



**Monterey Bay Air Resources District
BOARD OF DIRECTORS MEETING AGENDA**

FELIPE HERNANDEZ, CHAIR

WEDNESDAY, JUNE 17, 2026 – 1:30 P.M.

24580 Silver Cloud Court, 3rd Floor, Monterey, CA 93940

REMOTE LOCATIONS VIA TELECONFERENCE

Any interested parties or community members may attend and participate in the meeting at the following addresses where Directors will attend the meeting from:

- Office of Supervisor Chris Lopez, County of Monterey, District 3, 1011 Broadway Avenue, Suite C, King City, CA 93930
- 18685 Swaner Avenue, Salinas, CA 93906
- Mayahuel Restaurant (patio), 1200 K St., Sacramento, CA 95814

BOARD MEMBERS ATTENDING REMOTELY

- Directors Lopez and LeBarre will attend the meeting from Office of Supervisor Chris Lopez, County of Monterey, District 3, 1011 Broadway Avenue, Suite C, King City, CA 93930
- Director Sandoval will attend the meeting from 18685 Swaner Avenue, Salinas, CA 93906
- Director Alejo will attend the meeting from Mayahuel Restaurant (patio), 1200 K St., Sacramento, CA 95814

ZOOM MEETING OPTION FOR PUBLIC

Link to meeting: <https://us02web.zoom.us/j/88073395051>

Webinar ID: 880 7339 5051 By Phone (audio only; Webinar ID required): 1-669-900-6833

Members of the public that wish to participate in the meeting may do so by joining the Zoom Webinar ID, attending in-person at 24580 Silver Cloud Ct. Monterey, or attending in-person at remote teleconference locations when listed above. Should you have any questions, please contact Sirie Thongchua, Executive Assistant, at (831) 718-8028 or by email at sirie@mbard.org.

To Provide Public Comment via Zoom teleconference/video conference: During the live meeting verbal public comments may be made by members of the public joining the meeting via Zoom. Use the “raise hand” feature (for those joining by phone, press *9 to “raise hand”) during the public comment period for the agenda item you wish to address. Members of the public participating via Zoom will be muted during the meeting and may be unmuted to speak during public comment after requesting and receiving recognition by the Chair. Please clearly state your full name for the record at the start of your public comment.

To Submit Public Comment Before the Meeting: Persons who wish to address the Board for public comment of an item not on the agenda are encouraged to submit comments in writing to Sirie Thongchua, Executive Assistant, at sirie@mbard.org by 5:00 p.m. on Tuesday, June 16, 2026. Comments received will be distributed to the Board prior to the meeting.

Pursuant to Government Code Section 54952.7, please find Chapter 9, also known as the Ralph M. Brown Act: https://leginfo.ca.gov/faces/codes_displayText.xhtml?division=2.&chapter=9.&part=1.&lawCode=GOV&title=5.

SUMMARY OF ACTIONS

1. CALL TO ORDER – **The meeting was called to order by Chair Hernandez at 1:32 p.m.**

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

a. Remote Participation

- Directors Alejo, LeBarre, Lopez, and Sandoval participated remotely.
- Director Montesino participated remotely in accordance with AB 2449, "Just Cause" reason - contagious illness.

b. **Present:** Luis Alejo, Mary Ann Carbone, Kimberly De Serpa, Felipe Hernandez, Gerry Jensen, Kollin Kosmicki, Mike LeBarre, Chris Lopez, Eduardo Montesino, Andrew Sandoval. **Absent:** Wendy Askew. Director Alejo left the meeting at 2:25 p.m. before Agenda Item #19.

4. PUBLIC COMMENT –

Michael Hamaguchi, MBARD Air Quality Inspector II – comments regarding current labor negotiations.

Irene Holk, MBARD Air Quality Planner II, SEIU Local 521 Representative – comments regarding current labor negotiations.

5. REPORTS BY COMMITTEE CHAIRS ON COMMITTEE MEETINGS

a. Budget, Personnel, and Nominating Committee – **Vice Chair Carbone** reported that the Budget, Personnel, and Nominating Committee met on June 17, 2026. The committee recommended to the Board of Directors: reappointment of Michael Guth to the Hearing Board as Attorney Member, approval of the Proposed Budget for Fiscal Year 2026-27, and approval of Proposed Revisions to the Fee Rules 300, 301 and 310 for Fiscal Year 2026-27.

b. Advisory Committee – The Advisory Committee did not meet in June.

