



# Monterey Bay Air Resources District BOARD OF DIRECTORS MEETING

MONDAY, JUNE 25, 2018 – 1:30 P.M.

24580 SILVER CLOUD COURT, BOARDROOM, 3<sup>RD</sup> FLOOR, MONTEREY, CA

## Summary of Actions

1. Call to Order – **The meeting was called to order by Vice Chair Coonerty at 1:34 p.m.**
2. Pledge of Allegiance
3. Roll Call
 

<u>Present</u>		<u>Absent</u>
<b>Ryan Coonerty, Vice Chair</b>	<b>Jane Parker</b>	<b>Steve Dallas</b>
<b>Zach Friend</b>	<b>John Phillips</b>	<b>Felipe Hernandez</b>
<b>Fred Ledesma</b>	<b>Simon Salinas</b>	<b>Steve McShane</b>
<b>Lowell Hurst</b>		<b>Jerry Muenzer</b>
4. Public Comment Period – **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 – **None.**
7. Report From Air Pollution Control Officer  
**Richard Stedman, APCO, reported on the following:**  
District Business
  - New Funding from ARB:
    - \$85,000 to implement & enforce the new greenhouse gas emissions standards for oil and gas facilities.
    - \$40,000 for implementing a Community Air Protection program. This is about 1/3 of the total monies we will receive.
    - \$26,267 is expected by June 30 to implement emission inventory reporting under AB197.
    - \$225,000 is expected by June 30 for Wood Smoke Reduction funding.Planning and Air Monitoring
  - Application period for the AB2766 grant program closed June 22.
  - Staff is evaluating Carl Moyer Program Applications. The applications will also be applied to other grant programs such as FARMER, CARB's NOx Remediation Measure, and the Moyer Program State Reserve.
  - San Lorenzo Valley Wood Stove Change-out program has ended. Sixty-seven change-outs were completed during the program period with \$3,500 is remaining of the \$75,000 designated for the program. A District wide woodstove change-out program for next season, using a \$250,000 grant from the State GHG Reduction Fund, is on the agenda for approval.

Monday, June 25, 2018

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- Electric Vehicle Incentive Program application period will open up today depending on adoption of the budget. The program will provide incentives to purchase electric vehicles for residents living in the District, with additional incentives available for low income residents.
- Air sensors were recently installed along the beach in Carmel-by-the-Sea in order to measure smoke caused by recreational fires during the summer months.
- The District's air monitoring network will undergo a Technical Systems Audit by the Air Resources Board this summer. This is an in-depth look at the network to verify that it is operated properly and consistently with the standards of other networks around the State.

#### Outreach

- District staffed an outreach booth at the Redwood Mountain Faire in Felton on June 2-3 to provide information to the community about smoke from wood burning stoves and to foster name recognition for the District.
- District staffed an outreach booth on June 20 at the annual Kids at the Park event at Dunne Park in Hollister to interact with children in the community and teach about air quality and its connection with health.

#### Clean Air Leaders Awards

- Over 115 attendees this year. Winners: Ted Tarrassas, City of Monterey, Leadership; Nicole Flewell, Taylor Farms, Climate Change Advocate; and Chemistry, Technology.

#### Wood Stove Emissions

- District APCO Stedman has been appointed to a special national committee to work with EPA on their wood stove NSPS.

<b>CONSENT AGENDA</b>
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**Upon motion of Director Salinas and seconded by Director Phillips the Board unanimously approved the Consent Agenda including a revision to Item No. 15 changing the amount of grant funds to be accepted from to \$193,546.**

8. **Accepted and Filed** Summary of Actions for the May 16, 2018 Board of Directors Meeting
9. **Received and Filed** Budget to Actual Report for the Eleven Months Ended May 31, 2018
10. **Accepted and Filed** Engineering Division Activity Report for the Month of May 2018
11. **Accepted and Filed** Report of Summary of Mutual Settlement Program Actions for the Month of May 2018
12. **Accepted and Filed** Compliance Division Activity Report for the Month of May 2018
13. **Accepted and Filed** Report on Daily Eight-Hour Peak Ozone Concentrations, Hourly Peak Ozone Concentrations, PM2.5 and PM10 Air Monitoring Data for the Month of April 2018
14. **Approved** Director Steve McShane's Appointment of David Mack to the District's Advisory Committee
15. **RESOLUTION NO. 18-018: Adopted** a Resolution Authorizing the Air Pollution Control Officer to Enter Into a Grant Agreement With the California Air Resources Board and Accept \$193,546 to Implement the Fiscal Year 2017-18 Voluntary NOx Remediation Measure

16. **Approved** Out-of-State Travel Request for Planning and Air Monitoring Manager and Air Monitoring Specialist to Attend the National Ambient Air Monitoring Conference in Portland, OR
17. **Received and Filed** Report of Fiscal Year 2017-18 Budget Adjustments Approved by the Air Pollution Control Officer in May 2018
18. **Approved** Revisions to the District's General Fund Reserve Policy and Adjustments to Reserve Levels
19. **Approved** Addition of a Federal Grant Procurement Policy to the District's Administrative Policies and Procedures Manual With an Effective Date of June 25, 2018
20. **RESOLUTION NO. 18-014: Adopted** a Resolution Authorizing the Air Pollution Control Officer to Execute an Agreement with the Department of Toxic Substances Control in the Amount of \$320,000 for the Period July 1, 2018 through June 30, 2020
21. **Approved** the Investment Strategies Recommended by the Budget, Personnel and Nominating Committee for the District's New Post-Employment Benefits Trust Administered by Public Agency Retirement Services

