



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

ZACH FRIEND, CHAIR

WEDNESDAY, DECEMBER 20, 2023 - 1:30 P.M.

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

REMOTE LOCATION VIA TELECONFERENCE

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

33979 Leland Meadows Road, Pinecrest, CA 95364

550 Cagney Road, San Juan Bautista, CA 95045

BOARD MEMBERS ATTENDING REMOTELY

Director Wendy Askew: 33979 Leland Meadows Road, Pinecrest, CA 95364

Director Kollin Kosmicki: 550 Cagney Road, San Juan Bautista, CA 95045

ZOOM MEETING OPTION FOR PUBLIC

Link to meeting: <https://us02web.zoom.us/j/81747884195>

Webinar ID: 817 4788 4195

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 Monday, December 18, 2023. Comments received will be distributed to the Board prior to the meeting.

SUMMARY OF ACTIONS

1. CALL TO ORDER
 - a. **The meeting was called to order by Chair Friend at 1:34 p.m.**
 - b. AB 2449 Remote Participation
 - Chair Friend participated remotely in accordance with AB 2449 using the Just Cause provision and explained briefly why he could not attend in person.
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL - **Present:** Sandy Brown, Mary Ann Carbone, Glenn Church, Zach Friend, Kollin Kosmicki, Mike LeBarre, Dolores Morales, Orlando Osornio. **Absent:** Wendy Askew, Felipe Hernandez, Chris Lopez.
4. PRESENTATIONS
 - a. RECOGNITION OF RETIREMENTS
 - Leslie J. Girard, MBARD Legal Counsel, 2009-2023, 14 years
 - b. RECOGNITION OF DISTRICT STAFF LONGEVITY MILESTONES
 - Sandra Hartunian, Air Quality Compliance Inspector II, 35 years
 - Trevor Benites, Air Quality Compliance Inspector III, 10 years
 - Carol Fontanilla, Office Assistant, 10 years
 - Isael Salazar-Rubio, Air Quality Compliance Inspector II, 5 years
5. PUBLIC COMMENT – **None.**
6. REPORTS BY COMMITTEE CHAIRS ON COMMITTEE MEETINGS
 - a. Budget, Personnel, and Nominating Committee - **Chair Friend reported** the Committee met on December 20, received financial presentations, and **recommends** the Board approve amendments and extension of Professional Services Agreements with Firato Services Co., Inc. for office janitorial services in the Monterey office, and with Monterey Bay Technologies for information systems management services.
 - b. Advisory Committee
7. COMMENTS AND REFERRALS FROM CHAIR AND BOARD MEMBERS
8. 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

- Settlement Check Received from the Monterey County District Attorney's Office
We received a check for \$346,166 from the District Attorney's office for violations of asbestos laws during renovations and demolitions at a senior living community located in Monterey. This corresponds to \$200,000 in penalties, \$46,166 in cost recovery, and \$100,000 for a college course on air pollution as a supplemental environmental project. The DA was able to make this a statewide case and identified similar issues in 9 other counties. This resulted in other air districts receiving penalties and funds for supplemental environmental projects.
- Annual Rules Publication
California Health & Safety Code Section 40923 requires us to publish a list of regulatory measures or rules scheduled or tentatively scheduled for consideration in the following year. The list is posted annually on our website.
- AB617 Implementation Grant
We received an AB617 implementation grant in November for \$202,510 which is approximately double the previous grant amount received. This grant provides funding to implement the Community Air Protection Program consistent with the goals of AB 617. Prior activities include adopting and completing the expedited BARCT schedule. The grant agreement is included in the consent agenda for today.

Hearing Board Members

- We are still in need of an engineer and medical professional for our Hearing Board. Please let us know if you have any suggestions for these professions. There is an item on the consent agenda to request approval to re-appoint Daniel Dodge Jr. as a public member. [Link to Hearing Board Application](#)

Marina Odor Complaints

- We received 11 odor complaints from Marina residents since the last Board meeting. A specific source for the odors was not identified.
- On December 5, the Marina City Council heard a presentation from the consultants on the odor study conducted earlier this year. The consultants concluded the following:
 - Odor impacts were measured downwind of composting operations for 3 of the 4 sampling events.
 - Odor impacts were measured downwind of the ReGen Monterey landfill open face for 3 of the 4 sampling events.
 - Every sampling event showed elevated impacts downwind of the Monterey One Water sludge drying ponds.

