



Monterey Bay Air Resources District
BOARD OF DIRECTORS MEETING

STEVE MCSHANE, CHAIR

WENDESDAY, MAY 19, 2021 @1:30 P.M.

REMOTE MEETING ONLY VIA ZOOM

On March 12, 2020, Governor Newsom issued Executive Order N-29-20, which enhances State and Local Governments' ability to respond to the COVID-19 pandemic based on Guidance for Gatherings issued by the California Department of Public Health. The Executive Order specifically allows local legislative bodies to hold meetings via teleconference and to make meetings accessible electronically, in order to protect public health. In light of this, the May 19, 2021 meeting of the MBARD Board of Directors was held via Zoom webinar only.

Summary of Actions

1. CALL TO ORDER – **The meeting was called to order by Chair McShane at 1:30 p.m.**
2. PLEDGE OF ALLEGIANCE
3. **Roll Call.**
Present: Chris Lopez, Jack Dilles, John Phillips, Kollin Kosmicki, Mary Ann Carbone, Mike LeBarre, Ryan Coonerty, Sam Storey, Steve McShane, Wendy Root Askew, Zach Friend.
4. PUBLIC COMMENT – **None.**
5. REPORTS BY COMMITTEE CHAIRS ON COMMITTEE MEETINGS
 - a. Budget, Personnel, and Nominating Committee
 - b. Advisory Committee
6. COMMENTS AND REFERRALS FROM CHAIR AND BOARD MEMBERS
7. REPORT FROM AIR POLLUTION CONTROL OFFICER
Richard Stedman, APCO, reported on the following:
 - Consistent with the Governor's blueprint to reopen California, MBARD will be opening our doors to the public on June 15 and staff will be returning to work as well. Staff updated MBARD's COVID-19 response plan and are waiting for updates from CalOSHA with respect to worker protection at the office.
 - MBARD will be offering hybrid video conference/in person board meetings going forward. This will begin in August. The next board meeting is on June 16th and will

virtual. The board room will be updated to accommodate new technology to enhance video conferencing capabilities.

Recruitments

- The deadline for recruitment for the Air Monitoring Specialist position has been extended to May 21.
- Nine applications were received for the Executive Assistant position with one withdrawal bringing the total to eight. Interviews for this position will begin early in June.

Engineering

- Marina Odors – MBARD has not received any odor complaints since the April Board meeting. On May 6, our inspector found a pilot aerated static pile system installed on two piles at the compost operation. We are working with Keith Day to permit this new operation along with finalizing the permit for the existing windrow compost operation.
- Leif Halvorson, MBARD Inspector, will be participating in a group to update EPA's curricula for source testing training courses. Leif's experience both working as a source tester and now as an inspector will provide valuable insight as the course content is updated.

Planning and Air Monitoring

- Air Monitoring staff have begun the installation of sensors to help monitor smoke from wildfires this season. A network of up to 25 sensors will be installed by summer. The wildfire smoke monitoring network will provide near real-time data in a map on the District's website to help residents choose appropriate activities based on the air quality in their community. MBARD will be working with California's Office of Environmental Health Hazard Assessment on ways to translate the air quality data to meaningful exposure and health information.
- District Staff will hold a Community Air Protection Program workshop on June 8 to gather input from residents in low-income and disadvantaged communities on how to spend incentive grant funds to reduce air pollution in their neighborhoods. Potential projects could be tractor replacements, electrification of on-road and off-road equipment, improved school filtration systems, and air pollution control devices on stationary equipment.
- Camp Roberts will attempt to conduct their annual burn of the interior gunnery ranges next week. The purpose of the burns is to prevent wildfires that can be ignited during live fire training. About 9,000 acres of grassland is expected to burn at the Monterey County/San Luis Obispo County border. District staff have been coordinating with SLO county to avoid authorizing burns that could have smoke impacts in San Miguel and/or Paso Robles.

