, Board members,

I respectfully submit the Fiscal Year 2026-27 (FY 26-27) proposed budget for the Monterey Bay Air Resources District (MBARD). This budget was prepared according to the state and federal legal requirements and policy framework and direction provided by the Board of Directors and the Budget Personnel and Nominating Committee. The following highlights revenue and expenditures in MBARD's FY 26-27 budget.

MBARD's FY 26-27 budget is estimated at \$21 million, consisting of \$9.7 million in operational and \$11.3 million in non-operational (Grant Programs) costs. Non-Operational costs have decreased due to the timing of grant project completions. Operational costs have increased due to a 2.2 percent cost-of-living pay increase for the employee bargaining unit and the addition of one new staff position. MBARD is also receiving an additional \$870,000 in pass-through grants from EPA and CARB.

The following lists some of the highlights of the proposed FY 26-27 budget:

- Permit fee increase of 2.2 percent based on the Consumer Price Index.
- Cost of living allowance for staff of 2.2 percent.
- Per capita fees increase from \$.60 to \$.65.
- Increase from 35 to 36 full-time personnel.
- \$10.4 million for grant funding to reduce emissions for MBARD's ongoing AB 2766, AB 923, Carl Moyer, Community Air Protection (CAPP), Funding Agricultural Replacement Measures (FARMER) programs, and Central Coast Community Energy electric bus grant program.
- MBARD will continue its electric vehicle incentive program for residents in the three-county jurisdiction.
- An estimated \$50,000 to reduce PM_{2.5} wood smoke emissions through MBARD's Wood Stove Change Out Program will be funded with Clean Air Funds.
- Fixed asset expenditures of \$236,000 for vehicle replacements, air monitoring equipment, and updates to computer equipment.

MBARD's commitment to protecting our air while balancing economic considerations is reflected

in this proposed budget. Our focus is on core programs and maintaining strong internal controls to minimize financial risks. We seek the most economical and effective air quality management solutions on behalf of residents and businesses in Monterey, Santa Cruz, and San Benito counties. MBARD strives to collaborate with the community, industry, and regional partners to identify practical, cost-effective approaches to protect air quality throughout the North Coast Central Air Basin.

Respectfully,



Richard A. Stedman
Air Pollution Control Officer

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 36 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 permit billing and risk management activities.

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 Fiscal Year 2024-25 was successfully completed in December 2025 with MBARD receiving a “clean” audit with no significant deficiencies or material weaknesses identified.

The Division also supports public education outreach and communications for all Divisions within MBARD.

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 an Air Monitoring Manager, Supervisor, Senior Air Monitoring Specialist, and two Air Monitoring Specialists. Moving forward into 2026-27, MBARD will continue to improve upon and strive to monitor, assess, advise, and improve air quality initiatives to help maintain public access to air monitoring data.

The Air Monitoring Division performs the following functions:

Ambient Air Monitoring

The Monterey Bay Air Resources District (MBARD) operates and maintains an air monitoring network for determining compliance with federal and state ambient air quality standards within the three-county jurisdiction deemed as the North Central Coast Air Basin (NCCAB). MBARD has also implemented and maintains a Particulate Matter (PM) PM_{2.5} smoke sensor monitoring network to collect data for smoke management initiatives stemming from various outdoor burning, wood burning for home heating, and measurement indications from wildfire smoke impacts. The data collected from these air monitoring network systems are presented on the Air Monitoring webpage on the MBARD website to provide information on air quality-based characterizations of the EPA's Air Quality Index (AQI). The data collected from these air monitoring networks also provide support for MBARD pollutant forecasting and wood smoke curtailment programs.

Ozone

Ozone is monitored at six air monitoring stations within the MBARD jurisdiction. One station is operated by the National Parks Service where ozone measurements from this site are incorporated with the other collected ozone data to determine the MBARD's attainment status. Currently, the NCCAB is in attainment with both the California one-hour ozone as well as the California and federal eight-hour ozone Ambient Air Quality Standard (AAQS).

Particulate Matter

"PM₁₀" refers to particles that are 10 micrometers or less in aerodynamic diameter (about ¹/₂₅ the diameter of a human hair). The Air Monitoring Division conducts PM₁₀ monitoring using continuous measurement devices at the Hollister and King City air monitoring stations. These sites continue to show periodic exceedances of the state attainment 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 impacts from a wildfire incident.

The NCCAB is currently in attainment with the federal AAQS for PM₁₀. However, it continues to be in non-attainment with the California state AAQS. This status is a result of exceedances, mainly at the King City station in south Monterey County due to various fugitive soil dust issues along with prevailing winds throughout the Salinas Valley at certain times of the year. The other PM₁₀ monitor, located in Hollister, may also be susceptible to high readings during prevailing wind events during the autumn

months.

“PM_{2.5}” refers to particles that are 2.5 micrometers or smaller in aerodynamic diameter (about 1/70th the diameter of a human hair). This fine particulate matter can penetrate deep into the lungs and enter the bloodstream, causing respiratory and cardiovascular disease. PM_{2.5} is tied to a range of short-term and long-term illnesses, including childhood asthma, breast cancer, and premature death.

The Air Monitoring Division monitors PM_{2.5} at stations located in Salinas, Santa Cruz, Hollister, Carmel Valley, King City, and Felton. The NCCAB is currently in attainment with the PM_{2.5} federal AAQS.

PM_{2.5} is also monitored in support of MBARD’s Smoke Management Program. A low-cost sensor network has been established throughout the NCCAB in incorporated municipalities, certain populated areas, and various sites in the San Lorenzo Valley of Santa Cruz County to support wood-smoke monitoring. Temporary networks can be established as needed to detect fine particle emissions from planned burns, such as at the former Fort Ord area or other large, prescribed burns.

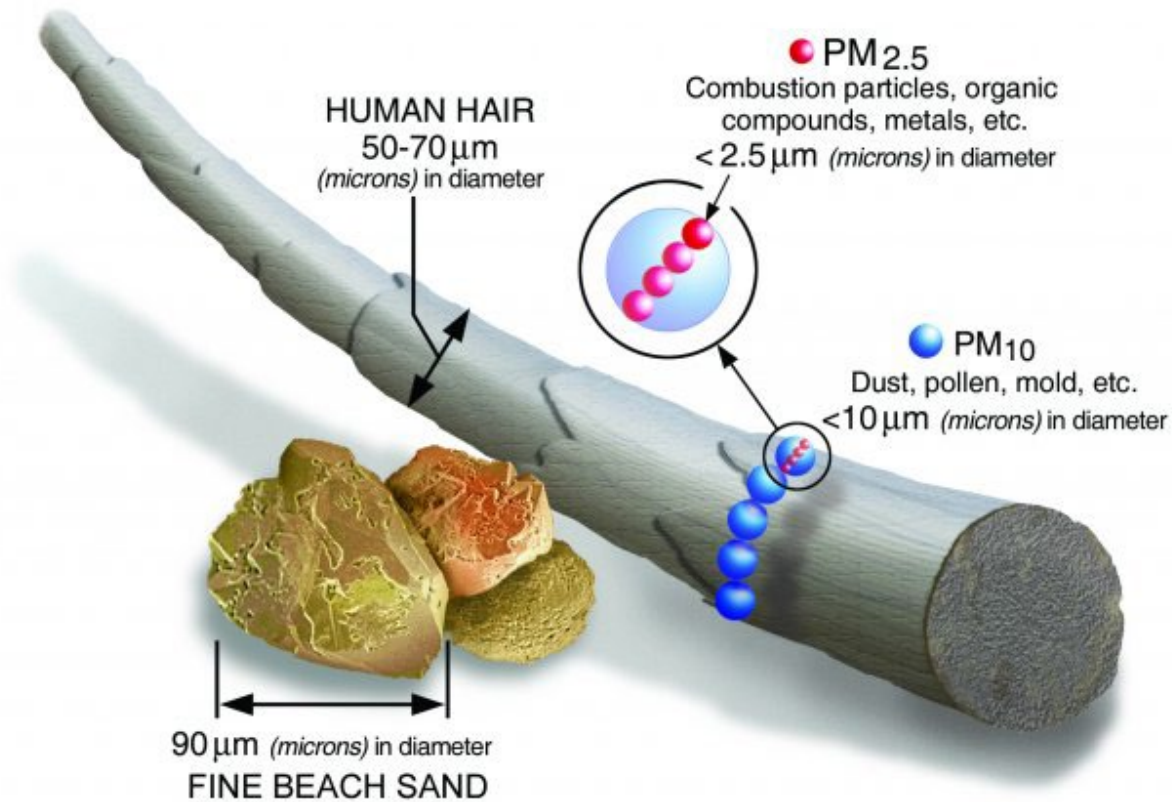


Figure 1: Size comparisons for PM₁₀ and PM_{2.5} Particles

Other Criteria Pollutants

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

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> • Met all federal and state required data collection, reporting and quality assurance requirements at all MBARD Air Monitoring stations. • Awarded \$100K EPA 103 grant for air monitoring program. • Purchased new ozone, PM_{2.5}, and NO₂ air monitoring equipment, zero-emission air monitoring vehicle, staff salary, and various equipment re-certifications and supplies with the awarded \$662K EPA Inflation Reduction Act (IRA) incentive. • Ceased operation of the PM₁₀ Special Purpose Monitoring station in San Juan Bautista. • Continued to refine operations and modernize air monitoring resources • Continued to support wood smoke reduction efforts in the San Lorenzo Valley by monitoring PM_{2.5} levels during the winter home heating season. • Maintained a low-cost sensor network throughout the North Central Coast Air Basin to monitor smoke impacts from wildfires, prescribed burning, home heating burning. Relocated a sensor to Moss Landing and added a sensor to Elkhorn/Prunedale and Parkfield areas. Data collected is published on the MBARD Air Monitoring website. • Continued with contracted operation, data collection, and maintenance with California State Parks and their PM₁₀ network located within the Hollister Hills Recreational Vehicle Park in San Benito County. MBARD receives direct compensation for this work. • Installed and implemented a new ozone monitor at the Carmel Valley station. • Worked with DTSC in a supporting role and with establishing location of smoke sensors for 	<ul style="list-style-type: none"> • Continue to meet all CARB and EPA monitoring requirements. • Continue modernization activities and apply for various grant funding to expand and keep the MBARD air monitoring program running at optimal levels. • Install and implement PM_{2.5} monitors as needed. • Install and implement Ozone monitors as needed. • Install and implement Nitrogen Dioxide monitor for Salinas air monitoring station. • Continue to work in a supporting role with DTSC for any proposed prescribed burning at the Former Fort Ord. • Install and implement Ozone monitor hub station. • Maintain the low-cost smoke sensor network and expand coverage as needed. • Continue monitoring in the San Lorenzo Valley to support MBARD endeavors to reduce PM_{2.5} levels from wood smoke and backyard burning as part of the low-cost sensor network. • Continued with contracted operation, data collection, and maintenance with California State Parks and their PM₁₀ network located within the Hollister Hills Recreational Vehicle Park in San Benito County. • Continue to purchase, install, and implement new meteorological weather sensors at the air monitoring stations. • Look into purchasing battery power backup systems for air monitoring instruments and dataloggers at all air monitoring stations.

<p>proposed prescribed burning at the Former Fort Ord.</p> <ul style="list-style-type: none"> • Completed the migration to a cloud-based database from a server-based database system. • Purchased and implemented new air monitoring station datalogger computers with Windows 11 capability. • Continued to enhance the MBARD Air Monitoring website. 	
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Meteorological Monitoring

The Air Monitoring Division monitors and reports hourly meteorological data at sites in Salinas, Hollister, Santa Cruz, King City, Carmel Valley, and Felton. Meteorological measurements are critical to understanding air quality in the NCCAB. Parameters such as wind speed, wind direction, and ambient temperature are recorded. 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 during smoke impact events or when responding to citizen complaints.

Source Specific Monitoring

The Division supports remote smoke monitoring instruments to detect smoke emissions from controlled prescribed burns, wildfires, and other possible smoke source impacts. The Division may also assist in complaint response by using portable air monitoring equipment.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> • Met all data collection, reporting, and quality assurance objectives. • Awarded EPA Inflation Reduction Act and 103 grant incentive funding for the purchase of next-generation meteorological and PM_{2.5} sensors. • Maintained a low-cost PM_{2.5} sensor network at various locations throughout the North Central Coast Air Basin (mentioned above). • Relocated a sensor to Moss Landing and added a sensor to Elkhorn/Prunedale and Parkfield areas. Data collected is published on the MBARD Air Monitoring website. • Updated the Clarity sensor map on the MBARD air monitoring webpage. • Installed and managed additional PM_{2.5} Clarity sensors around the Moss Landing area. 	<ul style="list-style-type: none"> • Continue meteorological monitoring to meet MBARD needs. • Continue to purchase and upgrade meteorological monitoring and sensor systems as needed. • Continue to maintain the low-cost sensor network and possibly expand it where needed. • Expand the smoke sensor network to include the placement of sensors for data collection in the disadvantaged and low-income communities • Continue to manage and maintain PM_{2.5} Clarity sensors around the Moss Landing area.

COMPLIANCE DIVISION

The Compliance Division staff consists of an Engineering and Compliance Manager (0.5 Full-time Employee), a Supervising Inspector, seven 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 inspections of over 3,000 permits to assure compliance with 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 several approaches including compliance assistance, supplemental environmental projects, and monetary penalties.