Planning and Air Monitoring

- Working with Jeff Tillman at the local nonprofit, Living Better Lives (LBL), on a potential e-bike loan program for low-income communities. We assisted Jeff with the application and will partner with LBL should they receive the grant. Thank you to Wendy's office for connecting us with LBL.
- The Electric Vehicle Incentive Program has closed. Staff are continuing to process applications. 162 applications have been approved, 24 of which were low-income. \$342,400 has been obligated out of \$350,000 available for the program.
- Before the recent rains, on December 13, State Parks and CAL FIRE burned 25 acres of grass at Molera State Park. Another prescribed burn was conducted on December 16 at Mt. Madonna Hanuman Fellowship by the Central Coast Prescribed Burn Association. About 15 acres of forest understory was planned for burning. Planning staff worked closely with the land managers and fire agencies to ensure that the burns were conducted under favorable meteorological conditions.
- The Landscape Equipment Exchange Program (LEEP) was launched on November 6. LEEP provides residents and commercial operations with an incentive to replace old, combustion landscape equipment (e.g. lawn mowers and leaf blowers) with new, cordless zero-emission equipment. \$315,000 in project funds were provided by a Moyer State Reserve grant, split at \$80,000 for the residential program and \$235,000 for commercial equipment. It was later discovered that all \$315,000 of grant project funds were required to be allocated to the commercial program. \$80,000 was redirected from Moyer program funds to cover the residential program. There have been 30 total applications, 27 residential applicants, and 3 commercial applicants so far. The average residential rebate amount is \$490, and the average commercial rebate amount is \$4,428.
- The San Lorenzo Valley Spare-the-Air Program began on November 3. This program notifies residents of deteriorating meteorological conditions in the San Lorenzo Valley which could concentrate wood smoke from fireplaces and wood stoves. During a Spare-the-Air alert, residents are asked to voluntarily choose devices that use fuels other than wood to heat their homes. The program runs annually from October through April when conditions for smoke dispersion improve. The first Spare the Air alert of the season was declared last week on December 13 and was lifted on December 16.
- The 2023-24 Woodstove Change Out Program launched on December 14. \$242,000 in state funds has been budgeted for this year's program, with additional funding proposed for adoption at this Board meeting. The Wood Smoke Change Out Program offers incentives to replace non-EPA certified wood stoves, fireplace inserts, or open-hearth fireplaces with a low smoke emitting, MBARD approved, EPA certified wood or pellet stove or fireplace insert, electric stove/insert, or ductless mini-split heat pump. Propane and natural gas replacement devices are not included in the program.

- The Community Air Protection Program began on December 15, 2023, to incentivize projects to reduce air emissions in disadvantaged communities and low-income areas. The CA legislature established the CAP Program to reduce pollution exposure in these communities based on environmental, health, and socio-economic factors. The program prioritizes air quality improvements in these communities by enhancing air monitoring, providing cleaner technologies, and engaging the community. Eligible project categories are on-road vehicle replacements from gas to electric, school furniture replacement and air purifiers, stationary source equipment improvements, and community-identified projects (e.g. urban greening, paving, etc.)

Outreach

- November 3, Spare the Air Program launched for the season. Publicity: press release in English and Spanish, Constant Contact email, social media posts, print ads and radio spots.
- November 6, Landscape Equipment Exchange Program (LEEP) launched. Publicity: press release in English and Spanish, Constant Contact email, social media posts, print ads in English, radio spots in English and Spanish, flyer in English and Spanish.
- December 13, Spare the Air Alert Issued for 12/13/23 through 12/16/23. Publicity: press release in English and Spanish, Constant Contact email, social media posts.
- December 14, Wood Stove Change-Out Program (WSCOP) launched. Publicity: press release in English and Spanish, Constant Contact email, social media posts, print ads in English, flyer in English.
- December 18, Community Air Protection Program launched. Publicity: press release in English and Spanish, Constant Contact email, social media posts.
- Lastly, we are working with AMBAG to bring in a backup generator for power outages and a subscription to Starlink to keep us connected to the internet.

CONSENT AGENDA

Motion: Approve items on the Consent Agenda. **Action:** Approve. **Moved by** Sandy Brown, **Seconded by** Dolores Morales. **Vote:** Motion carried unanimously by roll call vote (**summary: Yes = 8**). **Yes:** Sandy Brown, Mary Ann Carbone, Glenn Church, Zach Friend, Kollin Kosmicki, Mike LeBarre, Dolores Morales, Orlando Osornio. **Absent:** Wendy Askew, Felipe Hernandez, Chris Lopez.