#### **REGULAR AGENDA**

22. **RESOLUTION NO. 18-015:** Hold a Second Public Hearing on Proposed Budget for Fiscal Year 2018-19 and Consideration of Resolution Adopting the Fiscal Year 2018-19 Budget in the Amount of \$15,484,075; Approving the FY 2018-19 Per Capita Assessments; Approving Permit Fee Schedule Changes Effective July 1, 2018; Authorizing the Purchase of Specified Fixed Assets; and Approving Direction to Staff for Development of Future District Budgets.  
**Upon motion of Director Salinas and seconded by Director Ledesma the Board unanimously moved to adopt the resolution.**
23. **RESOLUTION NO. 18-016:** Hold Second Public Hearing to Consider Adoption of a Resolution Approving Proposed Revisions to the following District Rules:
  - 300 (Permit Fees);
  - 301 (Fee Schedules);
  - 305 (Fees for Risk Assessments, Risk Notifications, and Risk Reduction Plans and Reports) (Proposed new title: AB2588 Implementation Fees);
  - 306 (Asbestos NESHAP Fees); and
  - 308 (Title V: Federal Operating Permit Fees)**Upon motion of Director Salinas and seconded by Director Parker the Board unanimously moved to adopt the resolution.**
24. **RESOLUTION NO. 18-017: Adopted** a Resolution Approving the FY 2018 - 2019 Wood Stove Change-Out Program using \$250,000 in funding from the Woodsmoke Reduction Pilot Program.  
**Upon motion of Director Parker and seconded by Director Salinas the Board unanimously moved to adopt the resolution.**

#### **CLOSED SESSION**

25. The Board **met** in Closed Session pursuant to Government Code section 54950

- a. Pursuant to Government Code section 54957.6, the Board will provide direction to negotiators. Designated representatives: Tom Manniello, Esq. of Lozano Smith, and Joyce Giuffre, District Administrative Services Manager, and Rosa Rosales, District Admin & Fiscal Specialist  
Employee Organization: SEIU Local 521. – **No reportable action.**
  
- b. The Board will meet in Closed Session pursuant to Government Code section 54956.9 (d) (4): Potential initiation of litigation – amicus curiae brief in *Valero v. Bay Area Air Quality Management District*  
**On a vote of 6/0 with five Board members absent, the Board voted to join the amicus curiae brief in *Valero v. Bay Area Air Quality Management District*.**

*Ann O'Rourke*

*Executive Assistant*


# Proposed Fee Rule Revisions


Board Adoption Hearing  
Mary Giraud, Engineering Supervisor  
June 25, 2018



## Overview


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

 Cost Recovery




## Major Fee Rule Revisions

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



## Increase Fees by 5%


Current Fee (FY 17-18)	Fee Increase (5%)	Proposed Fee (FY 18-19)
Filing Fee \$198	\$10	Filing Fee \$208
General Permit Fee \$882	\$44	General Permit Fee \$926
Annual Renewal Fee – Billable Tons < 0.1 \$197	\$10	Annual Renewal Fee – Billable Tons < 0.1 \$207
Hourly Staff Rate \$145	\$4 (increase by 2.9%)	Hourly Staff Rate \$149



## Increase Fees by 15%

Current Fee (FY 17-18)	Fee Increase (15%)	Proposed Fee (FY 18-19)
Emergency Non-Diesel Engine \$210	\$32	Emergency Diesel Engine \$242
Emergency Diesel Engine \$310	\$57	Emergency Diesel Engine \$357

- Approximately 1,050 Emergency Engine Permits
- Cell towers, water pump stations, medical facilities, grocery/large retail stores, prison, universities



## Reduce Wastewater Categories

Rule 300 ( Wastewater Treatment Facilities Fees, Section 4.7)

Average Flow; Gallons per Day	Rule 300 (FY 2017-2018)	Rule 300 (FY 2018-2019)
0 - < 500,000-9,999,999	\$ 176	\$ 200
500,000 - < 1,000,000 - 10,000,000 - 20,000,000	\$ 294	\$ 2,500
1,000,000 - < 2,000,000 - > 20,000,000	\$ 522	\$ 6,500
2,000,000 - < 3,000,000	\$ 749	\$ 786
3,000,000 - < 4,000,000	\$ 1,160	\$ 1,218
4,000,000 - < 5,000,000	\$ 1,489	\$ 1,563
5,000,000 - < 6,000,000	\$ 1,820	\$ 1,910
6,000,000 - < 7,000,000	\$ 2,151	\$ 2,259
7,000,000 - < 8,000,000	\$ 2,483	\$ 2,607
8,000,000 and greater	-\$2,483 + \$332 for each additional million-gallons-	-\$2,483 + \$332 for each additional million-gallons-

### Rule 306 – Asbestos NESHAP Fees


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

RACM

Section 4.5.76 Demolition or Renovation involving: greater than 10,000 sq. ft. RACM, or greater than 3,000 linear ft. RACM


\$ 3,627

\$1,708 + \$422 per each additional 10,000 sq. ft. or each additional 2,000 linear ft. RACM not to exceed \$3,000




### Rule 305 AB2588 Implementation Fees Rule 308 Title V Fees

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



### Public Comments


- No public comments were received.