Under MBARD’s inspection policy, inspections are assigned based on various factors, including whether the facility has a federal operating permit, potential for air quality impact, or responsibilities under agreements with the California Air Resources Board (CARB) such as the agreement to conduct annual inspections for oil and gas facilities subject to CARB’s oil and gas regulation.

During calendar year 2025, which covered part of FY 2024-25 and part of FY 2025-26, the Division performed 1,972 inspections of permitted equipment and addressed 83 reported facility equipment breakdowns and deviations.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> • Increased the number of compliance inspections because all vacant inspector positions filled. • Completed all major source inspections and report reviews. • Provided one-on-one help to businesses and individuals to ensure understanding of MBARD requirements. • Successfully onboarded and trained one new Air Quality Compliance Inspector. • Responded to 228 public records requests in calendar year 2025. Transitioned to online public records request submission form. • Transitioned to online gas station test notification submission form. • Continued to expanded use of administrative assistance to perform office-based duties to allow 	<ul style="list-style-type: none"> • Crosstrain Compliance Division staff to ensure continuity of operations. • Continue to develop new policies/procedures and amend existing policies/procedures to enhance consistency and efficiency. • 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 public on the website. • Continue transition to paperless submission, processing, and review of forms and reports. • Continue identifying unpermitted sources. • Continue to look for opportunities to reduce unnecessary redundancies and continue to expand the use of administrative assistance.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> Field-based inspection staff to remain in the field conducting inspections. 	

Observation of Source Tests

Inspectors oversee source tests conducted at stationary sources. Staff reviews the source test protocol prior to the test and ensures the source test contractor has the proper equipment and certification to conduct the test. Staff observe source tests to ensure the source test contractor follows the correct test procedures and staff review the source test results to ensure the data is properly reported and to act promptly on any compliance issues related to the testing. During the calendar year 2025, which covered part of FY 2024-25 and part of FY 2025-26, MBARD inspectors observed 42 source tests.

Complaint Investigations

The Division receives several hundred complaints each year. Timely responses and investigations of alleged sources of non-compliance are top priorities. During the calendar year 2025, which covered part of FY 2024-25 and part of FY 2025-26, staff responded to 328 complaints.

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.

Smoke Management Program

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

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> Staff responded to public inquiries concerning Rule 438 (Open Outdoor Fires) regulation, including providing compliance assistance brochures. Mailed 28 fireplace smoke complaint letters and educational materials to residents. 	<ul style="list-style-type: none"> Enforce MBARD rules governing excessive smoke and related nuisances. Expand partnerships with Fire Protection Agencies that issue burn permits to meet Rule 438 standards.

Hearing Board

The Hearing Board is comprised of five members appointed by MBARD’s Board of Directors. The Compliance Division staff may represent MBARD at variance hearings. Staff prepare draft orders, reports, and may provide testimony for variance hearings. Staff tracks compliance with Hearing Board

orders. During the calendar year 2025, which covered part of FY 2024-25 and part of FY 2025-26, the Hearing Board issued five variance orders.

Asbestos Program

The Division is the delegated authority to enforce the federal asbestos National Emission Standards of Hazardous Air Pollutants (NESHAP) regulation. The regulation was created to 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, and complaint response.

Projects range from renovation asbestos removal to multi-structure demolition projects. Typically, regulated projects are schools, commercial and industrial facilities, and residential facilities. Standalone single-family dwellings are usually not regulated.

MBARD 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 ensure compliance to protect public health.

When non-compliance is identified, MBARD staff seek 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.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> • Received and reviewed 299 project notifications and conducted 183 inspections. • Conducted inspections for several large renovation and demolition projects at the Former Ford Ord City of Seaside North Campus Phase I Project, MPC Music Hall Complex, Marina Coast Water District, Naval Post Graduate School, and Lockheed Martin. • Compliance assistance provided to building and planning departments, property owners, contractors, and consultants through phone call and email inquiries regarding asbestos NESHAP requirements. • Presented at the Associated General Contractors Chapter meeting and the International Code Council Monterey Bay Chapter Meeting. Presentation discussed MBARD permitting and asbestos NESHAP requirements. • Continued to be a statewide resource for information, assistance, and training to other air districts. 	<ul style="list-style-type: none"> • Continue to conduct routine inspections to assure compliance of regulated projects. • Continue to ensure compliance with cities, consultants, and contractors on large scale building demolition projects. • 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 be a resource by providing presentations at public events, building/planning departments, and local organizations. • Continue to assist and be a resource for other air districts throughout the State of California with the asbestos NESHAP.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> • MBARD hosted the CAPCOA Enforcement Asbestos Sub-Committee in March. 	<ul style="list-style-type: none"> • Continue to participate in the CAPCOA Asbestos Sub-Committee.

Mutual Settlement Program

The Mutual Settlement Program resolves violations of air quality regulations without formal legal proceedings. The program is administered by staff in the Compliance Division. Notices of Violation are usually settled by mutual agreement between MBARD and the respondent. Cases of significant merit may be referred to the local Attorney’s Office for prosecution. MBARD staff also continue to participate in regularly scheduled Tri-County Environmental Task Force meetings.

During calendar year 2025, which covered part of FY 2024-25 and part of FY 2025-26, Compliance staff issued 54 Notices of Violation and negotiated over \$123,982 in penalties.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> • Worked to identify and maintain consistent penalties for violations at gasoline stations. • Worked with violators to promote better work practices and improve compliance. • Negotiated settlements involving operation without a permit and source testing violations. 	<ul style="list-style-type: none"> • Expand coordination with local building departments to assure permit applicants are aware of MBARD requirements. • Reduce the time between discovery of noncompliance and settlements that include corrective actions that promote future compliance. • Consider creating 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 within a year. Inspections are typically 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 and Compliance Manager (0.5 FTE), a Supervising Engineer, five Permit Engineers, an Air Quality Technician, a Senior Administrative Assistant, and an Engineering & Compliance Specialist (0.25 FTE).

The Division has the following ongoing objectives:

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

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 are issued, Authorities to Construct (ATC) and Permits to Operate (PTO).

- 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 3,174 active Permits to Operate, including the annual renewal process. During calendar year 2025, which covered part of FY 2024-25 and part of FY 2025-26, the Division issued 155 Authorities to Construct, 230 Permits to Operate, 6 Agricultural Diesel Engine Registrations, 1 Emission Reduction Credit, and 2 Federal Title V Permits issued during this period.

To meet state requirements, the Division maintains a registration program for diesel engines used in agricultural operations. Currently, 427 agricultural engines are registered.

The Division also oversees implementation of the Title V Federal Operating Permit program. There are 15 active Title V facility permits within our jurisdiction that are renewed on a five-year cycle.

Engineering staff participate in regular meetings of the California Air Pollution Control Officers Association (CAPCOA) including subgroup meetings for topics such as vapor recovery, air curtain incinerators, and compost operations.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> ● Issued a final ATC to a business pursuing a pilot project to convert clean cellulosic biomass to biochar in a pyrolysis reactor. ● Issued ATC for conversion of existing windrow compost operations to a Covered Aerated Static Pile (CASP) system. Involved conducting a New Source Review (NSR) to designate Best Available Control Technology (BACT) and to determine if offsetting requirements were triggered for a CASP operation to expand composting capacities necessary to meet the State’s SB 1383 organic waste diversion goals. ● Issued ATC for wastewater treatment facility’s proposal to incorporate diverted food waste for co-digestion and biogas production within existing anaerobic digesters for electrical power. Involved reviewing designs and developing operating conditions for odor control, digester mixing, and organic polishing systems. ● Issued 33 ATCs for natural gas-fueled linear generator sets, and one ATC for a temporary pilot project for a hydrogen-fueled linear generator set. These emerging technologies are used to provide prime power to stationary sources. ● Issued a first of its kind ATC for a mobile unit called a Burn Bot which is used to blackline a perimeter around prescribed burns. The permit was issued in coordination with the Planning Division’s Smoke Management Permit (SMP). ● Participated on CARB’s AB 617, Community Air Protection Program subcommittees to develop and refine a Technology Clearinghouse Tool. ● Provided guidance and updated emission factors to existing quarry operation, which were used by the operator to select individual permit process limits, enabling MBARD and the facility to establish the federal Title V potential to emit. 	<ul style="list-style-type: none"> ● Review design for a novel landfill gas conditioning and pretreatment system, used to remove hydrogen sulfide, siloxanes and volatile organic compounds to levels that can transform waste gas to Renewable Natural Gas (RNG) standards capable of being delivered to the utility pipeline. ● <i>Collaborate with a second permitted closed landfill to develop and issue a revised Permit to Operate with an Alternative Compliance Option, after a review of trial period testing results, to demonstrate compliance with semi-continuous operation of their landfill gas collection and flare system to address the landfill’s decline in landfill gas quality and quantity, while operating in compliance with State and federal regulations.</i> ● Continue to work with the Environmental Protection Agency (EPA) Region 9, as they review New Source Performance Standards (NSPS) for Other Solid Waste Incineration Units applicability determinations for air curtain incinerator projects in our jurisdiction. ● Update active propulsion and auxiliary diesel engine permits to enforce and implement the revisions to CARB’s Airborne Toxic Control Measure (ATCM) for Commercial Harbor Craft. ● Update active portable small fleet Tier 3 diesel engine permits to enforce and implement the revisions to CARB’s Airborne Toxic Control Measure (ATCM) for Diesel Particulate Matter from Portable Engines. ● Continue to 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.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> • Developed an emission calculator template to assist automotive body shops to address the Office of Environmental Health Hazard Assessment (OEHHA) classifying and assigning a carcinogenic toxicity factor to p-Chlorobenzotrifluoride (PCBTF) which is used in many coatings and solvents. • Responded to growing number of inquiries and provided permitting guidance for various types of innovative waste diversion projects, including carbonators, air curtain incinerators, and pyrolysis units, to address the need for meeting the State’s Senate Bill (SB) 1383 emission reduction and organic waste diversion goals. • Issued an ATC for new landfill gas collection and flare system, ensuring the unit met BACT and complied with California’s Landfill Methane Regulation, and USEPA’s Municipal Solid Waste Landfill emission guideline elements. 	<ul style="list-style-type: none"> • Process projects involving on-going installation and/or modification of Enhanced Vapor Recovery and In-Station Diagnostic systems at gasoline stations. • 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. Prepare for implementation of the proposed amendments to the methane landfill regulation in 2027. • Continue to process the high volume of applications received for the installation and/or modification of emergency internal combustion engines.

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 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> • Participated in CARB’s public workshops to provide input on the potential changes to the California Oil and Gas Methane Regulation and Landfill Methane Regulation. • Prepared public notice and mailed notice to permit holders and participated in public workshops for MBARD fee rule changes. Prepared the draft rules and staff report for Board adoption. Submitted revised rules to CARB. 	<ul style="list-style-type: none"> • Provide outreach and guidance to landfills who are subject to the anticipated adoption of the State’s amended Oil and Gas Methane Regulation and Landfill Methane Regulation. • Finalize resolution of CARB’s issues regarding Rule 201 (Sources Not Requiring Permits). Resolution is dependent upon CARB’s availability to review our October 2024 analysis summarizing the emission impacts between the baseline version of Rule 201 (Sources Not Requiring Permits) and the proposed rule developed and adopted by our Board in 2017, and a conducted Senate Bill 288 analysis demonstrating that our 2017 version of Rule 201 is not a relaxation of the 2001 version.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
	<ul style="list-style-type: none"> • Once resolution achieved with CARB, propose revisions to Rule 207 (Review of New or Modified Sources), develop required Senate Bill 288 (SB288) findings, conduct CEQA analysis, and CARB public hearing to modify offsetting requirements, as needed. • Analyze existing regulations for consistency and conformity with applicable requirements, and initiate rule revisions, as necessary.

Toxics Programs and Emission Inventory

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 air quality modeling analysis to determine the potential air quality impacts using highly specialized software, which simulates the movement and dispersion of air pollutants.

Since 2018, MBARD has completed the re-evaluation of all sources emitting greater than 10 tons per year of total organic gases, particulate matter, nitrogen oxides, or sulfur oxides, and facilities listed in an MBARD air toxic emissions survey inventory or report. In 2019, we began our next step to develop toxic emission plans and inventories for the less than 10 ton per year sources starting with the following: aggregate operations, hospitals, small and large waste-water treatment facilities, small and large military installations, and wineries.

In 2020, MBARD continued to receive and review emission plans and inventories for the facilities listed above. Due to the impacts of COVID-19, we experienced delays in receiving information from some facilities. In addition, the wildfires in 2020 also impacted the ability of some facilities to provide operational data in addition to the economic hardship of COVID-19. Aware of the pending Office of Administrative Law’s (OAL) October 2021 final adoption of CARB’s programmatic regulatory amendments for emissions reporting, MBARD paused the phasing-in of the less than 10 ton per year sources to submit data, so as to re-align our program with the new requirements and extended inventory deadlines outlined in the final adopted regulatory amendments, described in more detail below.

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. In November

2020, CARB adopted amendments to the CTR. The CTR amendments 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. Calendar year 2024 represented the first year of expanded emissions inventory requirements within MBARD’s jurisdiction.