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9. **Accepted** and **Filed** Summary of Actions for the October 18, 2023, Board of Directors Meeting
 10. **Accepted** and **Filed** Report of Summary of Mutual Settlement Program Actions for October 2023 and November 2023
 11. **Accepted** and **Filed** AB617 Implementation Grant Agreement G23-CAPP-19
 12. **Received** and **Filed** Budget to Actual Report for the Three Months Ended September 30, 2023
 13. **Received** and **Filed** Budget to Actual Report for the Four Months Ended October 31, 2023
 14. **Received** and **Filed** Budget to Actual Report for the Five Months Ended November 30, 2023
 15. **Received** report and **Approved** change to the EV infrastructure project funded with a \$176,802 grant through Moyer State Reserve Year 23 (FY 2020-21)
 16. **Approved** Board of Directors Meeting Schedule for Calendar Year 2024 per Attached Schedule
 17. **Approved** Reappointment of Daniel Dodge Jr. to the Hearing Board as Public Member
 18. **Approved** Request to Extend AB2766 Grant Agreement 22-01 for the Monterey-Salinas Transit Zero Emission Vehicle (ZEV) Transit Bus Project to January 29, 2025.
 19. **Approved** Request to Extend AB2766 Grant Agreement 23-01 for the Monterey-Salinas Transit Zero Emission Vehicle (ZEV) Transit Bus Project to March 31, 2026.
 20. **Approved** Request to Extend AB2766 Grant Agreement 23-04 for the City of Salinas EV Replacement Project to February 8, 2025.
 21. **Resolution No. 23-016: Adopted** a Resolution Authorizing the Air Pollution Control Officer to Enter Into an Agreement, Apply for Funding, Accept Funding, and Administer the AB 617 Community Air Protection Program Year 7 (Fiscal Year 2023-24) Incentives Grant
 22. **Resolution No. 23-017: Adopted** a Resolution Authorizing the Air Pollution Control Officer to Enter into an Agreement to Accept \$184,700 in FY 2021-22, FY 2022-23, and FY 2023-24 State Funds for Implementation of the Prescribed Burn Reporting and Monitoring Support Program
 23. **Resolution No. 23-018: Adopted** a Resolution Authorizing the Air Pollution Control Officer to Enter Into a Woodsmoke Reduction Program Grant Agreement with the California Air Resources Board (CARB) and Accept \$317,470.00 in FY 2023-24 State Funds.

24. **Resolution No. 23-019: Adopted** a Resolution Approving an Update to the Diesel Engine and Equipment Replacement Program Policies and Procedures Manual and Establish the 2023 MBARD CARB Grant Programs Policies and Procedures Manual
25. **Resolution No. 23-020: Adopted** a Resolution Authorizing the Air Pollution Control Officer to Accept Funding and Administer the Carl Moyer Program Year 26
26. **Resolution No. 23-021: Adopted** a Resolution Approving Fiscal Year 2023-24 Mid-Year Budget Revisions, Per Attached Schedule A
27. **Authorized** the Air Pollution Control Officer to **Execute** an Amendment and **Extend** the Professional Services Agreement between MBARD and Firato Service Co, Inc. for Office Janitorial Services in the Monterey Office
28. **Authorized** the Air Pollution Control Officer to **Execute** an Amendment and **Extend** the Professional Services Agreement between MBARD and Monterey Bay Technologies for an additional Three Years

REGULAR AGENDA

29. **Received** and **Accepted** Draft Financial Statements and Independent Audit Report for the Year Ended June 30, 2023 Prepared by Badawi & Associates
Motion: Receive the report. **Action:** Approve. **Moved by** Dolores Morales, **Seconded by** Mike LeBarre. **Vote:** Motion carried by unanimous roll call vote (**summary:** Yes = 8). **Yes:** Sandy Brown, Mary Ann Carbone, Glenn Church, Zach Friend, Kollin Kosmicki, Mike LeBarre, Dolores Morales, Orlando Osornio. **Absent:** Wendy Askew, Felipe Hernandez, Chris Lopez.
30. **Received** Annual Report by the Public Agency Retirement Services (PARS) of MBARD's Other Post Employment Benefits (OPEB) and Pension Rate Stabilization Trust Accounts
Motion: Receive the report. **Action:** Approve. **Moved by** Mike LeBarre, **Seconded by** Mary Ann Carbone. **Vote:** Motion carried by unanimous roll call vote (**summary:** Yes = 8). **Yes:** Sandy Brown, Mary Ann Carbone, Glenn Church, Zach Friend, Kollin Kosmicki, Mike LeBarre, Dolores Morales, Orlando Osornio. **Absent:** Wendy Askew, Felipe Hernandez, Chris Lopez.
31. **Accepted** a Program Summary of the FY 2023-24 Electric Bicycle Incentive Program (e-BIP), **Approved** removal of the Low-income Program Eligibility Requirement and **Increased** incentive amount.
Motion: Receive the report and approve \$750 e-BIP incentive for all residents. **Action:** Approve. **Moved by** Mike LeBarre, **Seconded by** Kollin Kosmicki. **Vote:** Motion carried by roll call vote (**summary:** Yes = 6, No = 2). **Yes:** Sandy Brown, Mary Ann Carbone, Zach Friend,