### Recommendation

- Adopt a Resolution to:
 

Approve revisions to the fee rules 300, 301, 305, 306, and 308.



# Monterey Bay Air Resources District

Second Public Hearing

Draft Budget – Fiscal Year 2018-19

Board of Directors Meeting June 25, 2018



# Budget in Brief

(Agenda Page 161)

- Total budget of \$15.5 million
- Loss of major source permit and Title V fees.
- Proposed permit fee increases of 5 – 15% for most fee categories
- Proposed increase to City and County per capita fees – \$.04 increase to \$.43
- Elimination of 2 unfilled positions. Total of 32 FTEs.
- Fixed Asset Purchases:
  - Document management system - \$81,000
  - Building improvements - \$99,000
  - Vehicles and equipment - \$100,000
- New sources of state revenues for grant programs – CAPP & FARMER
- Major grant programs continued: AB2766, AB923, Carl Moyer, Woodstove  
Chancounts



## *Budget Revisions Made Since 1<sup>st</sup> Public Hearing*

- Updated the Board of Directors page by adding new Board member, Felipe Hernandez
- Revised Fund Balances schedule: For General Fund, added proposed new designated reserve to prefund pension obligations



## General Fund Balance

Projected, rounded to nearest thousand (Agenda Page 174 and 191)

Estimated Beginning Balance July 1, 2018	\$6,042,000
Revenues	5,028,000
Less Expenditures	<u>(5,300,000)</u>
Estimated Ending Fund Balance June 30, 2019	<u><b>\$5,770,000</b></u>

### Breakdown of Estimated Fund Balance:

Unreserved Fund Balance	\$3,390,000
Designated for Economic Uncertainties	1,605,000
Designated for Building & Facilities	100,000
Designated for OPEB	175,000
Designated for Pension Oblig Prefunding	<u>500,000</u>
	<u><b>\$5,770,000</b></u>

Questions  
or  
Comments?



## 2018 WOOD STOVE CHANGE-OUT PROGRAM





*Sponsored by the  
Monterey Bay Air Resources District  
in cooperation with:  
California Climate Investments*




## Purpose

**2018 Woodsmoke Reduction Pilot Program:**



- Assembly Bill 1613
  - \$5M Cap-and-Trade dollars
  - GHG emission reduction
  - Reduce Smoke
  - Strengthen Economy
  - Improve Public Health
  - Investment Minimums for Disadvantaged Communities

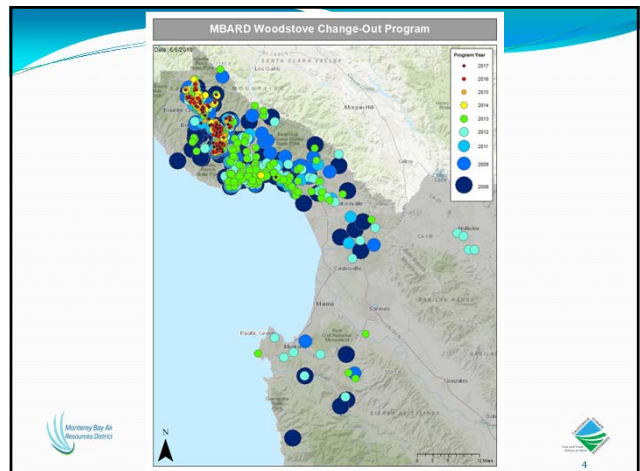
2018 Wood Stove Program

## Recap of MBARD WSCO Program

	Years	Avg Funding	Total Spent	Change Outs	W2W?
All Counties	2008-2009, 2011-2013	\$85K/yr	\$414K	446 - 220 Non SSA - 226 SLV	Yes
SLV Only	2014-2017	~\$75K/yr	\$282K	248	No
Total:	9		\$696K	694	

2018 Wood Stove Program



### Changes for 2018

- California Climate Investments Statewide Program
- All 3 Counties
- \$250K in funding
- Wood-to-Wood conversions will be allowed in SLV
- Highest incentives for cleanest appliances
- Incorporate education for wood burners



2018 Wood Stove Program



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### 2018 Program Overview

- Discounts range from \$1,000 to \$3,500
- Additional Incentives for Income Qualified
- Build on partnerships and lessons from prior programs

Criteria	Incentive
Clean Device Discount (NG or LP)	\$1,500
Certified Wood Device	\$1,000
Income Qualified	Additional \$2,000
Min Incentive	\$1,000
Max Incentive	\$3,500



2018 Wood Stove Program



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QUESTIONS?



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