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 programs to conform to the facility sector review schedule as mandated in the revised CTR. Specifically, facilities identified in the first sector phase were required to submit 2024 emission inventories in reporting year 2025, and facilities identified in the second sector will be required to submit 2026 emission inventories in reporting year 2027.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> • Conducted 9 preliminary health risk assessments for retail gasoline dispensing facilities to determine an industry-wide threshold for triggering the reporting requirements of the “Hot Spots” program. • Conducted 24 preliminary health risk assessments for emergency diesel internal combustion engines to determine an industry-wide threshold for triggering the reporting requirements of the “Hot Spots” program. • Submitted transaction file to CARB for CTR 2024 reporting year for 360 facilities, which included 18 greater than 10 ton per year emitting sources. Information was successfully uploaded to the California Emissions Inventory Data Analysis and Reporting System (CEIDARS). • Participated in the CAPCOA Air Toxics and Risk Managers Committee (TARMAC). • Developed reporting forms and automated emissions calculation spreadsheets to assist facilities subject to the Phase I emission reporting requirements of the CTR regulation. 	<ul style="list-style-type: none"> • Continue to implement the plan to complete the Sector Phase I emission reporting required by the CTR regulation. • Develop a plan to complete the Sector Phase II emission reporting required by the CTR regulation. • Initiate the process to automate uploading of AB 617 Criteria Pollutant and Toxic Emissions Reporting (CTR) data to CARB reporting database. • Continue to provide outreach to inform sources of the CTR reporting requirements and EICG for the Air Toxic “Hot Spots” Program. • Continue to evaluate sources per the AB 588 Hot Spots Program. • Review Health Risk Assessments for the implementation of the “Hot Spots” program.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> Developed an advisory and reporting forms to assist automotive body shops comply with the Phase II emission reporting requirements of the CTR regulation. 	<ul style="list-style-type: none"> Participate on the California Air Resources Board (CARB) new workgroup, <i>Roadmap to Reducing Air Toxics</i>, to address gaps in the State’s role in AB 2588 implementation.

Hearing Board

The Hearing Board is comprised of five citizens appointed by MBARD’s Board of Directors. The Engineering Division staff represent MBARD at the variance hearings and provides testimony for variance applications received. The Engineering Division may also provide support to the Compliance Division in preparing draft orders, staff reports, and tracking variances to ensure sources comply with variances and other Hearing Board orders. During calendar year 2025, which covered part of FY 2024-25 and part of FY 2025-26, the Division provided testimony on five variance applications.

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, 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.

PLANNING DIVISION

The Planning Division includes a Planning and Air Monitoring Manager, one Planning and Air Monitoring Supervisor, five 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 2026-27 Objectives

- Prepare documentation to identify exceptional events that may have caused exceedances of federal PM_{2.5} and the state ozone ambient air quality standards during wildfires.

Air Emissions Inventories

When preparing air quality plans, the Division summarizes estimates of air pollutant emissions from stationary, area, and mobile sources in the North Central Coast Air Basin (NCCAB). Inventories are used to identify sources subject to further control, and as input data for computer models to simulate the 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.

Environmental 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 updates MBARD's *CEQA Air Quality Guidelines* to reflect current requirements of the CEQA statute and CEQA Guidelines.

FY 2026-27 Objectives

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

Implementation of Grant Programs

The Division manages grant programs funded by the State of California, including the Carl Moyer

Memorial Air Quality Standards Attainment Program (Moyer), the Funding Agricultural Replacement Measures for Emission Reductions Program (FARMER), and the Community Air Protection Program (CAPP). Funds for AB 2766 and AB 923 grants come from local DMV fees. Grant funds are directed to various emission-reduction projects, such as replacing agricultural tractors and engines on marine vessels with cleaner-burning equipment.

The Division also manages the East Garrison (EG) mitigation fee grant program. Under this program, fees collected for the construction of each new housing unit in the EG housing project located just outside the City of Marina are used, as implemented with other MBARD grant programs, for emission reduction projects, including the replacement of older agricultural pump engines with electric motors, and to purchase electric school buses for schools in the region.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> • Continued development of an online application system to implement grant funding for FARMER, CAPP, AB 2766, and Moyer. The application system now allows the generation of contracts, streamlining the program. • Launched the Zero-Emission Utility Vehicles (ZEUs) grant program. • Administered the Landscape Equipment Exchange Program (LEEP) • Managed grant projects under the AB 2766, AB 923, FARMER, and Moyer Programs; projects are evaluated based on emission reductions and availability of grant funds. • Administered the Electric Vehicle Incentive Program. • Launched the next cycle of the Wood Stove Change Out Program using CAPP and local funds. • Coordinated the Zero Emissions School Bus Program (ZESBP), reviewed applications for electric school buses, and awarded grants to schools throughout the NCCAB. 	<ul style="list-style-type: none"> • Manage AB 2766, AB 923, Moyer, FARMER, EG, ZESBP, and CAPP Programs. • Launch an EV Infrastructure grant program; continue the Wood Stove Change Out Program. • Continue the Landscape Equipment Exchange Program. • Rank and select projects to award AB 2766 funds. • Continue to process applications for electric school buses for the ZESBP. • Award grants for additional projects under the EG mitigation fund. • Continue to offer an Electric Vehicle Incentive Program.

Transportation Planning

The Division interacts with the Association of Monterey Bay Area Governments (AMBAG), the Transportation Agency of Monterey County (TAMC), and other transportation planning agencies on regional transportation planning efforts.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> Participated in regular AMBAG and TAMC meetings. 	<ul style="list-style-type: none"> Participate in local and regional transportation planning agency committees. Continue to support AMBAG's and TAMC's efforts in regional transportation planning.

Participation in the California Air Pollution Control Officers Association's Committees

The Division participates in several committees of the California Air Pollution Control Officers Association (CAPCOA): Planning Managers, Grants and Incentives, and Prescribed Fire committees.

FY 2025-26 Objectives

- Continue to participate in the CAPCOA Planning Managers, Grants and Incentives, and Prescribed Fire committees.

Rule Development

The Division conducts rule development for planning-related programs it manages.

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, and Clean Air Month.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> Continued MBARD's presence in social media through posting of information to MBARD's Facebook, Instagram, X (formerly Twitter), and Threads pages. Next Door account launched in January. Expanded public outreach to support FARMER, CAPP, Moyer, and AB2766 programs. Continued outreach to Spanish-speaking communities. Continued operating an air sensor network at public schools and priority locations throughout the NCCAB. Conducted workshops to receive public input for the Diesel Engine and Equipment Replacement Program. 	<ul style="list-style-type: none"> Continue MBARD's presence on social media. Continue to expand public outreach to publicize grant programs. Expand Spanish language outreach. Expand the air sensor network. Conduct workshops to offer information about and receive public input on various grant programs and the development of CEQA Guidelines. Participate in outreach events throughout the region.

<ul style="list-style-type: none"> • Participated in various outreach events to promote MBARD efforts to reduce emissions from motor vehicles and open burning. • MBARD hosted the CAPCOA Public Outreach Committee Meeting in February. 	
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Smoke Management Program (SMP)

The Division coordinates MBARD’s agricultural and prescribed burning SMP, which provides analysis and technical assistance for open burn projects. Agricultural and backyard burn permits are issued through MBARD’s online permit systems, and larger, broadcast burn projects are tracked and reviewed through the Air Resources Board’s Prescribed Fire Incident Reporting System (PFIRS). The Division provides technical assistance and comments to other agencies whose prescribed burn projects have the potential to cause smoke impacts across the region. MBARD’s SMP is continuously improved to make the program more protective of public health and more user-friendly to the public.

FY 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> • Assisted with planning, implementation, and monitoring of prescribed burns. • Continued implementation and improvements to the online agricultural and backyard burn application systems. • Worked with land managers to evaluate burn areas prior to planned burns. • Used grant funding from CARB to administer the SMP. • Staff attended training for implementation of the SMP with funding from CAPCOA. • Developed prescribed burning information webpage. 	<ul style="list-style-type: none"> • Assist with planning, implementation, and monitoring of prescribed burns. • Improve outreach to effectively report smoke impacts from prescribed burns and wildfires. • Work with land managers to evaluate burn areas prior to planned burns. • Use grant funding from CARB to administer the SMP. • Provide training to staff for implementation of the SMP with funding from CAPCOA.

Special Projects

San Lorenzo Valley (SLV) PM_{2.5} Reduction Project

The SLV is a narrow river valley located in Santa Cruz County. In past winter seasons, MBARD has measured PM_{2.5} concentrations above the federal ambient 24-hour standard within the SLV. The primary source of these PM_{2.5} emissions is smoke from wood burning for home heating. The Division implements programs to reduce PM_{2.5} 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 2025-26 Major Accomplishments	FY 2026-27 Objectives
<ul style="list-style-type: none"> • Administered the Woodstove Change-Out Program. • Continued the Spare the Air Program. • Monitored PM_{2.5} concentration within the SLV 	<ul style="list-style-type: none"> • Continue PM_{2.5} reduction efforts in the SLV. • Continue the Wood Stove Change-Out Program. • Improve implementation of the Spare the Air program to reduce smoke impacts from wood burning stoves and fireplaces. • Continue to monitor PM_{2.5} concentrations within the SLV.

BUDGET

IN

BRIEF



► Fiscal Year 2026-27 Budget in Brief ◀

The following are budgetary highlights:

❖ Total budget of \$21 million consisting of:

Operational Budget \$9.7 million

Non-Operational Budget (Grant Programs) \$11.3 million

❖ Proposed fee changes:

- Permit fee increase of 2.2% based on the 2025 Consumer Price Index (CPI).
- City and County per capita fees increased from \$.60 to \$.65.

❖ The Personnel Schedule shows an increase from 35 to 36 full-time personnel. A new Air Monitoring Specialist was approved in December 2025. Also, an increase of 2.2% to salaries based on CPI.

❖ Fixed Asset purchases of \$236,000 include two vehicle replacements, air monitoring equipment and computer equipment.

❖ Deposit of \$50,000 to MBARD's Other Post Employment Benefit (OPEB) Trust plus \$250,000 to MBARD's Pension Trust.

❖ \$10.4 million for grant payments to reduce emissions for MBARD's ongoing AB 2766, AB 923, Carl Moyer, Community Air Protection (CAPP), Funding Agricultural Replacement Measures (FARMER), and East Garrison grant programs.

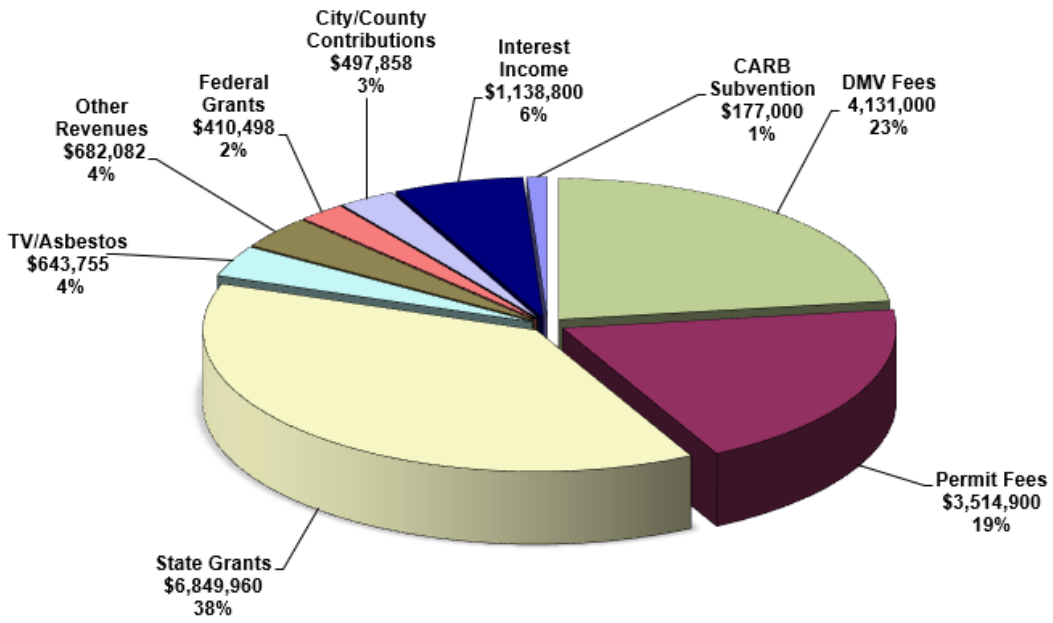
❖ \$10K to continue the Plug-In Monterey Bay program to install electric vehicle stations throughout Monterey, Santa Cruz, and San Benito counties. In addition, MBARD will continue its' electric vehicle incentive program for the Tri-County residents with \$500,000 from AB 2766 funds.

❖ Continued assistance towards reducing PM_{2.5} emissions in the San Lorenzo Valley, including estimated \$50,000 for Woodstove Changeout grants, to be funded with CAPP monies.