CONSENT AGENDA

Motion: Approve items on the Consent Agenda. **Action:** Approve. **Moved by** Wendy Root Askew, **Seconded by** John Phillips. **Vote:** Motion carried by unanimous roll call vote (**summary:** Yes = 10). **Yes:** Chris Lopez, Jack Dilles, John Phillips, Mary Ann Carbone, Mike LeBarre, Ryan Coonerty, Sam Storey, Steve McShane, Wendy Root Askew, Zach Friend. **Absent:** Kollin Kosmicki.

8. **Accepted and Filed** Summary of Actions for the April 21, 2021 Board of Directors Meeting
9. **Received and Filed** Budget to Actual Report for the Ten Months Ended April 30, 2021
10. **Accepted and Filed** Report of Summary of Mutual Settlement Program Actions for April 2021
11. **Approved** Director Recommendations to Appoint Members to the Advisory Committee
12. **RESOLUTION NO. 21-009: Adopted** a Resolution Approving Fiscal Year 2020-21 Budget Revisions Per Attached Schedule of Adjustments
13. **Authorized** the Air Pollution Control Officer to Enter into an Assignment and Assumption Agreement with EV Range, Inc., and Subsequent Amended Contract for the Installation of Direct Current Fast Charging (DCFC) Electric Vehicle (EV) Infrastructure in the amount \$757,150 under the AB923 Plug-In Monterey Bay EV Infrastructure Program.
14. **RESOLUTION NO. 21-010: Adopted** a Resolution Authorizing the Air Pollution Control Officer to Enter Into a Community Air Protection Program Grant Agreement with the California Air Resources Board For Implementation of AB 617 and Accept \$94,191 in Funding

REGULAR AGENDA

15. **Held** a First Public Hearing on Proposed Budget for Fiscal Year 2021-22 and **Provided** Direction to Staff
Held public hearing and provided direction to staff; no action required or taken.
16. **Held** First Public Hearing and **Considered** Adoption of a Resolution Approving Proposed Revisions to the following District Fee Rules:
 - 300 (Permit Fees);
 - 301 (Fee Schedules);
 - 306 (Asbestos NESHAP Fees);
 - 308 (Title V: Federal Operating Permit Fees); and
 Provide Direction to Staff.
Held public hearing and provided direction to staff; no action required or taken.

CLOSED SESSION

17. The Board will meet in Closed Session pursuant to Government Code section 54950, relating to the following:
 - c. Pursuant to Government Code section 54957.6, the Board will provide direction to negotiators. Designated representatives: Richard Stedman, APCO, Rosa Rosales, District

Administrative Services Manager, and Lynn Kievlan, District Admin & Fiscal Specialist
Employee Organization: SEIU Local 521.


No reportable action.