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MBARD Board of Directors Meeting
Wednesday, December 20, 2023

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*Kollin Kosmicki, Mike LeBarre, Dolores Morales. **No:** Glenn Church, Orlando Osornio.
Absent: Wendy Askew, Felipe Hernandez, Chris Lopez.*

CLOSED SESSION

32. The Board will meet in Closed Session as permitted by Government Code section 54950 relating to the following:

- a. Pursuant to Government Code section 54957(b)(1), the Board will provide a performance evaluation for the Air Pollution Control Officer. **No reportable action.**

33. Close of Open Meeting at 3:27 p.m. - The Board adjourned out of Closed Session.

*Sirie Thongchua
Executive Assistant*

HOLD TO LIGHT TO VIEW TRUE WATERMARK IN PAPER HEAT SENSITIVE RED LOCK DISAPPEARS WHEN HEATED

8741



DAMC
142 W ALISAL ST STE A
SALINAS, CA 93901-1131

Mechanics Bank

800.797.6324
90-203/1211

Agenda Item No. 11



10/26/2023

PAY TO THE
ORDER OF

Monterey Bay Air Resources District

\$346,166.00**

Three hundred forty-six thousand one hundred sixty-six and 00/100*****

DOLLARS

Monterey Bay Air Resources Board
24580 Silver Cloud Ct
Monterey, CA 93940-6536

VOID AFTER 6 MONTHS



[Handwritten Signature]
AUTHORIZED SIGNATURE

MEMO

People v Pacifica Hosts



DAMC

10/26/2023

Monterey Bay Air Resources District

8741

Penalties - People v Pacifica	200,000.00
Costs - People v Pacifica	46,166.00
SEPs - People v Pacifica	100,000.00

2023 DEC 18 AM 9:18

1105 - Mechanics Bank Checking:1105-12 People v Pacifica Hosts

346,166.00


Security features. Details on back.

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Monterey Bay Unified Air Pollution
Control District
2023 Audit Presentation

December 20, 2023

Presented by: **Mitesh Desai, CPA,**
Principal



1

Badawi & Associates

Audit of the
Monterey Bay Unified Air Pollution
Control District

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Agenda

- Deliverables and Scope of the Audit
- Areas of Primary Emphasis
- Auditors Report and Financial Statements
- Required Communications
- New Accounting Standards
- Conclusion & Discussion/Questions

3

Deliverables and Scope of the Audit

- Report of Independent Auditors on Monterey Bay Unified Air Pollution Control District Basic Financial Statements.
- Communications With Those Charged With Governance.
 - Letter used to summarize communication of various significant matters to those charged with governance.

4

Areas of Primary Audit Emphasis

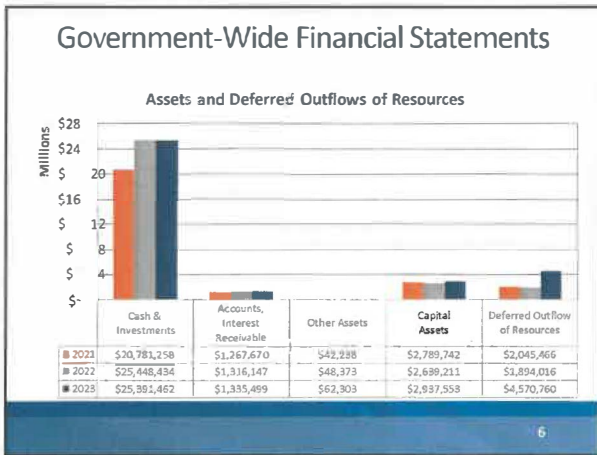
- Revenues & Receivables : Improper revenue recognition
 - Testing of licenses, permits, DMV surcharges and fees
 - Review allowance for uncollectible accounts
 - Review of unearned grant revenues
- Pension & OPEB
 - Reviewed actuarial reports received from CalPERS & District's Actuary
 - Reviewed audit opinions issued by CalPERS auditors
 - Tested the District's payroll transmission to CalPERS
 - Tested census data used by District's Actuary
 - Reviewed District's journal entries for pension and OPEB
- Management override of internal controls
 - Review of accounting estimates for bias
 - Examination of manual journal entries
 - Evaluation of business rationale for unusual transactions