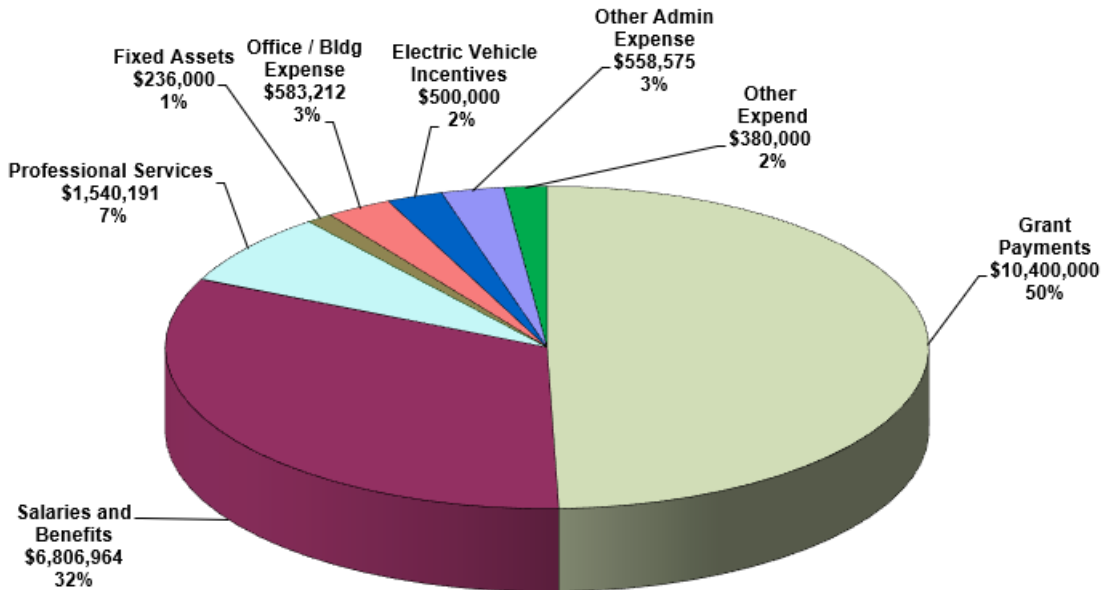
❖ EPA Inflation Reduction Grant to support Air Monitoring activities \$120,000.

❖ CARB Advanced Technology Pilot Project – Whale Watching Vessel grant funds \$750,000.

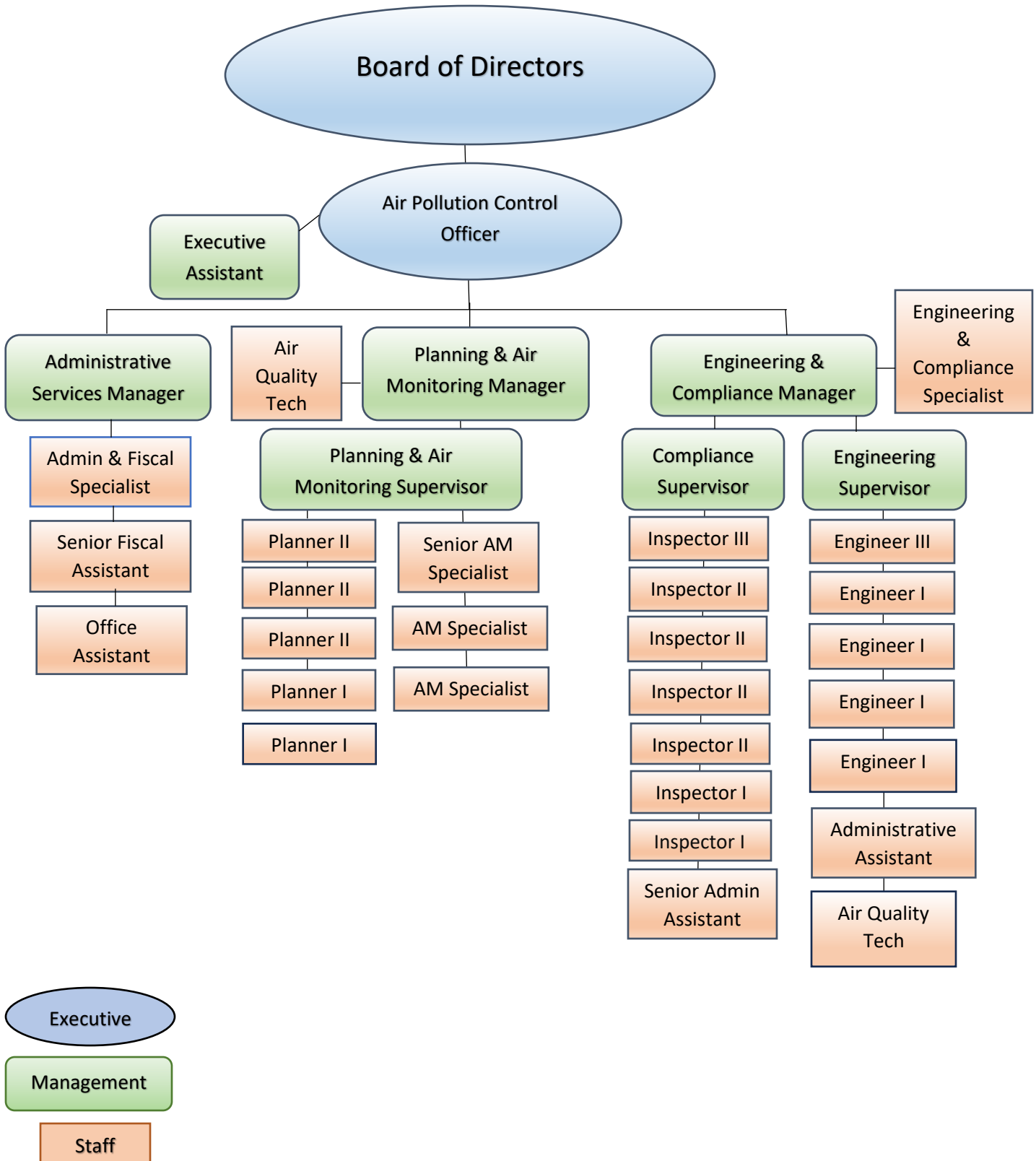
**FY 2026-27
Revenue - All Funds
\$18,045,853**



**FY 2026-27
Expenditures - All Funds
\$21,004,942**



ORGANIZATIONAL STRUCTURE





Personnel Schedule

Division/Position	Revised Budget FY 2025-26	Additions/ Deletions	Proposed Budget FY 2026-27
<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	6.00	0.00	6.00
<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
Inspector I	2.00		2.00
Inspector II	3.00	1.00	4.00
Inspector III	2.00	(1.00)	1.00
Subtotal	10.50	0.00	10.50
<u>ENGINEERING</u>			
Division Manager ¹	0.50		0.50
Division Supervisor	1.00		1.00
Senior Admin Assistant	0.00		0.00
Administrative Assistant	1.00		1.00
Air Quality Technician	1.00		1.00
Engineer I	3.00	(1.00)	2.00
Engineer II	1.00	1.00	2.00
Engineer III	1.00		1.00
Subtotal	8.50	0.00	8.50
<u>PLANNING</u>			
Division Manager ²	0.50		0.50
Division Supervisor ²	0.50		0.50
Air Quality Technician ²	0.50		0.50
Planner I	5.00		5.00
Planner II	0.00		0.00
Planner III	0.00		0.00
Subtotal	6.50	0.00	6.50
<u>AIR MONITORING</u>			
Division Manager ²	0.50		0.50
Division Supervisor ²	0.50		0.50
Air Monitoring Specialist	1.00	1.00	2.00
Air Quality Technician ²	0.50		0.50
Senior Air Monitoring Specialist	1.00		1.00
Subtotal	3.50	1.00	4.50
Total Number of Positions	35.00	1.00	36.00

Notes:

- 1) Position oversees both Compliance & Engineering divisions.
- 2) Position oversees both Planning and Air Monitoring divisions.



Monterey Bay Air Resources District
Monthly Salaries for Staff Positions (All Full-Time)
Effective 07/06/26 (based on PRELIMINARY SEIU labor contract effective 7/1/26)

Job Title	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Office Assistant	\$ 4,690.40	\$ 4,924.40	\$ 5,170.53	\$ 5,428.80	\$ 5,700.93	\$ 6,271.20
Administrative Assistant	\$ 4,881.07	\$ 5,125.47	\$ 5,382.00	\$ 5,650.67	\$ 5,933.20	\$ 6,526.00
Fiscal Assistant	\$ 5,078.67	\$ 5,333.47	\$ 5,600.40	\$ 5,881.20	\$ 6,175.87	\$ 6,792.93
Sr. Admin Assistant (hired after 12/31/14)	\$ 5,387.20	\$ 5,655.87	\$ 5,936.67	\$ 6,233.07	\$ 6,545.07	\$ 7,200.27
Sr. Fiscal Assistant	\$ 5,607.33	\$ 5,889.87	\$ 6,184.53	\$ 6,493.07	\$ 6,817.20	\$ 7,498.40
Sr. Admin Assistant (hired prior to 1/1/15)	\$ 6,132.53	\$ 6,439.33	\$ 6,761.73	\$ 7,099.73	\$ 7,455.07	\$ 8,200.40
Air Quality Technician	\$ 6,189.73	\$ 6,500.00	\$ 6,825.87	\$ 7,167.33	\$ 7,526.13	\$ 8,278.40
Air Monitoring Specialist	\$ 6,312.80	\$ 6,630.00	\$ 6,961.07	\$ 7,309.47	\$ 7,675.20	\$ 8,443.07
Engineering and Compliance Specialist	\$ 6,439.33	\$ 6,761.73	\$ 7,099.73	\$ 7,456.80	\$ 7,827.73	\$ 8,612.93
Air Quality Compliance Inspector I	\$ 6,702.80	\$ 7,037.33	\$ 7,389.20	\$ 7,758.40	\$ 8,146.67	\$ 8,959.60
Air Quality Planner I	\$ 7,255.73	\$ 7,618.00	\$ 7,999.33	\$ 8,399.73	\$ 8,819.20	\$ 9,699.73
Senior Air Monitoring Specialist	\$ 7,328.53	\$ 7,692.53	\$ 8,077.33	\$ 8,481.20	\$ 8,907.60	\$ 9,798.53
Air Quality Compliance Inspector II	\$ 7,784.40	\$ 8,174.40	\$ 8,583.47	\$ 9,013.33	\$ 9,467.47	\$ 10,413.87
Air Quality Planner II	\$ 8,020.13	\$ 8,420.53	\$ 8,841.73	\$ 9,283.73	\$ 9,748.27	\$ 10,722.40
Air Quality Engineer I	\$ 8,103.33	\$ 8,508.93	\$ 8,933.60	\$ 9,380.80	\$ 9,850.53	\$ 10,835.07
Air Quality Compliance Inspector III	\$ 8,515.87	\$ 8,942.27	\$ 9,389.47	\$ 9,860.93	\$ 10,353.20	\$ 11,389.73
Air Quality Planner III	\$ 8,859.07	\$ 9,302.80	\$ 9,765.60	\$ 10,254.40	\$ 10,767.47	\$ 11,842.13
Air Quality Engineer II	\$ 9,403.33	\$ 9,873.07	\$ 10,367.07	\$ 10,885.33	\$ 11,429.60	\$ 12,571.87
Air Quality Engineer III	\$ 10,282.13	\$ 10,796.93	\$ 11,336.00	\$ 11,902.80	\$ 12,497.33	\$ 13,747.07

Management & Confidential Employees Monthly Salary Ranges (All Full-Time) - Effective 07/06/26

Job Title	Low	High
Air Pollution Control Officer (APCO)	\$21,685.67	\$ 23,420.52 (per employment agreement)
Engineering & Compliance Manager	\$ 12,083.33	\$ 16,670.49
Administrative Services Manager	\$ 12,083.33	\$ 14,902.57
Engineering Supervisor	\$ 12,083.33	\$ 15,243.55
Planning and Air Monitoring Manager	\$ 12,083.33	\$ 16,251.12
Planning and Air Monitoring Supervisor	\$ 11,500.00	\$ 12,652.33
Supervising Air Quality Compliance Inspector	\$ 11,500.00	\$ 12,293.75
Executive Assistant	\$ 7,916.67	\$ 9,649.50
Administrative & Fiscal Specialist	\$ 7,217.60	\$ 7,578.48