6. COMMENTS AND REFERRALS FROM CHAIR AND BOARD MEMBERS – **None.**

CONSENT AGENDA

***Motion:** Approve items on the Consent Agenda. **Action:** Approve. **Moved by** Kimberly De Serpa, **Seconded by** Gerry Jensen. **Vote:** Motion carried unanimously by roll call vote (**summary:** Yes = 10). **Yes:** Luis Alejo, Mary Ann Carbone, Kimberly De Serpa, Felipe Hernandez, Gerry Jensen, Kollin Kosmicki, Mike LeBarre, Chris Lopez, Eduardo Montesino, Andrew Sandoval. **Absent:** Wendy Askew.*

7. **Accepted** and **Filed** Summary of Actions for April 15, 2026, Board of Directors Meeting
8. **Received** and **Filed** Budget-to-Actual Report for the Nine Months Ended March 31, 2026
9. **Received** and **Filed** Budget-to-Actual Report for the Ten Months Ended April 30, 2026
10. **Accepted** and **Filed** Report of Summary of Mutual Settlement Program Actions for April and May 2026
11. **Accepted** and **Filed** AB 617 Implementation Grant Agreement G25-CAPP-18
12. **Approved** Reappointment of Michael Guth to the Hearing Board as Attorney Member
13. **Approved** Acceptance of the Auditing Services Proposal from Harshwal & Company, LLP for the Fiscal Year ending June 30, 2026, with Two Subsequent Fiscal Years to the Board of Directors
14. **Resolution 26-007: Adopted** Resolution to Add New Policy D.12 Use of Generative Artificial Intelligence (Gen AI) to the Administrative Policies and Procedures Manual
15. **Resolution 26-008: Adopted** Resolution Authorizing the Air Pollution Control Officer to Enter into an Agreement, Apply for and Accept Funding, and Administer the AB 617 Community Air Protection Program Year 9 (Fiscal Year 2025-26) Incentives Grant

REGULAR AGENDA

16. **Resolution 26-009: Held** Second Public Hearing and **Adopted** Resolution Approving Proposed Revisions to the Following Fee Rules and Provide Direction to Staff:
 - 300 (Fees)
 - 301 (Fee Schedules)
 - 310 (Agricultural Diesel Engine Registration Fees)

Motion: Adopt the resolution. **Action:** Approve. **Moved by** Kollin Kosmicki, **Seconded by** Kimberly De Serpa. **Vote:** Motion carried unanimously by roll call vote (**summary:** Yes = 10). **Yes:** Luis Alejo, Mary Ann Carbone, Kimberly De Serpa, Felipe Hernandez, Gerry Jensen, Kollin Kosmicki, Mike LeBarre, Chris Lopez, Eduardo Montesino, Andrew Sandoval. **Absent:** Wendy Askew.

17. **Resolution 26-010: Held** a Second Public Hearing on Proposed Budget for Fiscal Year 2026-27 and **Adopted** Resolution Approving Fiscal Year 2026-27 Budget in the Amount of \$21,004,942; Approve the FY 2026-27 Per Capita Assessments; Approve Permit Fee Schedule Changes Effective July 1, 2026; Authorize the Purchase of Specified Fixed Assets; and Approve Direction to Staff for Development of Future District Budgets

Motion: Adopt the resolution. **Action:** Approve. **Moved by** Luis Alejo, **Seconded by** Chris Lopez. **Vote:** Motion carried unanimously by roll call vote (**summary:** Yes = 10). **Yes:** Luis Alejo, Mary Ann Carbone, Kimberly De Serpa, Felipe Hernandez, Gerry Jensen, Kollin Kosmicki, Mike LeBarre, Chris Lopez, Eduardo Montesino, Andrew Sandoval. **Absent:** Wendy Askew.

18. **Authorized** the Air Pollution Control Officer to Develop and Enter into an Agreement with the University of California, Santa Cruz for Ambient Air Monitoring of 1,3-Dichloropropene in Monterey and Santa Cruz Counties

Motion: Authorize the Air Pollution Control Officer (APCO) to develop and enter into an agreement with the University of California, Santa Cruz (UCSC) for a pilot monitoring project to measure ambient air concentrations of 1,3-dichloropropene (1,3-D) in Monterey and Santa Cruz Counties in an amount not to exceed \$93,380. **Action:** Approve. **Moved by** Mike LeBarre, **Seconded by** Kollin Kosmicki. **Vote:** Motion carried unanimously by roll call vote (**summary:** Yes = 10). **Yes:** Luis Alejo, Mary Ann Carbone, Kimberly De Serpa, Felipe Hernandez, Gerry Jensen, Kollin Kosmicki, Mike LeBarre, Chris Lopez, Eduardo Montesino, Andrew Sandoval. **Absent:** Wendy Askew.