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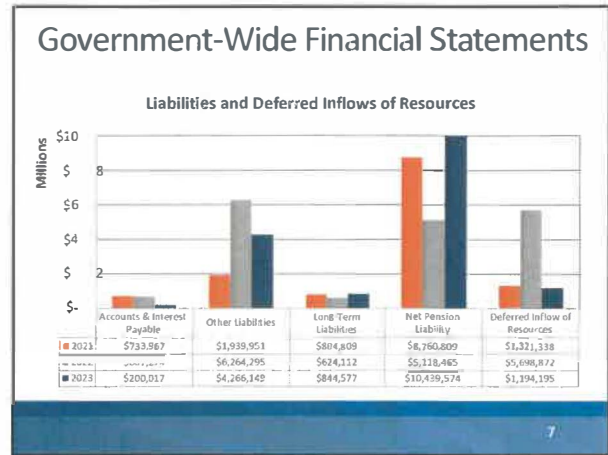
Auditors Report

- Unmodified opinion
- Financial statements are fairly presented in all material respects
- Significant accounting policies have been consistently applied
- Estimates are reasonable
- Disclosures are properly reflected in the financial statements

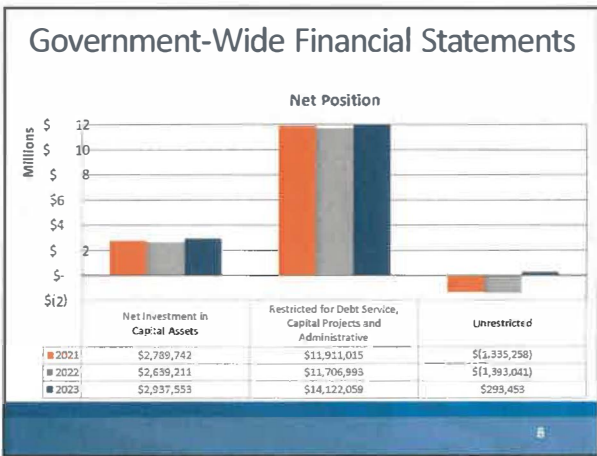
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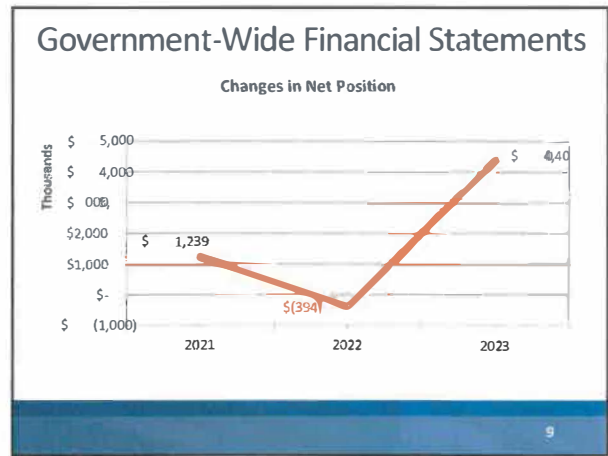
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General Fund

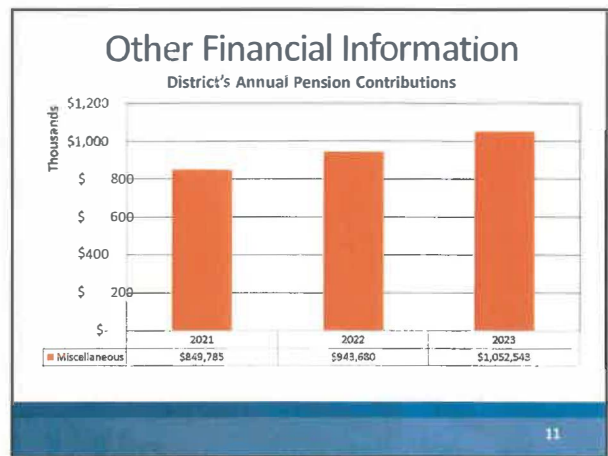
Expense Coverage

	2021	2022	2023
Unrestricted Fund Balance	\$ 7,463,095	\$ 8,108,918	\$ 8,130,226
Total Expenditures	\$ 11,713,048	\$ 10,216,556	\$ 9,638,687
Unrestricted Net Position as a % of Total Expenses	63.72%	79.31%	81.41%
Number of months	8	10	10