BUDGET

SCHEDULES

**Monterey Bay Air Resources District
Operating Budget**

	ACTUALS FY 24-25	REVISED BUDGET FY 25-26	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27
<u>Operating Revenues</u>				
EPA Grants	\$ 391,328	\$ 430,832	\$ 412,548	\$ 410,498
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	3,552,967	3,458,247	3,482,250	3,514,900
Special Fees (Title V and Asbestos)	635,254	651,453	648,638	643,755
Penalties and Fines	376,016	181,500	160,500	201,500
CARB Subvention	176,189	176,000	176,953	177,000
City and County Contributions ¹	421,321	461,618	461,618	497,858
Contract Revenues (Source Air Monitoring)	89,163	115,000	90,000	115,000
Woodstove Change Out Admin Funds ⁴	24,189	6,073	6,072	-
Moyer Grant Revenues-Oper Rev	345,505	295,000	260,000	374,000
Other Grant Revenues (IRA/ATDPP) ⁵	990,704	1,168,143	1,015,920	905,000
Oil and Gas Revenues (CARB) ²	60,000	60,000	60,000	60,000
Emission Inventory Funding (CARB) ²	12,583	12,583	12,583	12,583
CAPP Grant (AB617 Funding) ²	93,960	93,960	93,960	93,960
CARB Prescribed Burn Funding	-	125,000	125,000	125,000
Community Air Protection (CAPP) Funds-Oper Rev ²	147,246	208,000	182,000	236,000
Funding Agric Replacement Measures for				
Emission Reductions (FARMER) Funds-Oper Rev ²	126,964	71,000	93,750	116,000
Other Revenues	376,396	258,395	240,711	257,999
Interest Income (Gen Fund)	322,686	200,000	300,000	300,000
Total Operating Revenues	\$ 9,302,471	\$ 9,132,804	\$ 8,982,504	\$ 9,201,053
<u>Expenditures by Division:</u>				
Administrative	\$ 2,115,343	\$ 2,103,337	\$ 1,751,252	\$ 2,277,926
Air Monitoring	779,661	1,039,269	930,644	1,068,545
Compliance	1,826,760	2,161,813	1,882,535	2,058,603
Engineering	1,435,356	1,933,241	1,533,331	1,937,387
Planning	1,843,218	2,500,975	1,976,949	2,407,481
Total Operating Expenditures	\$ 8,000,339	\$ 9,738,635	\$ 8,074,710	\$ 9,749,942
Net Surplus (Deficit)	\$ 1,302,132	\$ (605,831)	\$ 907,794	\$ (548,889)
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 5,660,867	\$ 6,596,226	\$ 5,543,035	\$ 6,806,964
Maintenance, Equipment, and Supplies	252,461	406,616	308,082	369,901
Legal and Professional Services	1,102,117	1,581,252	1,310,247	1,530,191
Utilities & Office Rent	169,942	181,501	190,798	213,311
Insurance	182,434	195,000	179,720	206,000
Training, Travel, District Board Exp	82,922	205,734	110,190	240,840
Fixed Assets ³	261,137	430,100	271,765	236,000
Sponsorships	10,380	23,000	10,500	23,000
Transfers to Other Funds (to Clean Air Fund)	220,315	35,000	75,203	35,000
Other	57,765	84,206	75,170	88,735
Total Operating Expenditures	\$ 8,000,339	\$ 9,738,635	\$ 8,074,710	\$ 9,749,942

Notes:

(1) FY 26-27 City and County contributions include per capita assessment increase from \$.60 to \$.65

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

(3) FY 26-27 Fixed Assets include: \$96K for new vehicles, \$51K for air monitoring equipment, \$90K for computer equipment

(4) FY 26-27 Woodstove Changeout will be funded by Clean Air Program

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

	ACTUALS FY 24-25	REVISED BUDGET FY 25-26	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27
<u>Non-Operating Revenues</u>				
AB2766 DMV Fees and Interest	\$ 2,009,317	\$ 1,808,000	\$ 2,080,000	\$ 1,954,000
AB923 DMV Fees and Interest	1,557,052	1,411,610	1,575,000	1,567,000
Moyer Grants and Interest	2,255,012	2,075,000	1,665,000	2,095,000
Community Air Protection (CAPP) Grant Funds/Int ¹	1,824,761	2,075,000	1,075,000	2,125,000
Funding Agric Replacement Measures for Emission Reductions (FARMER) Grant Funds and Interest ¹	897,400	853,000	422,600	1,050,000
Woodstove Change Out Funds ⁶	504,027	137,957	137,957	-
Offsite Mitigation/CCCE Fees/Interest ²	6,861	3,000	7,000	6,800
Transfer from Gen Fund to Clean Air Fund + Interest	230,054	79,000	88,203	47,000
Total Non-Operating Revenues	\$ 9,284,484	\$ 8,442,567	\$ 7,050,760	\$ 8,844,800
<u>Expenditures by Division:</u>				
Planning (grant payments only)	\$ 7,349,482	\$ 9,025,957	\$ 5,480,500	\$ 10,400,000
Planning - Electric Vehicle Rebates	445,950	500,000	500,000	500,000
Planning - Electric Vehicle Infrastructure Proj ²	-	1,000,000	-	10,000
Administrative - OPEB & Pension Liability Funding	203,000	553,000	553,000	300,000
Clean Air Fund	17,861	250,500	145,000	45,000
District Building Improvements	-	-	-	-
Total Non-Operating Expenditures	\$ 8,016,293	\$ 11,329,457	\$ 6,678,500	\$ 11,255,000
Net Surplus (Deficit)	\$ 1,268,191	\$ (2,886,890)	\$ 372,260	\$ (2,410,200)
<u>Expenditures by Type:</u>				
AB2766 DMV Grants - Current Year ³	\$ 161,539	\$ 200,000	\$ 200,000	\$ 200,000
AB2766 DMV Grants - Prior Year ³	1,468,234	1,720,000	1,200,000	2,000,000
Moyer Grants ³	2,148,857	2,000,000	1,857,000	2,000,000
AB923 Grants ³	540,979	2,000,000	675,000	3,000,000
AB923 Electric Vehicle Infrastructure Project ⁴	-	1,000,000	-	10,000
CAPP Grants	1,703,394	2,000,000	1,086,500	2,000,000
FARMER Grants	822,452	818,000	362,000	1,000,000
General Grants-Offsite Mitigation Grants/CCCE ²	-	150,000	-	150,000
Electric Vehicle Incentives	445,950	500,000	500,000	500,000
Woodstove Changeout Grants	504,027	137,957	100,000	50,000
Public Education Grants	-	-	-	-
Clean Air Fund Projects	17,861	250,500	145,000	45,000
Building Remodel/Improvement Projects	-	-	-	-
OPEB & Pension Trust Account Deposits ⁵	203,000	553,000	553,000	300,000
Total Non-Operating Expenditures	\$ 8,016,293	\$ 11,329,457	\$ 6,678,500	\$ 11,255,000

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.

(3) Assumption for FY 25-26 & FY 26-27 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 33% of budget.

(4) Plug-In Monterey Bay electric vehicle infrastructure project using AB923 funds.

(5) OPEB Trust \$50K, Pension Trust \$250K

(6) FY 25-26 Woodstove Changeout funded by Clean Air Fund



**Monterey Bay Air Resources District
Funds Relationships to Divisions and Programs
FY 2026-27**

Division/Program	Funded By						
	General	AB 2766	AB 923	Moyer	General Grants	CAPP Grants	FARMER Grants
Administrative							
MBARD 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						

MBARD'S finances are reported in separate funds. The table above portrays MBARD'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.

AB 2766 - DMV Fees collected from the \$4.00 per vehicle registration surcharge program.

AB 923 - 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 used for school buses and replacements/retrofits of agricultural pumps.

Community Air Protection Program (CAPP) Grants - Established by AB 617 and funded by AB 134, grants are intended to reduce air pollution in disadvantaged or low-income areas.

Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Grants - Funded by AB 134 and AB 109, grants are to be used to reduce agricultural sector emissions.

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

	ACTUALS FY 24-25	REVISED BUDGET FY 25-26	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27
BEGINNING FUND BALANCE	\$ 10,510,021	\$ 10,795,106	\$ 10,795,106	\$ 10,937,190
Revenues				
EPA Grants	\$ 391,328	\$ 430,832	\$ 412,548	\$ 410,498
Permit Fees ⁵	3,552,967	3,458,247	3,482,250	3,514,900
Special Fees (Title V and Asbestos)	635,254	651,453	648,638	643,755
Penalties and Fines	376,016	181,500	160,500	201,500
CARB Subvention	176,189	176,000	176,953	177,000
City and County Contributions ¹	421,321	461,618	461,618	497,858
Contract Revenues (Source Air Monitoring)	89,163	115,000	90,000	115,000
Woodstove Change Out Grant Funds ⁶	48,378	112,146	106,072	-
Other Grant Revenues (IRA/ATDPP) ⁷	990,704	1,168,143	1,015,920	905,000
Oil and Gas Revenues (CARB) ²	60,000	60,000	60,000	60,000
Emission Inventory Funding (CARB) ²	12,583	12,583	12,583	12,583
CAPP Grant (AB617 Funding) ²	93,960	93,960	93,960	93,960
Prescribed Burn Funding (CARB) ²	-	125,000	125,000	125,000
Other Revenues (PERP fees, cost recoveries, misc income)	304,780	186,779	169,095	186,383
Rental Income	71,616	71,616	71,616	71,616
Interest Income	322,686	200,000	300,000	300,000
Total General Fund Revenues	\$ 7,546,945	\$ 7,504,877	\$ 7,386,754	\$ 7,315,053
Expenditures by Division:				
Administrative (incl OPEB & Pension Trust Acct deposits)	\$ 2,080,722	\$ 2,363,429	\$ 2,090,437	\$ 2,253,609
Air Monitoring	477,279	588,229	583,485	433,815
Compliance	1,826,760	2,161,813	1,882,535	2,058,603
Engineering	1,435,356	1,933,241	1,533,331	1,937,387
Planning	1,441,744	1,569,872	1,154,882	1,348,003
Total General Fund Expenditures	\$ 7,261,861	\$ 8,616,584	\$ 7,244,669	\$ 8,031,417
Net Surplus (Deficit)	\$ 285,084	\$ (1,111,707)	\$ 142,085	\$ (716,364)
ENDING FUND BALANCE	\$ 10,795,106	\$ 9,683,399	\$ 10,937,190	\$ 10,220,826
Expenditures by Type:				
Salaries and Benefits ⁴	\$ 4,485,602	\$ 5,159,761	\$ 4,299,579	\$ 5,263,906
Maintenance, Equipment, and Supplies	218,999	343,605	283,607	313,417
Legal and Professional Services	987,589	1,457,652	1,216,847	1,306,966
Utilities & Office Rent	137,421	148,823	161,643	173,963
Insurance	158,717	173,000	160,000	179,000
Training, Travel, District Board Exp	70,846	141,980	96,155	157,280
Fixed Assets ³	220,809	384,000	225,665	167,150
Grants-Woodstove Changeouts	504,027	137,957	100,000	50,000
OPEB & Pension Trust Account Deposits	203,000	553,000	553,000	300,000
Transfers Out (to Clean Air Fund)	220,315	35,000	75,203	35,000
Other	54,536	81,806	72,970	84,735
Total General Fund Expenditures	\$ 7,261,861	\$ 8,616,584	\$ 7,244,669	\$ 8,031,417

Notes:

- (1) FY 26-27 City and County contributions includes per capita assessment increase from \$.60 to \$.65
(2) State funded revenues based on AB 617, AB 134, AB 197, & SB 1260.
(3) FY 26-27 Fixed Assets include: \$90K for new computer equipment, \$96K vehicle replacements, \$51K for air monitoring equipment
(4) Increase reflects 2.2% CPI wage increase, increase in PERS, Health and WC rates, one new position
(5) Permit fee increase of 2.2%, based on CPI.

**Monterey Bay Air Resources District
AB 2766 Fund Budget**

	ACTUALS FY 24-25	REVISED BUDGET FY 25-26	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27
BEGINNING FUND BALANCE	\$ 9,412,248	\$ 9,702,403	\$ 9,702,403	\$ 10,222,028
Revenues				
AB 2766 DMV Fees-Operating	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000
AB 2766 DMV Fees-Non-Operating	1,678,109	1,633,000	1,680,000	1,654,000
AB 2766 Fund Interest Income	331,208	175,000	400,000	300,000
Total AB 2766 Fund Revenues	\$ 3,109,317	\$ 2,908,000	\$ 3,180,000	\$ 3,054,000
Expenditures by Division:				
Administrative	\$ 237,622	\$ 292,908	\$ 213,815	\$ 324,317
Air Monitoring	302,382	451,040	347,159	634,730
Compliance	-	-	-	-
Engineering	-	-	-	-
Planning ²	2,279,158	2,743,160	2,099,401	3,025,249
Total AB 2766 Fund Expenditures	\$ 2,819,162	\$ 3,487,108	\$ 2,660,375	\$ 3,984,296
Net Surplus (Deficit)	\$ 290,155	\$ (579,108)	\$ 519,625	\$ (930,296)
ENDING FUND BALANCE	\$ 9,702,403	\$ 9,123,295	\$ 10,222,028	\$ 9,291,732
Expenditures by Type⁴:				
Salaries and Benefits	\$ 549,590	\$ 748,065	\$ 556,865	\$ 841,329
Maintenance, Equipment, and Supplies	32,645	59,511	22,625	51,984
Legal and Professional Services	77,852	87,600	60,500	173,225
Utilities & Office Rent	32,521	32,678	29,155	39,348
Insurance	23,716	22,000	19,720	27,000
Training, Travel, District Board Expenses	11,623	45,754	12,710	55,560
Sponsorships ¹	10,380	23,000	10,500	23,000
Fixed Assets ⁵	1,884	46,100	46,100	68,850
Grants-Public Educations	-	-	-	-
Grants-AB 2766 (Current & Prior Years) ²	1,629,774	1,920,000	1,400,000	2,200,000
Electric Vehicle Incentives ³	445,950	500,000	500,000	500,000
Other	3,229	2,400	2,200	4,000
Total AB 2766 Fund Expenditures	\$ 2,819,162	\$ 3,487,108	\$ 2,660,375	\$ 3,984,296

Notes:

(1) Includes sponsoring support programs and electric vehicle events.

(2) Assumption for FY 25-26 & 26-27 budget columns is that all outstanding grants are paid out during the fiscal period. Over the last five fiscal periods, actual reimbursements averaged 33% of budget.