Director Alejo left the meeting at 2:25 p.m. before Agenda Item #19.

19. REPORT FROM AIR POLLUTION CONTROL OFFICER

Richard Stedman, APCO, reported on the following:

Advisory Committee

The Advisory Committee did not meet this month.

Engineering and Compliance

- The Hearing Board met on June 12, 2026 and approved a second extension to the City of Santa Cruz variance for their landfill until December 31, 2026. This allows the City to

continue operating an open rental flare as backup to the landfill gas engine until the new enclosed ground flare installation is completed.

- Engineering has been working with Compliance to ensure portable engine permit holders meet the requirement to apply for permit revisions by July 1, 2026, to ensure compliance with Tier 3 phase-out requirements, which become effective January 1, 2027. There is a total of nine permits covered by this requirement.
- Marina Odor Complaints – Since the April Board meeting, we have received three odor complaints from residents in Marina. Two of the complaints attributed the odor to composting, and one was non-specific to the source. We investigated the complaints and could not identify an odor or an obvious cause. We followed our procedures and sent an email to the operators and other regulatory agencies. I will be participating in a Marina Odors Town Hall on July 6th at the Marina Library.
- The Seahawk Battery Storage Energy project was submitted to the California Energy Commission's Opt-In Program, so we will be following the progress of CEC's review and will comment once the environmental document is released.
- Engineering had been following the Golden State Wind Energy project which was under consideration to be located off the Central Coast. However, in May, the Department of Interior stated the project relinquished its offshore wind lease and will forgo future wind projects in the US.

Planning and Air Monitoring

- [On June 2, 2026, I, along with MBARD Planning staff, met with Mary Ann Carbone out in Sand City to commemorate the newly acquired zero-emission street sweeper bought with AB2766 funding.](#) We all got to see it in action and were very impressed with its operation. This is a great addition to Sand City to help with any sand issues (PM10) that may impact their various roadways in the city.
- [A reminder that various MBARD grant programs are still active:](#)
 - [Landscape Equipment Exchange Program \(LEEP\)](#) – Various incentives are available for qualified residential and commercial entities for exchange of old combustion engine landscape equipment for cleaner, zero-emission equipment. This program has been quite popular.
 - [Woodstove Change Out Program \(WSCOP\)](#) – This program is currently available for qualified designated low-income areas only. Incentives can be used to replace uncertified wood stoves with upgraded certified wood stoves and electric heat pumps.

- [Zero Emission Utility Terrain Vehicles \(ZEUs\)](#) – Incentives are available up to \$13,500 destruction of older combustible engine UTVs and eligible ATVs for new, cleaner zero emission UTV vehicles. The program is open for qualified agricultural businesses as well as local public agencies, non-profit organizations, and local government.
- The [AB2766 Vehicle Emission Reduction Program](#) is currently open and is accepting applications for various municipality transportation-related infrastructure projects, such as EV charging stations, multi-use trails, and bike path zero-emission vehicles. The maximum funding for a project is \$200K.
- [Electric Vehicle Incentive Program \(EVIP\)](#) is set to start on July 1. Various monetary incentives for the purchase of new or used light-duty electric vehicles for qualified public agencies, non-profits, and residents, including additional funding for qualified low-income individuals.

Air Monitoring

- Staff have been busy installing and implementing the newly purchased air monitoring equipment and upgraded weather sensors at our air monitoring stations in the jurisdiction.
- The Air Monitoring Division is also working with UCSC and allowing researchers access to MBARD's Salinas Air Monitoring Station to conduct various weather experiments for a current project they are conducting over the summer months.

Outreach

- I've done two live interviews on [KSCO](#) to talk about MBARD and our mission. There was a lot of interest regarding battery energy storage facilities, including Moss Landing fire and the newly proposed Seahawk facility in Santa Cruz.
- Clean Air, Clean Solutions Showcase, Sacramento – On Monday, August 3, 10 am to 2 pm, the California Air Pollution Control Officers Association (CAPCOA) will host the showcase to educate Legislators and their staff, policymakers and the public on technology and strategies to reduce air pollution to protect public health, while supporting the economy and jobs in California. MBARD and other California air districts will exhibit at the event. I invite board members to attend the event with me.