GWA recommendation: 24

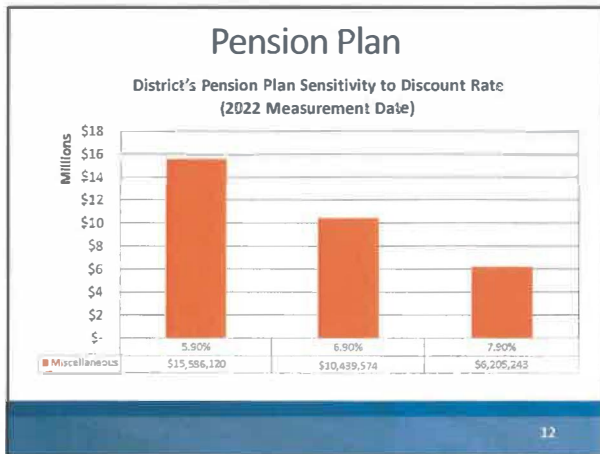
Measure of District's ability to operate with no revenues using available fund balance.

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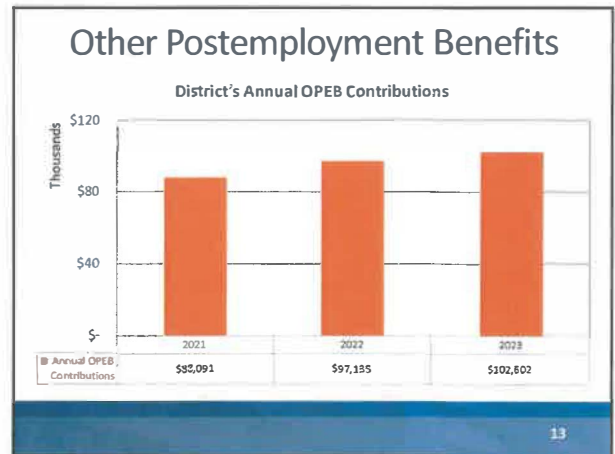


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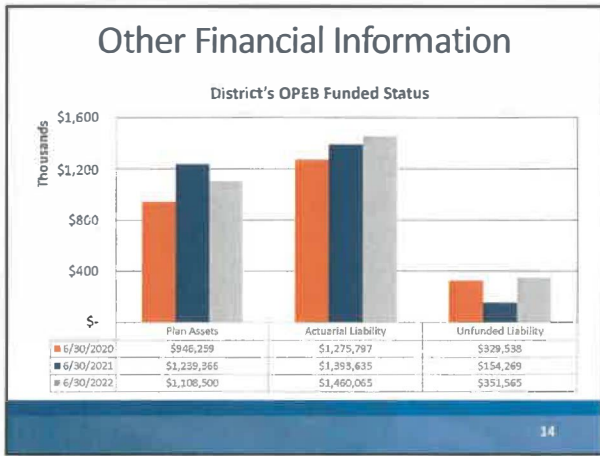
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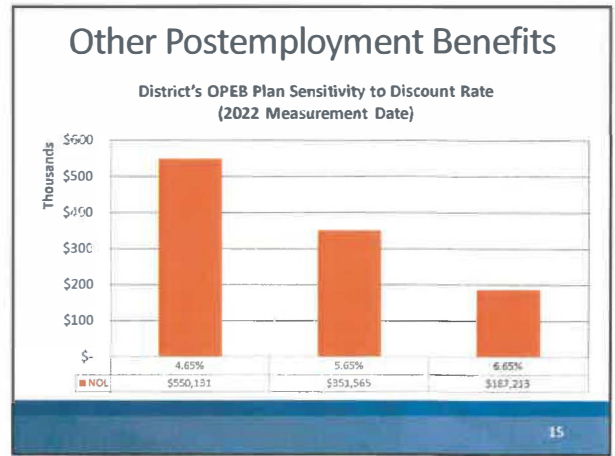
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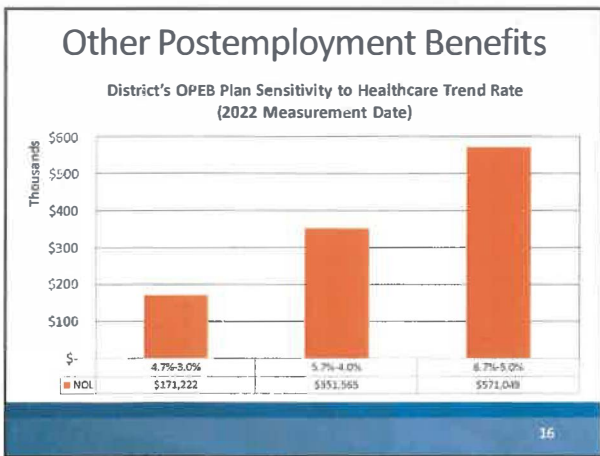
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Required Communications