(3) Incentives offered to Tri-County residents for purchasing all-electric, plug-in hybrids, hydrogen fuel cell vehicles.

(4) Expense allocations are based on the percentage of mobile source emission inventory as compared to stationary sources.

(5) FY 26-27 Fixed Assets include portion of admin server and air monitoring equipment (\$68K)

**Monterey Bay Air Resources District
AB 923 Fund Budget**

	<u>ACTUALS</u> <u>FY 24-25</u>	<u>REVISED</u> <u>BUDGET</u> <u>FY 25-26</u>	<u>ESTIMATED</u> <u>ACTUALS</u> <u>FY 25-26</u>	<u>PROPOSED</u> <u>BUDGET</u> <u>FY 26-27</u>
<i>BEGINNING FUND BALANCE</i>	<u>\$ 6,922,120</u>	<u>\$ 7,945,501</u>	<u>\$ 7,945,501</u>	<u>\$ 8,855,426</u>
<u>Revenues</u>				
AB 923 Fees/ - Operating	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
AB 923 Fees/Interest -Non-Operating	1,329,054	1,291,610	1,300,000	1,317,000
AB 923 Fund Interest Income	227,998	120,000	275,000	250,000
Total AB 923 Fund Revenues	<u>\$ 1,617,052</u>	<u>\$ 1,471,610</u>	<u>\$ 1,635,000</u>	<u>\$ 1,627,000</u>
<u>Expenditures by Division:</u>				
Planning ¹	\$ 593,672	\$ 3,138,566	\$ 725,075	\$ 3,146,386
Total AB 923 Fund Expenditures	<u>\$ 593,672</u>	<u>\$ 3,138,566</u>	<u>\$ 725,075</u>	<u>\$ 3,146,386</u>
Net Surplus (Deficit)	<u>\$ 1,023,381</u>	<u>\$ (1,666,956)</u>	<u>\$ 909,925</u>	<u>\$ (1,519,386)</u>
<i>ENDING FUND BALANCE</i>	<u>\$ 7,945,501</u>	<u>\$ 6,278,545</u>	<u>\$ 8,855,426</u>	<u>\$ 7,336,040</u>
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 52,693	\$ 136,066	\$ 50,075	\$ 132,886
Supplies, Travel, Training	-	1,500	-	1,500
Electric Vehicle Infrastructure Project ¹	-	1,000,000	-	10,000
Grants - AB 923 ²	540,979	2,000,000	675,000	3,000,000
Other	-	1,000	-	2,000
Total AB 923 Fund Expenditures	<u>\$ 593,672</u>	<u>\$ 3,138,566</u>	<u>\$ 725,075</u>	<u>\$ 3,146,386</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 25-26 & 26-27 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 33% of budget.

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

	ACTUALS FY 24-25	REVISED BUDGET FY 25-26	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27
<i>BEGINNING FUND BALANCE</i>	<i>\$ 513,448</i>	<i>\$ 619,603</i>	<i>\$ 619,603</i>	<i>\$ 309,603</i>
<u>Revenues</u>				
Moyer Grant-Non Operating	\$ 2,148,857	\$ 2,000,000	\$ 1,500,000	\$ 2,000,000
Moyer Grant - Operating	345,505	295,000	260,000	374,000
Moyer Interest	106,155	75,000	165,000	95,000
Total Moyer Fund Revenues	<u>\$ 2,600,517</u>	<u>\$ 2,370,000</u>	<u>\$ 1,925,000</u>	<u>\$ 2,469,000</u>
<u>Expenditures by Division:</u>				
Planning ¹	\$ 2,494,362	\$ 2,307,132	\$ 2,235,000	\$ 2,328,449
Total Moyer Fund Expenditures	<u>\$ 2,494,362</u>	<u>\$ 2,307,132</u>	<u>\$ 2,235,000</u>	<u>\$ 2,328,449</u>
Net Surplus (Deficit)	<u>\$ 106,155</u>	<u>\$ 62,868</u>	<u>\$ (310,000)</u>	<u>\$ 140,551</u>
<i>ENDING FUND BALANCE</i>	<u><u>\$ 619,603</u></u>	<u><u>\$ 682,471</u></u>	<u><u>\$ 309,603</u></u>	<u><u>\$ 450,154</u></u>
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 290,433	\$ 281,382	\$ 353,550	\$ 299,199
Professional Services	35,351	20,000	23,000	20,000
Maintenance, Supplies	359	750	750	1,250
Travel, Training	140	5,000	700	8,000
Fixed Assets ²	19,222	-	-	-
Grants - Moyer ¹	2,148,857	2,000,000	1,857,000	2,000,000
Total Moyer Fund Expenditures	<u><u>\$ 2,494,362</u></u>	<u><u>\$ 2,307,132</u></u>	<u><u>\$ 2,235,000</u></u>	<u><u>\$ 2,328,449</u></u>

Notes:

(1) Assumption for FY 26-27 budget is that all outstanding grants are paid out during the fiscal period.

(2) Portion of new vehicle paid with Moyer funds

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

	ACTUALS FY 24-25	REVISED BUDGET FY 25-26	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27
<i>BEGINNING FUND BALANCE</i>	<u>\$ 188,754</u>	<u>\$ 194,610</u>	<u>\$ 194,610</u>	<u>\$ 201,480</u>
<u>Revenues</u>				
Offsite Mitigation Fees/Revenue ¹	\$ -	\$ -	\$ -	\$ -
Offsite Mitigation Oper Fees - Admin ¹	\$ -	\$ -	\$ -	\$ -
General Grants Interest	\$ 6,861	\$ 3,000	\$ 7,000	\$ 6,800
Total General Grants Fund Revenues	<u>\$ 6,861</u>	<u>\$ 3,000</u>	<u>\$ 7,000</u>	<u>\$ 6,800</u>
<u>Expenditures by Division:</u>				
Planning	\$ 1,006	\$ 161,565	\$ 130	\$ 157,807
Total General Grants Fund Expenditures	<u>\$ 1,006</u>	<u>\$ 161,565</u>	<u>\$ 130</u>	<u>\$ 157,807</u>
Net Surplus (Deficit)	<u>\$ 5,855</u>	<u>\$ (158,565)</u>	<u>\$ 6,870</u>	<u>\$ (151,007)</u>
<i>ENDING FUND BALANCE</i>	<u>\$ 194,610</u>	<u>\$ 36,045</u>	<u>\$ 201,480</u>	<u>\$ 50,473</u>
<u>Expenditures by Type:</u>				
Salaries and Wages	1,006	11,565	130	7,807
Grants ^{1, 2}	\$ -	\$ 150,000	\$ -	\$ 150,000
Total General Grants Fund Expenditures	<u>\$ 1,006</u>	<u>\$ 161,565</u>	<u>\$ 130</u>	<u>\$ 157,807</u>

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.

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

	ACTUALS FY 24-25	REVISED BUDGET FY 25-26	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27
<i>BEGINNING FUND BALANCE</i>	<i>\$ 187,889</i>	<i>\$ 282,550</i>	<i>\$ 282,550</i>	<i>\$ 255,105</i>
<u>Revenues</u>				
CAPP Funding-Non Operating	\$ 1,703,394	\$ 2,000,000	\$ 950,000	\$ 2,000,000
CAPP Funding-Operating	147,246	208,000	182,000	236,000
CAPP Fund Interest	121,367	75,000	125,000	125,000
Total CAPP Fund Revenues	<u>\$ 1,972,008</u>	<u>\$ 2,283,000</u>	<u>\$ 1,257,000</u>	<u>\$ 2,361,000</u>
<u>Expenditures by Division:</u>				
Planning ¹	\$ 1,877,346	\$ 2,215,618	\$ 1,284,445	\$ 2,208,384
Total CAPP Fund Expenditures	<u>\$ 1,877,346</u>	<u>\$ 2,215,618</u>	<u>\$ 1,284,445</u>	<u>\$ 2,208,384</u>
Net Surplus (Deficit)	<u>\$ 94,661</u>	<u>\$ 67,382</u>	<u>\$ (27,445)</u>	<u>\$ 152,616</u>
<i>ENDING FUND BALANCE</i>	<u><u>\$ 282,550</u></u>	<u><u>\$ 349,932</u></u>	<u><u>\$ 255,105</u></u>	<u><u>\$ 407,721</u></u>
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 173,579	\$ 194,118	\$ 188,120	\$ 178,884
Professional Services	199	15,000	9,400	20,000
Supplies, Travel, Training	175	6,500	425	9,500
Grants ¹	1,703,394	2,000,000	1,086,500	2,000,000
Total CAPP Fund Expenditures	<u><u>\$ 1,877,346</u></u>	<u><u>\$ 2,215,618</u></u>	<u><u>\$ 1,284,445</u></u>	<u><u>\$ 2,208,384</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**

	ACTUALS FY 24-25	REVISED BUDGET FY 25-26	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27
<i>BEGINNING FUND BALANCE</i>	<i>\$ 125,544</i>	<i>\$ 198,546</i>	<i>\$ 198,546</i>	<i>\$ 256,380</i>
<u>Revenues</u>				
FARMER Funding-Non Operating	\$ 822,452	\$ 818,000	\$ 362,600	\$ 1,000,000
FARMER Funding-Operating	126,964	71,000	93,750	116,000
FARMER Fund Interest	74,948	35,000	60,000	50,000
Total FARMER Fund Revenues	<u>\$ 1,024,364</u>	<u>\$ 924,000</u>	<u>\$ 516,350</u>	<u>\$ 1,166,000</u>
<u>Expenditures by Division:</u>				
Planning ¹	\$ 951,363	\$ 891,019	\$ 458,516	\$ 1,103,203
Total FARMER Fund Expenditures	<u>\$ 951,363</u>	<u>\$ 891,019</u>	<u>\$ 458,516</u>	<u>\$ 1,103,203</u>
Net Surplus (Deficit)	<u>\$ 73,001</u>	<u>\$ 32,981</u>	<u>\$ 57,834</u>	<u>\$ 62,797</u>
<i>ENDING FUND BALANCE</i>	<u><u>\$ 198,546</u></u>	<u><u>\$ 231,527</u></u>	<u><u>\$ 256,380</u></u>	<u><u>\$ 319,177</u></u>
<u>Expenditures by Type:</u>				
Salaries and Benefits	\$ 107,965	\$ 65,269	\$ 94,716	\$ 82,953
Professional Services	1,126	1,000	500	10,000
Maintenance, Supplies	458	1,750	1,000	2,250
Travel, Training, District Exp	140	5,000	300	8,000
Fixed Assets ²	19,222	-	-	-
Grants ¹	822,452	818,000	362,000	1,000,000
Total FARMER Fund Expenditures	<u><u>\$ 951,363</u></u>	<u><u>\$ 891,019</u></u>	<u><u>\$ 458,516</u></u>	<u><u>\$ 1,103,203</u></u>

Notes:

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

(2) Portion of vehicle paid with FY 24-25 Farmer funds

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

	ACTUALS FY 24-25	REVISED BUDGET FY 25-26	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27
<i>BEGINNING FUND BALANCE</i>	<u>\$ 351,333</u>	<u>\$ 563,526</u>	<u>\$ 563,526</u>	<u>\$ 506,729</u>
<u>Clean Air Fund</u>				
Transfers from General Fund	\$ 220,315	\$ 75,000	\$ 75,203	\$ 35,000
Interest	9,739	4,000	13,000	12,000
Total Clean Air Fund Revenues	<u>\$ 230,054</u>	<u>\$ 79,000</u>	<u>\$ 88,203</u>	<u>\$ 47,000</u>
<u>Expenditures by Type:</u>				
Special Air Quality Projects authorized per District Policy B.12 ¹	\$ 17,861	\$ 250,500	\$ 145,000	\$ 45,000
Total Clean Air Fund Expenditures	<u>\$ 17,861</u>	<u>\$ 250,500</u>	<u>\$ 145,000</u>	<u>\$ 45,000</u>
Surplus (Deficit)	<u>\$ 212,193</u>	<u>\$ (171,500)</u>	<u>\$ (56,797)</u>	<u>\$ 2,000</u>
<i>ENDING FUND BALANCE</i>	<u>\$ 563,526</u>	<u>\$ 392,026</u>	<u>\$ 506,729</u>	<u>\$ 508,729</u>

Notes:

(1) Provides funding for projects serving MBARD's mission of protecting public and environmental health that are not eligible for other grant programs.

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

	ACTUALS FY 2024-25	ESTIMATED ACTUALS FY 2025-26	PROPOSED BUDGET FY 2026-27
Support and Operations ¹	\$ 2,070,228	\$ 1,656,317	\$ 2,121,506
Public Education	45,115	44,935	106,420
Permitting ²	3,197,864	3,431,638	3,853,611
Title V	245,266	261,443	246,764
Asbestos	202,079	206,395	220,432
Air Monitoring AB 2766	302,382	347,159	634,730
Air Monitoring PM 2.5	94,186	99,874	108,998
Planning General	913,528	1,093,707	1,348,003
Planning AB 2766 ³	2,279,158	2,099,401	3,025,249
AB 923 Grant Program ³	593,672	725,075	3,146,386
Moyer Grant Program ³	2,494,362	2,235,000	2,328,449
Offsite Mitigation Grants ⁴	1,006	130	157,807
Community Air Protection Grant Program ⁵	1,877,346	1,284,445	2,208,384
Funding Agric Replacement Measures Grant Program ⁵	951,363	458,516	1,103,203
Woodstove Change Out Program	528,216	111,175	50,000
Clean Air Fund Projects ⁶	17,861	145,000	45,000
Debt Reduction ⁷	203,000	553,000	300,000
Total-All Programs	<u>\$ 16,016,631</u>	<u>\$ 14,753,210</u>	<u>\$ 21,004,942</u>

Notes:

(1) Support and Operations include all overhead 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 26-27 budget is that all outstanding grants are paid out during the fiscal period. Over the last five fiscal periods, actual grant reimbursements have averaged 33% of budget.