18. Adjournment – **The meeting was adjourned at 2:35 p.m.**

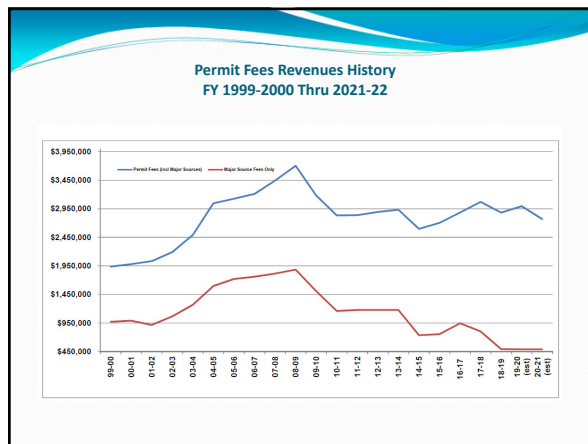
Ann O'Rourke
Executive Assistant

Monterey Bay Air Resources District

Draft Budget – Fiscal Year 2021-2022
Board of Directors Meeting
May 19, 2021



1

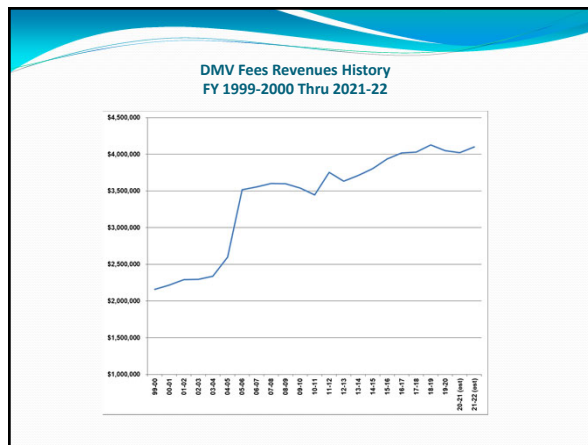


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Budget Goals

- Continue District’s mission of assuring healthful air quality in the three counties that we serve, Monterey, Santa Cruz and San Benito
- Improve levels of service and provide education to the public and regulated community
- Reduce and control District’s costs

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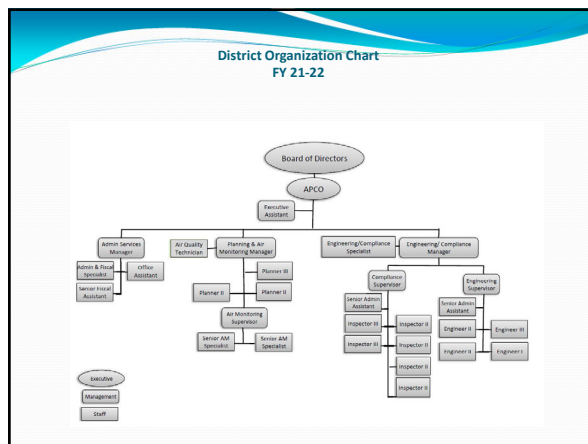


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Budget Adoption Process

- April 13, 2021: Budget Workshop via Zoom
- April 21, 2021: Initial Review by Budget & Personnel Committee
- May 19, 2021: First Hearing at Board of Directors meeting
- June 16, 2021: Second Hearing at Board of Directors meeting and Adoption of Final Budget

3



6


Budget in Brief

- Total budget of \$19.6 million
- Proposed fee increase of 2% based on CPI for all fees except Asbestos
- Proposed increase to City and County per capita fees, from \$.47 to \$.48
- Total budgeted FTEs is 30
- Fixed Asset Purchases \$150,754:
 - Cloud services for Database and Document Management programs
 - One compliance vehicle
 - Ozone analyzer for Air Monitoring
- Estimated deposited to OPEB and Pension Trusts of \$75K each
- Major grant programs continued: AB2766, AB923, Carl Moyer, Woodstove Changeouts, CAPP and FARMER.

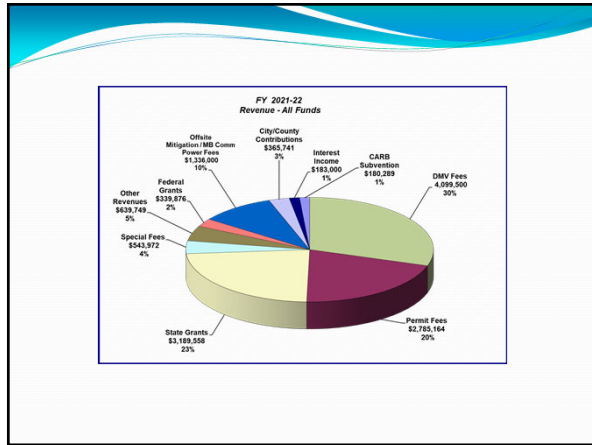
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Operating Budget

- Total Operating Budget of \$6.6 million.
- \$21,300 increase in permit & Title V revenues as compared to FY20-21 budget.
- State revenues: Oil and Gas, Emission Inventories, AB617 continue
- Grant Admin Funds for CAPP, FARMER and MOYER continue but have decreased since last year.
- Salaries and benefits increase of about \$342,000 from FY 20-21 budget.
- Projected operating deficit of (\$11,942).