CLOSED SESSION

20. The Board will meet in Closed Session pursuant to Government Code section 54950, relating to the following:

- a.** Pursuant to Government Code section 54957.6, the Board will provide direction to negotiators. Designated representatives: Richard Stedman, APCO, Rosa Rosales, MBARD Administrative Services Manager, and Lynn Kievlan, MBARD Administrative & Fiscal Specialist. Employee Organization: SEIU Local 521. **Public comments made during Agenda Item #4 – Public Comment. No additional public comments made prior to the Closed Session. No reportable action.**

21. Adjournment – Close of Open Meeting at 2:34 p.m. - The Board adjourned out of Closed Session.

Sirie Thongchua
Executive Assistant

Agenda Item No. 7

Public Hearing Potential Fee Rule Changes for Fiscal Year 2026-2027 Budget

AMY CLYMO
ENGINEERING AND COMPLIANCE MANAGER
JUNE 17, 2026



1

Outline

Proposed fee rule revisions

- 300 Fees
- 301 Fee Schedules
- 310 Agricultural Diesel Engine Registration Fees



2

Proposed Fee Rule Revisions

- Proposed fee increase of 2.2%
(Annual Consumer Price Index for San Francisco-Oakland-Hayward area)
- Rule 300
 - Add a minimum fee to the Lime Processing source specific fee category
 - Identify July as the month when the annual emission reduction credit registry fee will be assessed
- Rule 301
 - Add Schedule 9 as Rule 200 fee
 - Add Schedule 12 Incident Response Fee
- Rule 310 clarification for expired registrations



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Examples of Permit Fee Changes

Current Fee (FY 25-26)	Fee Increase (2.2%)	Proposed Fee (FY 26-27)
Filing Fee \$250	\$6	Filing Fee \$256
General Permit Fee \$1,117	\$25	General Permit Fee \$1,142
Annual Renewal Fee – Billable Tons < 0.1 \$249	\$5	Annual Renewal Fee – Billable Tons < 0.1 \$254
Emergency Diesel Engine \$431	\$9	Emergency Diesel Engine \$440
Hourly Staff Rate \$178	\$4	Hourly Staff Rate \$182



4

Language (Rule 300)

610 Revised Permits, Source Specific Categories

MBARD will assess an Annual Renewal Fee for each permit issued in the following source categories as set forth in Rule 301, Table 1 Annual Renewal Fee by Source Specific Category

- Cement Operations (All sources, State Permit, Air Permit, In Permit, or similar facilities)
 - Material Throughput < 20,000 tons per year
 - Material Throughput > 20,000 tons per year < 100,000 tons per year
 - Material Throughput > 100,000 tons per year
- Dry Cleaners
- Emergency Diesel Fuelled Internal Combustion Engines (covered by code 302)
- Emergency Diesel Fuelled Internal Combustion Engines (covered by code 301)
- Emergency Diesel Fuelled Internal Combustion Engines (covered by code 301)
- Fuel Blends
- Fuel Blended Permit Plus One Tons Per Year (Other Limiting Permit Plus only)
- Lime Processing (covered by 301 as a single production rate)
 - Rule production rate < 100,000 short tons per year
 - Rule production rate > 100,000 short tons per year
 - Minimum Rule production rate

Lime Processing Facility
(3 year average 301 annual production rates)

Rule production rate < 100,000 short tons per year	\$0.64 per short ton	\$0.65 per short ton
Rule production rate > 100,000 short tons per year	\$0.88 per short ton	\$0.89 per short ton
Minimum Rule production rate	\$0.64	\$0.65
(Per permit annual fee)	\$0.64	\$0.65

5

Language (Rule 300)

612 Annual Registry Fee

Every person registered in the ERC Registry shall pay an annual fee for as set forth in Rule 301, Table 1 Other Annual Renewal Fee Determination. The Annual Registry Fee shall be assessed each year on the month of July. However, the fee shall be assessed on the actual estimated costs incurred by MBARD in maintaining the subject ERC Registry account at the hourly staff rate. Annual registry fees assessed under this schedule may be appealed to the Hearing Board in accordance with Regulation VI provisions.