(4) Offsite mitigation grants funded from East Garrison Project.

(5) Grant programs to reduce emissions, funded by recent State legislation.

(6) Woodstove Change Out Program to be funded by Clean Air Fund.

(7) Debt reduction is for deposits to Other Post Employment Benefit (OPEB) and Pension Trusts for retiree health benefits.

**Monterey Bay Air Resources District
Stationary Source Programs
FY 2026-27 Budget**

	Program		
	Permitting	Title V	Asbestos
Estimated Revenues:			
Permitting Fees	\$ 3,514,900	\$ 357,348	\$ 286,407
Cost Recoveries	\$ 22,500	\$ -	\$ 7,500
Federal / State Grants	\$ 396,250	\$ -	\$ -
Total Estimated Revenues	\$ 3,933,650	\$ 357,348	\$ 293,907
Estimated direct expenditures			
Engineering Division	\$ 1,826,328	\$ 111,059	\$ -
Compliance Division	\$ 1,702,466	\$ 135,705	\$ 220,432
Air Monitoring Division	\$ 324,817	\$ -	\$ -
Planning Division	\$ -	\$ -	\$ -
Subtotal - Direct Expenditures	\$ 3,853,611	\$ 246,764	\$ 220,432
Estimated overhead allocations			
Engineering Division	\$ 798,641	\$ 41,780	\$ -
Compliance Division	\$ 766,389	\$ 63,962	\$ 108,497
Air Monitoring Division	\$ 120,163	\$ -	\$ -
Planning Division	\$ -	\$ -	\$ -
Subtotal - Overhead Allocations	\$ 1,685,194	\$ 105,741	\$ 108,497
Total Expenditures + Overhead	\$ 5,538,805	\$ 352,505	\$ 328,929
Revenues less Expenditures:			
Surplus or (deficit)	\$ (1,605,155)	\$ 4,843	\$ (35,022)
Cost Recovery Rate	71%	101%	89%

Notes :

Deficits in 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 2026-27

Description	Estimated Cost
Air Monitoring Equipment	\$ 50,500
Vehicle replacements (Compliance - Air Monitoring)	\$ 95,500
Computer Equipment / Server for Admin	\$ 90,000
Grand Total	<u><u>\$ 236,000</u></u>



ADMINISTRATIVE DIVISION

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

- MBARD 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 24-25	REVISED BUDGET FY 25-26	ESTIMATED ACTUALS FYE 6/30/26	PROPOSED BUDGET FY 26-27
<i>Expenditures by Type:</i>				
Salaries and Benefits	\$ 986,487	\$ 789,745	\$ 664,582	\$ 1,017,421
Maintenance, Equipment, and Supplies	140,650	193,562	161,577	153,660
Legal and Professional Services	348,013	416,300	391,200	468,525
Utilities & Office Rent	123,814	130,500	142,060	161,300
Insurance	182,434	195,000	179,720	206,000
Training, Travel, District Board Expenses	51,167	71,995	72,940	80,185
Fixed Assets	14,490	200,000	8,000	90,000
Sponsorships	8,380	20,000	8,500	20,000
Transfers Out	220,315	35,000	75,203	35,000
OPEB/Pension Trust Acct Deposits	203,000	553,000	553,000	300,000
Grants and Other	39,595	51,235	47,470	45,835
Totals	\$ 2,318,343	\$ 2,656,337	\$ 2,304,252	\$ 2,577,926



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 Planning and Air Monitoring Specialist (.5 FTE), one Senior Air Monitoring Specialist, two Air Monitoring Specialist and one Air Quality Technician (.5 FTE).

	ACTUALS FY 24-25	REVISED BUDGET FY 25-26	ESTIMATED ACTUALS FYE 6/30/26	PROPOSED BUDGET FY 26-27
<i>Expenditures by Type:</i>				
Salaries and Benefits	\$ 475,301	\$ 616,840	\$ 520,173	\$ 717,050
Maintenance, Equipment, and Supplies	61,215	121,847	87,394	115,634
Professional Services	47,383	76,047	72,047	90,000
Utilities & Office Rent	23,384	26,176	25,140	26,786
Training & Travel	3,299	8,259	2,125	13,075
Fixed Assets	169,079	190,100	223,765	106,000
Totals	\$ 779,661	\$ 1,039,269	\$ 930,644	\$ 1,068,545



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 2024-25	REVISED BUDGET FY 2026-27	ESTIMATED ACTUALS FYE 6/30/26	PROPOSED BUDGET FY 2026-27
<i>Expenditures by Type:</i>				
Salaries and Benefits	\$ 1,724,812	\$ 2,017,058	\$ 1,774,995	\$ 1,916,748
Maintenance, Equipment, and Supplies	23,636	29,850	22,792	29,950
Utilities & Office Rent	21,930	23,325	22,598	23,725
Professional Services	4,971	30,000	10,300	27,500
Training & Travel	12,287	21,580	11,850	20,680
Fixed Assets	39,124	40,000	40,000	40,000
Other	-	-	-	-
Totals	<u>\$ 1,826,760</u>	<u>\$ 2,161,813</u>	<u>\$ 1,882,535</u>	<u>\$ 2,058,603</u>



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, five Permit Engineers, an Engineering and Compliance Specialist (.25 FTE), an Administrative Assistant and an Air Quality Technician.

	ACTUALS FY 24-25	REVISED BUDGET FY 25-26	ESTIMATED ACTUALS FYE 6/30/26	REQUESTED BUDGET FY 26-27
<i>Expenditures by Type:</i>				
Salaries and Benefits	\$ 1,371,569	\$ 1,799,958	\$ 1,465,989	\$ 1,783,564
Maintenance, Equipment, and Supplies	8,129	13,900	8,235	13,900
Utilities	309	1,000	500	1,000
Professional Services	30,414	62,412	25,407	76,023
Training & Travel	6,069	22,900	7,700	22,900
Fixed Assets	-	-	-	-
Other	18,866	33,071	25,500	\$ 40,000
Totals	\$ 1,435,356	\$ 1,933,241	\$ 1,533,331	\$ 1,937,387



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), a Planning and Air Monitoring Supervisor (.5 FTE), five Air Quality Planners and an Air Quality Technician (.5 FTE).

	ACTUALS FY 2024-25	REVISED BUDGET FY 2025-26	ESTIMATED ACTUALS FYE 6/30/26	PROPOSED BUDGET FY 2026-27
<i>Expenditures by Type:</i>				
Salaries and Benefits	\$ 1,102,699	\$ 1,372,625	\$ 1,117,297	\$ 1,372,181
Maintenance, Equipment, and Supplies	2,972	24,000	15,277	35,300
Professional Services	686,192	2,017,850	825,900	900,500
Utilities & Office Rent	504	500	500	500
Training & Travel	10,132	82,000	15,675	105,000
Sponsorships	2,000	3,000	2,000	3,000
Grants-AB2766	1,629,774	1,920,000	1,400,000	2,200,000
Grants-Moyer	2,148,857	2,000,000	1,857,000	2,000,000
Grants-AB923	540,979	2,000,000	675,000	3,000,000
Grants-CAPP	1,703,394	2,000,000	1,086,500	2,000,000
Grants-FARMER	822,452	818,000	362,000	1,000,000
Electric Vehicle Incentives	445,950	500,000	500,000	500,000
Grants-Woodstove Changeouts	504,027	137,957	100,000	50,000
Grants-Offsite Mitigation	-	150,000	-	150,000
Fixed Assets	38,444	-	-	-
Other	275	1,000	300	1,000
Totals	\$ 9,638,650	\$ 13,026,932	\$ 7,957,449	\$ 13,317,481

*Professional Services includes pass-through funds for the Advanced Technology Grant for the Whale Watching vessel

FUND BALANCES

Monterey Bay Air Resources District Fund Balances

	General Fund			AB 2766 Fund			AB 923 Fund			Moyer Fund			General Grant Fund		
	ACTUALS FY 24-25	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27	ACTUALS FY 24-25	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27	ACTUALS FY 24-25	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27	ACTUALS FY 24-25	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27	ACTUALS FY 24-25	ESTIMATED ACTUALS FY 25-26	PROPOSED BUDGET FY 26-27
Beginning Fund Balance, July 1st	\$ 10,510,021	\$ 10,795,106	\$ 10,937,190	\$ 9,412,248	\$ 9,702,403	\$ 10,222,028	\$ 6,922,120	\$ 7,945,501	\$ 8,855,426	\$ 513,448	\$ 619,603	\$ 309,603	\$ 188,754	\$ 194,610	\$ 201,480
Revenues	7,546,945	7,386,754	7,315,053	3,109,317	3,180,000	3,054,000	1,617,052	1,635,000	1,627,000	2,600,517	1,925,000	2,469,000	6,861	7,000	6,800
Expenditures (1)	(7,261,861)	(7,244,669)	(8,031,417)	(2,819,162)	(2,660,375)	(3,984,296)	(593,672)	(725,075)	(3,146,386)	(2,494,362)	(2,235,000)	(2,328,449)	(1,006)	(130)	(157,807)
Net Increase (Decrease) in Fund Balance	\$ 285,084	\$ 142,085	\$ (716,364)	\$ 290,155	\$ 519,625	\$ (930,296)	\$ 1,023,381	\$ 909,925	\$ (1,519,386)	\$ 106,155	\$ (310,000)	\$ 140,551	\$ 5,855	\$ 6,870	\$ (151,007)
Projected Ending Fund Balance, June 30th	\$ 10,795,106	\$ 10,937,190	\$ 10,220,826	\$ 9,702,403	\$ 10,222,028	\$ 9,291,732	\$ 7,945,501	\$ 8,855,426	\$ 7,336,040	\$ 619,603	\$ 309,603	\$ 450,154	\$ 194,610	\$ 201,480	\$ 50,473
Reserves & Unreserved Fund Balance:															
Reserved for Grants															
Designated for Economic Uncertainties (2)	\$ 1,867,133	\$ 2,069,680	\$ 2,437,486												
Designated for Building & Facilities	100,000	100,000	100,000												
Designated for Other Post Employment Benefits (OPEB)	30,000	30,000	30,000												
Designated for Pension Obligations Prefunding	500,000	50,000	500,000												
Designated for Special Projects per District Policy B.12															
Unreserved Fund Balance	8,797,973	8,737,510	7,153,340	5,722,701	4,492,326	4,962,030									
Projected Total- Reserved & Unreserved Fund Balance	\$ 11,295,106	\$ 10,987,190	\$ 10,220,826	\$ 9,702,403	\$ 10,222,028	\$ 9,291,732	\$ 7,945,501	\$ 8,855,426	\$ 7,336,040	\$ 619,603	\$ 309,603	\$ 450,154	\$ 194,610	\$ 201,480	\$ 50,473

Notes:

(1) Assumption for 26-27 is that all outstanding grants are paid out during the fiscal period. Over the last five fiscal periods, actual grant expenditures have averaged 33% 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 24-25	FY 25-26	FY 26-27	FY 24-25	FY 25-26	FY 26-27	FY 24-25	FY 25-26	FY 26-27
Beginning Fund Balance, July 1st	\$ 187,889	\$ 282,550	\$ 255,105	\$ 125,544	\$ 198,546	\$ 256,380	\$ 351,333	\$ 563,526	\$ 506,729
Revenues	1,972,008	1,257,000	2,361,000	1,024,364	516,350	1,166,000	230,054	88,203	47,000
Expenditures (1)	(1,877,346)	(1,284,445)	(2,208,384)	(951,363)	(458,516)	(1,103,203)	(17,861)	(145,000)	(45,000)
Net Increase (Decrease) in Fund Balance	\$ 94,661	\$ (27,445)	\$ 152,616	\$ 73,001	\$ 57,834	\$ 62,797	\$ 212,193	\$ (56,797)	\$ 2,000
Projected Ending Fund Balance, June 30th	\$ 282,550	\$ 255,105	\$ 407,721	\$ 198,546	\$ 256,380	\$ 319,177	\$ 563,526	\$ 506,729	\$ 508,729
Reserves & Unreserved Fund Balance:									
Reserved for Grants	\$ 282,550	\$ 255,105	\$ 407,721	\$ 198,546	\$ 256,380	\$ 319,177	\$ 563,526	\$ 506,729	\$ 508,729
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	\$ 282,550	\$ 255,105	\$ 407,721	\$ 198,546	\$ 256,380	\$ 319,177	\$ 563,526	\$ 506,729	\$ 508,729

RESOLUTION

RESOLUTION 26-010

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

Adopt the Fiscal Year (FY) 2026-27 Budget in the Amount of \$21,004,942 and)
Authorize the Purchase of Specified Fixed Assets; and)
Approve the Per Capita Assessment per MBARD’s Unification Agreement; and)
Approve Permit Fees Effective July 1, 2026 Per the Attached Fee Schedule; and)
Approve Direction to Staff for Development of Future MBARD Budgets.....)