10



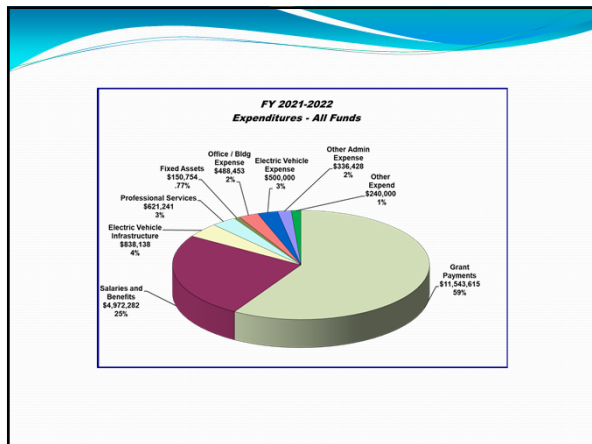
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Stationary Source Program FY 21-22 Budget

	Program		
	Permitting	Title V	Asbestos
Estimated Revenues:			
Permitting Fees	\$ 3,785,164	\$ 252,252	\$ 291,728
Cost Recoveries	\$ 7,500	\$ -	\$ 22,500
Total Estimated Revenues	\$ 3,792,664	\$ 252,252	\$ 314,228
Estimated direct expenditures:			
Engineering Division	\$ 1,259,509	\$ 102,712	\$ -
Compliance Division	1,221,085	85,368	322,308
Air Monitoring Division	191,819	-	-
Permitting Division	11,100	-	-
Net Total - Direct Expenditures	\$ 2,683,513	\$ 188,110	\$ 322,308
Estimated overhead allocations:			
Engineering Division	\$ 396,968	\$ 31,066	\$ -
Compliance Division	414,540	30,160	105,417
Air Monitoring Division	62,281	-	-
Permitting Division	2,356	-	-
Net Total - Overhead Allocation	\$ 876,145	\$ 61,226	\$ 105,417
Total Expenditures + Overhead	\$ 3,559,658	\$ 249,336	\$ 427,725
Revenue less Expenditures:			
Net gain or deficit	\$ 1,233,006	\$ 2,916	\$ 113,503
Cost Recovery Rate	78%	101%	73%

Note: Deficits in the Stationary Source and Asbestos Programs are funded with the use of unencumbered General Funds.
Deficits in the Title V Program are offset by encumbrances in prior fiscal years.

11

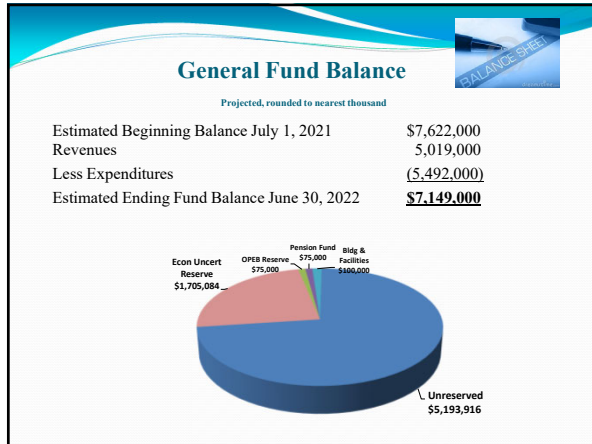


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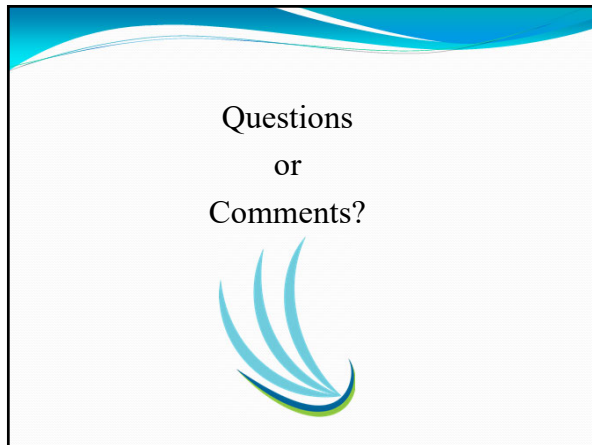
Non-Operating Budget