- Our Responsibility Under U.S GAAS
- Expression of an opinion on whether financial statements are fairly stated in accordance with U.S GAAP
- Evaluate internal control over financial reporting
- Evaluate compliance with laws, contract and grants
- Evaluate the tone at the top
- Ensure financial statements are clear and transparent
- Communicate with the governing body

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Required Communications

- Management Responsibility → Management is responsible for the financial statements
 - Establish and maintain internal control over financial reporting
 - Making all financial records available to us
 - Adjust the financial statements to correct material misstatements
 - Establish internal control to prevent and detect fraud
 - Inform us of all known and suspected fraud
 - Comply with laws and regulations
 - Take corrective action on audit findings

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Required Communications

- Independence → it is our responsibility to maintain independence
 - We will maintain our independence by strict adherence to the AICPA and the Board of Accountancy rules and regulations
 - No other services performed that could affect our independence
- Timing of the Audit → Audit was performed in the time frame communicated to the District in our engagement letters

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Required Communications

- Significant Accounting Policies and Unusual Transactions → The District adopted the following accounting pronouncements during the current year.
 - GASB Statement 91
 - GASB Statement 94
 - GASB Statement 95
- Management Judgment and Accounting Estimates → Significant management estimates impacting the financial statements include the following:
 - Allowance for uncollectible accounts
 - Useful lives of Capital Assets
 - Pension Plans
 - OPEB Plans

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Required Communications

- Sensitive Disclosures → The most sensitive disclosures affecting the District's financial statements are as follow:
 - Summary of Significant Accounting Policies
 - Cash and Investments
 - Capital Assets
 - Retirement Plans
 - Other Post Employment Benefits
- Difficulties Encountered in Performing the Audit → No difficulties were encountered during our audits

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Required Communications

- Significant Audit Adjustments and Unadjusted Differences Considered by Management to be Immaterial. → We did not have any significant audit adjustments during the course of the audit.
- Potential Effect on the Financial Statements of Any Significant Risks and Exposures. → No significant risks or exposures were identified. Legal matters and potential liabilities are disclosed in the financial statements

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Required Communications

- Disagreement with Management → We are pleased to report that there were no disagreements with management
- Deficiencies in Internal Control over Financial Reporting → No material weaknesses were identified during our audit.

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Required Communications

- Representations Requested of Management → We will be requesting certain representations from management that will be included in the management representation letter.
- Management Consultation with Other Accountants → We are not aware of any significant accounting or auditing matters for which management consulted with other accountants.

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Required Communications

- Other Material Written Communications → Other than the engagement letters and management representation letters, there have been no other significant communications
- Material Uncertainties Related to Events and Conditions → There were no material uncertainties relating to events and conditions
- Fraud and Illegal Acts → We have not become aware of any instances of fraud or illegal acts.

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New Accounting Standards

- 2024 • GASB Statement No. 100 – Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62
- 2025 • GASB Statement No. 101 – Compensated Absences

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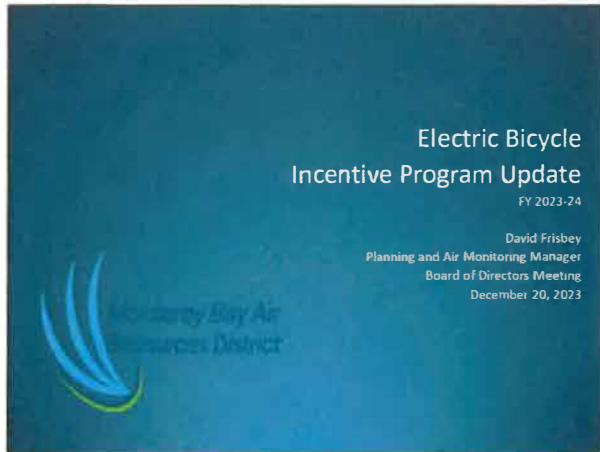
Thank You