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Rule 200 Fee
(Rule 301)

is Schedule D
 Feb 28, 2018

In addition to either form provided, an *initial, immediate, assessment* at either option *must* accompany an initial *MDAR25* payment by *Contractor* for assessed *SALE 2018* for the type of *machines*, on *an* *Article* in *Table 1* *Schedule 1*

<i>Rule 101 (Parent Fee Schedule)</i>	<i>July 2011</i>	<i>July 2011</i>	<i>Table 2011</i>
	<i>SA</i>	<i>SP 2011-2014</i>	<i>SP 2011-2014</i>
<i>Schedule 1</i>	<i>newly built car</i>	<i>170</i>	<i>170</i>
<i>Schedule 2</i>	<i>General Purpose Fee</i>	<i>\$11,770 plus the lowest</i>	<i>\$1,142 plus the lowest</i>
<i>Schedule 3</i>	<i>Administration</i>	<i>\$262 plus the lowest</i>	<i>\$262 plus the lowest</i>
<i>Schedule 4</i>	<i>Department that Lost Parent's Investment</i>	<i>at least</i>	<i>at least \$262</i>
<i>Schedule 5</i>	<i>Complex Parent Agency's Newly Built</i>	<i>170</i>	<i>170</i>
<i>Schedule 6</i>	<i>Enrollment</i>	<i>170</i>	<i>170</i>
<i>Schedule 7</i>	<i>From the Last Payment</i>	<i>170</i>	<i>170</i>
<i>Schedule 8</i>	<i>Fixed, Variable</i>	<i>170</i>	<i>170</i>
<i>Schedule 9</i>	<i>Fixed 2011 Year</i>	<i>170</i>	<i>170</i>

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**Incident Response Fee
(Rule 301)**

- [illegible]

8

Expired Engine Registration (Rule 310)

- [illegible]

9

Public Comments

- No public comments received at workshops, by mail, or email.

10

Recommendation

Adopt resolution to approve fee rule changes.



11

Questions or
Comments?

Amy Clymo
aclymo@mbard.org



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Agenda Item No. 7

Monterey Bay Air Resources District Final Budget Presentation FY 2026-27 2nd Public Hearing

ROSA ROSALES
ADMINISTRATIVE SERVICES MANAGER
JUNE 17, 2026



1

Budget Revisions Overview

- Sections Added
- APCO Budget Memorandum
 - Direct Expenditures by Program - All Funds
- Budget Revisions:
- General Fund Budget
 - AB 2766 Fund Budget
 - Operating Budget



2

General Fund Revisions

REVENUES - Total Revenue Decrease \$19,878

- 105 Grant - Decreased by \$22,973 per final grant award
- 103 Grant - Increased by \$4,740 per final grant award
- Title V Permit Fees - Decreased by \$12,000 per source cancellation
- AB 197 Emission Inventory Funding - increased by \$12,583 per grant award
- Per Capita Fees - decreased by \$2,228 per final population report

EXPENSES - Total Expense Decrease \$31,640

- Air Monitoring Expense increase \$4,740 per final grant award
- Transfer Out to Clean Air Fund decreased \$36,380 per updated estimate of FY 25-26 penalties



3

General Fund Budget Changes

	UPDATED	ORIGINAL	CHANGE
GENERAL FUND REVENUES	\$7,315,053	\$7,334,931	\$(19,878)
EXPENDITURES BY DIVISION	\$8,031,417	\$8,063,057	\$(31,640)
NET SURPLUS (DEFICIT)	\$(716,364)	\$(728,126)	\$11,762



4

AB 2766 Fund Revisions

EXPENSES - Total Expense Increase \$17,000

- Increase to Public Education expenses for Outreach Programs



5

AB 2766 Fund Budget Changes

	UPDATED	ORIGINAL	CHANGE
AB 2766 REVENUES	\$3,054,000	\$3,054,000	\$0
EXPENDITURES BY DIVISION	\$3,964,296	\$3,967,296	\$17,000
NET SURPLUS (DEFICIT)	\$(910,296)	\$(913,296)	(\$17,000)



6

Operating Budget Changes

	UPDATED	ORIGINAL	CHANGE
OPERATING BUDGET	\$9,201,053	\$9,220,931	\$(19,878)
EXPENDITURES BY DIVISION	\$9,749,942	\$9,764,542	\$(14,600)
NET SURPLUS (DEFICIT)	\$(548,889)	\$(543,611)	[\$5,278]



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General Fund Balance

Estimated Beginning Balance 7/1/26	\$10,937,190
Revenues	7,315,053
Less: Expenditures	(8,031,417)
Estimated Ending Fund Balance 6/30/27	\$10,220,826
* Reserved Fund Balance	\$3,067,486
* Unreserved Fund Balance	\$7,153,340



8

Recommendation

Accept the FY 2026-27 Budget Revisions and adopt the resolution.



9

Questions?

Rosa Rosales
rrosales@mbard.org



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