- Total Non-Operating Budget of \$13.1 million, which includes grant funding and other non-operating expenditures.
- Major Grant Programs - Expenditures:
 - AB2766 Program - \$4.8 million for current and prior year grants and \$500,000 for electric vehicle incentives
 - AB923 Program - \$2.5 million for grants plus \$838k for EV Infrastructure Project
 - Carl Moyer Program - \$973,218 (ag and marine vessel engines)
 - Offsite Mitigation Grants - \$150,000 (ag pumps & school buses)
 - Central Coast Community Energy Grants - \$1.2 million (electric buses)
 - Woodstove Change-outs - \$87,500
 - CAPP Grants \$1.2 mil & FARMER \$551,000
- OPEB and Pension Trust deposits - \$75,000 each funds future retiree health benefits

12



13



14

First Board Hearing

Potential Fee Rule Changes for Fiscal Year 2021-2022 Budget

AMY CLYMO, ENGINEERING/COMPLIANCE MANAGER
MAY 19, 2021



Outline

- Proposed fee rule revisions
- 300 District Fees
- 301 Fee Schedules
- 306 Asbestos NESHAP Fees
- 308 Title V: Federal Operating Permit Fees

Major Fee Rule Revisions

- Potential fee increase (up to 2 %)
- Adjust gasoline throughput fee categories to align with regulatory requirements
- Clarify the toxic fee assessed for permit applications and annual permit renewals applies to all permits
- Alignment of the Title V fee language with Rule 300

Examples of Permit Fees

Current Fee (FY 20-21)	Fee Increase (up to 2%)	Proposed Fee (FY 21-22)
Filing Fee \$217	\$4	Filing Fee \$221
General Permit Fee \$968	\$19	General Permit Fee \$987
Annual Renewal Fee - Billable Tons < 0.1 \$216	\$4	Annual Renewal Fee - Billable Tons < 0.1 \$220
Emergency Diesel Engine \$373	\$7	Emergency Diesel Engine \$380
Hourly Staff Rate \$154	\$3	Hourly Staff Rate \$157

Changes to GDF Throughput Categories

Rule 300 (Gasoline Throughput Fees, Section 4.6)

Gasoline Throughput; Gallons per Year

Rule 300
(FY 2020-2021)
Rule 300
(FY 2021-2022)

Section 4.6 Throughput "b"	Per Nozzle Fee	Rule 300 (FY 2020-2021)	Rule 300 (FY 2021-2022)
		\$ 53	\$ 54
	0 - < 1020,000	\$ 258	\$ 263
	1020,000 - < 400,000	\$ 413	\$ 421
	400,000 - < 8600,000	\$ 610	\$ 622
	8600,000 - < 1,200,000	\$ 812	\$ 828
	1,200,000 - < 1,600,000	\$ 1,011	\$ 1,031



Toxic Program Fees

Rule 300

4.11 Annual Renewal Fee Determination; Toxics Program Sources

In addition to any other annual renewal fee determinations required by other Sections of this Rule, all Permits to Operate and Authorities to Construct ~~issued for sources of toxic air-contaminant emissions~~, with the exception of sources subject to Section 4.8 of this Rule, shall be assessed an annual toxics program fee as set forth in Rule 301, Table 1 Other Annual Renewal Fee Determination.

Rule 301

Schedule 6 Toxic Air Contaminants

In addition to other fees required, each permit application ~~for any equipment/operation which may emit or has the potential to emit any toxic air-contaminant(s) (TACs), as defined in Rule 1000,~~ shall be assessed an toxics emission fee as set forth in Table 1 Schedule 6.

Rule 306: Asbestos NESHAP Fees

- Propose no fee increase
- Reviewed nearby air district asbestos fees and our current fees are higher
 - Bay Area Air Quality Management District fee for 160 sq. ft. = \$754
 - San Luis Obispo Air Pollution Control District fee for 160 sq. ft. = \$687.50
 - MBARD fee for 160 sq. ft. = \$806
- In past years fees increased at a rate higher than our other fee categories (e.g. FY19-20 there was 10% increase)
- Add a cancellation fee to also apply to demolition only notifications

Public Comment

The asbestos fees are too high. The permit fees for 165 sqft of removal cost more than the abatement. People just skip it and hope they don't get caught. I am suggesting a study is done to include residential housing like in the bay area. Maybe by including these units, the district can lower each permit cost without crashing the budget. In reality the dangers of asbestos do not care if the building is commercial or residential.