For Allowing Us to Provide Audit Services to the Monterey Bay Unified Air Pollution Control District

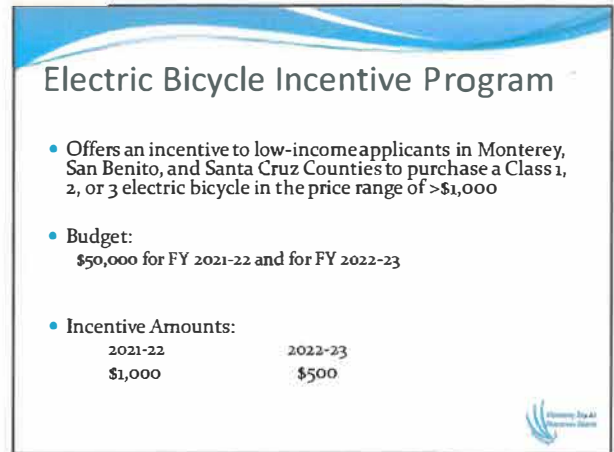


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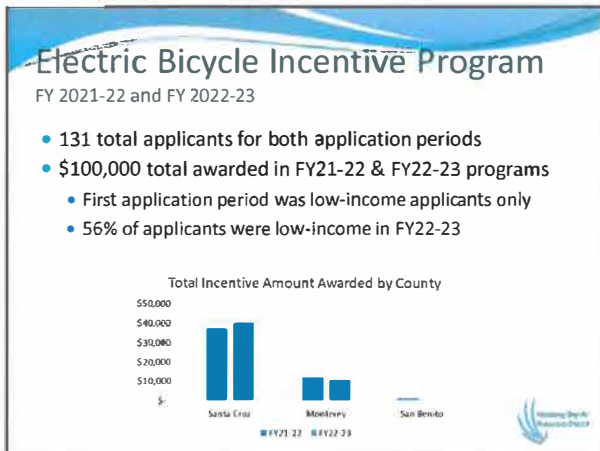
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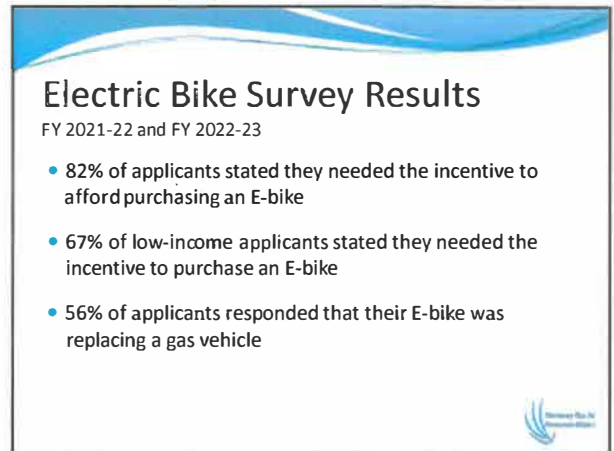
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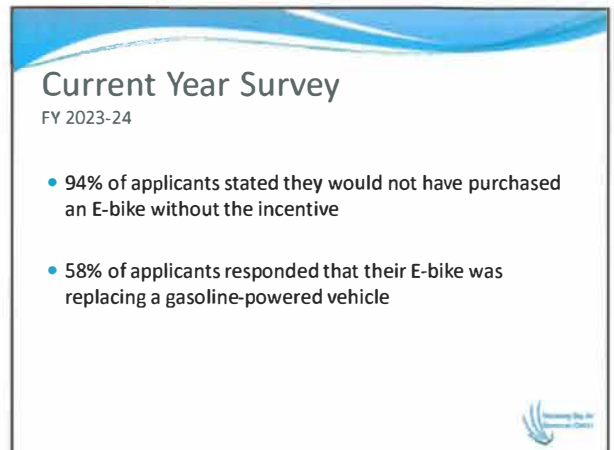
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Recommendation

- Open E-Bike incentive program to all residents within Monterey, San Benito and Santa Cruz Counties regardless of income.



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Discussion and Questions....



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