BE IT RESOLVED, a budget figure in the amount of \$21,004,942 for FY 2026-27 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 2026-27.

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 MBARD’s Unification Agreement. The per capita assessment for FY 2026-27 shall be sixty-five cents (\$.65).

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 17th day of June 2026, upon motion of Director Alejo, seconded by Director Lopez, and carried by the following vote, to wit:


AYES: Directors Alejo, Carbone, De Serpa, Hernandez, Jensen, Kosmicki, LeBarre, Lopez, Montesino, Sandoval

NOES:

ABSTAIN:

ABSENT: Director Askew

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 17, 2026.

By: 
Sirie Thongchua, Executive Assistant


Approved: 
Richard A. Stedman, APCO

Table 1. Fee Schedule

Rule 300 (Part 3, Permit Fees)			
	Permit Fees	Rule 300 (FY 2025-2026)	Rule 300 (FY 2026-2027)
Section 3.1	Filing Fee	\$ 250	\$ 256
Section 3.4.1	Synthetic Minor Permit Filing Fee	\$ 368	\$ 376
Section 3.4.2	Synthetic Minor Permit Evaluation Fee	\$ 1,470	\$ 1,502
Rule 300 (Annual Renewal Fees for Source Specific Categories, Section 4.3)			
	Source Category	Rule 300 (FY 2025-2026)	Rule 300 (FY 2026-2027)
	Compost Operations:		
	-Material Throughput < 20,000 tons per year	\$916	\$ 936
	-Material Throughput ≥ 20,000 - < 100,000 tons per year	\$2,589	\$ 2,646
	-Material Throughput ≥ 100,000 tons per year	\$4,490	\$ 4,589
	Dry Cleaner	\$395	\$ 404
	Emergency Diesel Fueled Internal Combustion Engine (fee code 202)	\$431	\$ 440
	Emergency Diesel Fueled Internal Combustion Engine (historical fee code 501)	\$292	\$ 298
	Emergency Non-Diesel Fueled Internal Combustion Engine	\$292	\$ 298
	Fume Hood	\$267	\$ 273
	Fossil Fueled Power Plant Gas Turbine Maximum Rated Heat Input (Moss Landing Power Plant Only)	\$64 per MMBtu/hr	\$65 per MMBtu/hr
	Lime Processing Facility (3-year average kiln annual production rates):		
	-Kiln production rate < 100,000 short tons per year	\$0.64 per short ton	\$0.65 per short ton
	-Kiln production rate > 100,000 short tons per year	\$0.88 per short ton	\$0.90 per short ton
	-Minimum Kiln production fee (fee per kiln permit)	NA	\$ 1,791
	Cannabis Cultivation/Manufacturing/Processing Operations and Odors	\$697	\$ 712
	Synthetic Minor Permit	\$50 per ton	\$51 per ton
	Woodworking Operations with No Other Permits	\$286	\$ 292

Table 1. Fee Schedule

Rule 300 (Annual Renewal Fees , Section 4.4)			
Billable Emission per Permit; Tons per Year		Rule 300 (FY 2025-2026)	Rule 300 (FY 2026-2027)
	0 - < 0.1	\$ 249	\$ 254
	0.1 - < 1	\$ 373	\$ 381
	1 - < 2	\$ 466	\$ 476
	2 - < 5	\$ 666	\$ 681
	5 - < 8	\$ 916	\$ 936
	8 - < 10	\$ 1,752	\$ 1,791
	10 - < 20	\$ 2,589	\$ 2,646
	20 - < 30	\$ 4,490	\$ 4,589
	30 - < 45	\$ 6,388	\$ 6,529
	45 - < 60	\$ 7,812	\$ 7,984
	60 - < 80	\$ 9,237	\$ 9,440
	80 - < 100	\$ 10,170	\$ 10,394
	100 - < 150	\$ 11,088	\$ 11,332
	150 - < 200	\$ 13,429	\$ 13,724
	200 - < 250	\$ 15,767	\$ 16,114
	> 250	\$ 19,585	\$ 20,016
Rule 300 (Annual Renewal Fee Determination, Section 4.5)			
Fees		Rule 300 (FY 2025-2026)	Rule 300 (FY 2026-2027)
	Section 4.5.1	\$ 1,215	\$ 1,242
	Section 4.5.2	\$ 610	\$ 623
	Section 4.5.3	\$ 610	\$ 623
Rule 300 (Gasoline Throughput Fees, Section 4.6)			
Fuel Throughput; Gallons per Year		Rule 300 (FY 2025-2026)	Rule 300 (FY 2026-2027)
Section 4.6	Per Nozzle Fee	\$ 62	\$ 63
Throughput "b"	0 - < 120,000	\$ 297	\$ 304
	120,000 - < 400,000	\$ 477	\$ 487
	400,000 - < 600,000	\$ 703	\$ 718
	600,000 - < 1,200,000	\$ 938	\$ 959
	1,200,000 - < 1,600,000	\$ 1,167	\$ 1,193
	1,600,000 - < 2,000,000	\$ 1,509	\$ 1,542
	2,000,000 - < 3,000,000	\$ 2,289	\$ 2,339
	3,000,000 - < 4,000,000	\$ 3,050	\$ 3,117
	4,000,000 - < 5,000,000	\$ 3,811	\$ 3,895
	5,000,000 - < 6,000,000	\$ 4,573	\$ 4,674
	6,000,000 - < 7,000,000	\$ 5,332	\$ 5,449
	7,000,000 - < 8,000,000	\$ 6,094	\$ 6,228
	8,000,000 - < 9,000,000	\$ 6,855	\$ 7,006
	9,000,000 - < 10,000,000	\$ 7,616	\$ 7,784
	10,000,000 - < 11,000,000	\$ 8,376	\$ 8,560
Greater than 11,000,000	\$ 9,137	\$ 9,338	

Table 1. Fee Schedule

Rule 300 (Wastewater Treatment Facilities Fees, Section 4.7)			
	Average Flow; Gallons per Day	Rule 300 (FY 2025-2026)	Rule 300 (FY 2026-2027)
	0- <9,999,999	\$ 242	\$ 247
	10,000,000 - < 20,000,000	\$ 3,016	\$ 3,082
	>20,000,000	\$ 7,844	\$ 8,017
Rule 300 (Other Annual Renewal Fee Determination)			
	Fees	Rule 300 (FY 2025-2026)	Rule 300 (FY 2026-2027)
Section 4.8	Annual Renewal Fee for NESHAP Sources	\$ 19,585	\$ 20,016
Section 4.9	Methyl Bromide Fumigation Chambers	\$ 222	\$ 227
Section 4.10	Authorities to Construct	\$ 222	\$ 227
Section 4.11	Toxic Program Sources	\$ 116	\$ 119
Section 6.1	ERC Registry Fee	\$ 738	\$ 754
Section 6.1.2	Annual Regsitry Fee	\$ 247	\$ 252
Rule 300 (Delinquency Penalties)			
	Fees	Rule 300 (FY 2025-2026)	Rule 300 (FY 2026-2027)
Section 5.1.7.2	Revocation Initiation	\$ 629	\$ 643
Section 5.1.7.3	Reinstatement	\$ 949	\$ 970

Table 1. Fee Schedule

Rule 301 (Permit Fee Schedules)			
	Fee Schedules	Rule 301 (FY 2025-2026)	Rule 301 (FY 2026-2027)
Schedule 1	Hourly Staff Rate	\$ 178	\$ 182
Schedule 2	General Permit Fee	\$1,117 plus the hourly staff rate	\$1,142 plus the hourly staff rate
Schedule 3	Administrative Amendment	\$362 plus the hourly staff rate	\$370 plus the hourly staff rate
Schedule 4	Equipment that Lost Permit Exemption		
Schedule 5	Complex Permit Applications Hourly Staff Rate	\$ 178	\$ 182
Schedule 6	Emission Fees	\$ 249	\$ 254
Schedule 7	Toxic Air Contaminants	\$ 250	\$ 256
Schedule 8	Public Notification	\$ 759	\$ 776
Schedule 9	Rule 200 Fee	NA	\$ 254
Schedule 910	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 110	Mutual Settlement Program Base Rate	\$ 236	\$ 241
	Incident Response	NA	\$182 per hour plus material costs when applicable
Schedule 12			

Table 1. Fee Schedule

Rule 302 (Source Testing and Analyses)			
	Type of Test	Rule 302 (FY 2025-2026)	Rule 302 (FY 2026-2027)
Section 4.1	Visible emission evaluation test or observation of source testing	\$178 + \$178 per hour for every staff hour in excess of one staff hour	\$182 + \$182 per hour for every staff hour in excess of one staff hour

Rule 305 (AB2588 Implementation Fees)			
	Fee Determination	Rule 305 (FY 2025-2026)	Rule 305 (FY 2026-2027)
Hourly Staff Rate for:			
Section 3.1.2-3.1.3	Emission Inventory, Public Notification, Audit and Plan, Supplemental Risk Assessment	\$ 178	\$ 182
Section 3.3.5.1	Revocation Initiation	\$ 629	\$ 643
Section 3.3.5.2	Reinstatement	\$ 949	\$ 970

Table 1. Fee Schedule

Rule 306 (Asbestos NESHAP Fees)					
Fee		Rule 306 (FY 2025-2026)		Rule 306 (FY 2026-2027)	
Demolition (cost per structure) (Including Where No Asbestos Present)		\$	524	\$	536
Section 4.2 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		Linear Feet		Rule 306 (FY 2025-2026)	Rule 306 (FY 2026-2027)
160-999 OR Equal to or Greater than 35 cubic feet		260-499		\$ 912	\$ 932
1000 - 1499		500-749		\$ 1,178	\$ 1,204
1,500-1,999		750-999		\$ 1,439	\$ 1,471
2,000-3,999		1,000-1,999		\$ 1,696	\$ 1,733
4,000-9,999		2,000-2,999		\$ 1,943	\$ 1,986
10,000-19,999		3,000-4,999		\$ 2,127	\$ 2,174
20,000-29,999		5,000-6,999		\$ 2,651	\$ 2,709
30,000-39,999		7,000-9,999		\$ 3,178	\$ 3,248
40,000-49,999		10,000-11,999		\$ 3,702	\$ 3,783
Equal to or Greater than 50,000		Equal to or Greater than 12,000		\$ 4,228	\$ 4,321

Table 1. Fee Schedule

Rule 308 (Title V Fees)			
	Title V Fees	Rule 308 (FY 2025-2026)	Rule 308 (FY 2026-2027)
Section 3.1.1	Filing Fee for an initial Federal Operating Permit, renewal, or modification	\$ 510	\$ 521
Section 3.1.2	Filing Fee for Change of Ownership	\$ 178	\$ 182
Section 3.3	Evaluation Hourly Fee	\$ 178	\$ 182
Section 4.1.1	Minimum Annual Federal Operating Permit Fee (AFOPF)	\$ 1,215	\$ 1,242
Section 4.1.2.1	AFPOF for landfill gas emissions per ton	\$ 3.70	\$ 3.78

Rule 309 (Hearing Board Fees)			
	Hearing Board Fees	Rule 309 (FY 2025-2026)	Rule 309 (FY 2026-2027)
Section 3.1.1-3.1.10	Fee for Each Additional Hearing	\$ 591	\$ 604
Application Fees:			
	Length of variance exceeds 90 days	\$ 1,179	\$ 1,205
Section 3.1.1			
	Length of variance does not exceed 90 days	\$ 825	\$ 843
Section 3.1.2			
Section 3.1.3	Modifying a variance		
Section 3.1.4	Modify a Variance's Schedule of Increments of Progress or Final Compliance Date		
Section 3.1.5	Approval of Schedule of Increments of Progress	\$ 591	\$ 604
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)	\$ 0.79	\$ 0.81
Section 3.3.1	Excess Visible Emission	\$ 2.26	\$ 2.31
Section 3.4	Minimum Fees	\$ 591	\$ 604

Rule 310 (Agricultural Diesel Engine Registration Fees)			
	Ag Engine Fees	Rule 310 (FY 2025-2026)	Rule 310 (FY 2026-2027)
Application Fees:			
Section 3.1.1	Initial in-use or new registration	\$ 250	\$ 256
Section 3.1.2	Additional Engine Fee	\$ 178	\$ 182
Section 3.2	Operational Annual Registration Fees	\$ 93	\$ 95
	Non-Operational Annual Registration Fees	\$ 47	\$ 48
Section 3.3	Transfer of Owner/Change of Location	\$ 250	\$ 256

The proposed fee increase is 2.2%.

NA = not applicable, new fee added to fee schedule.

GLOSSARY

**MONTEREY BAY AIR RESOURCES DISTRICT
FY 2026-27 BUDGET
GLOSSARY OF TERMS & ACRONYMS**

AB 2766 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.

AB 923 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 MBARD.

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. MBARD 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 MBARD 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 MBARD’s Tri-County jurisdiction contributes \$.60 per capita to MBARD 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. MBARD 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.

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. MBARD pays for a portion of health care premiums for retirees who participate in MBARD's medical plans.

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

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 MBARD.

PM: Particulate matter, a criteria pollutant.

PROGRAM: Categories of services or activities that MBARD engages in.

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

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 MBARD's major sources.