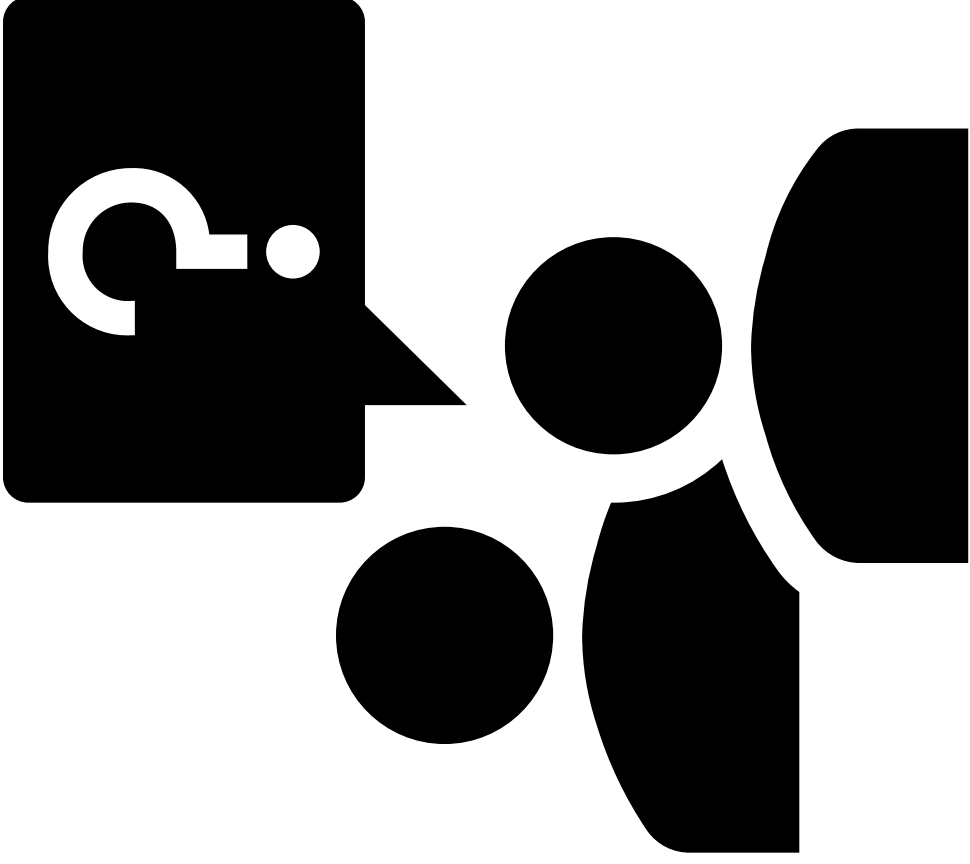
-Ryan Hoffman, Monterey Environmental Services and Solutions



Rule 308 Language Revision

4.1.1 The District will determine the permittee's AFOPF based upon the permittee's Billable Emissions, as defined by Section 2.4 of Rule 300 (Permit Fees), multiplied by the dollar amount per ton shown in Section 4.1.2 of this Rule. The minimum AFOPF per year is set forth in Rule 301 Table 1 Title V Fees.

~~For facilities with annual Billable Emissions greater than or equal to 300 tons per year as of June 18, 1997, the Billable Emissions will be based on the four-year rolling emission average for calendar years 1998 through 2001. In the event equipment is permanently shut down which were included in a source's Billable Emissions, the District will subtract these emissions when assessing the AFOPF. For any facility newly determined to be a major source after June 18, 1997, or which the emission average for calendar years 1998 through 2001 is not representative of the equipment in place for that source, AFOPF will be determined from the expected emissions for that source.~~



Questions or Comments?

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