



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

STEVE MCSHANE, CHAIR

WEDNESDAY, DECEMBER 21, 2022 - 1:30 P.M.

(Following the Special Board of Directors Meeting)

REMOTE MEETING ONLY VIA ZOOM

Link to meeting: <https://us02web.zoom.us/j/82607936269>

Webinar ID: 826 0793 6269

By phone, audio only (webinar ID required): 1-669-900-6833

On September 16, 2021, Governor Newsom signed AB 361. This legislation amends the Brown Act to allow meeting bodies subject to the Brown Act to meet via teleconference during a proclaimed state of emergency in accordance with teleconference procedures established by AB 361 rather than under the Brown Act's more narrow standard rules for participation in a meeting by teleconference. The Monterey County Health Officer has issued a recommendation for social distancing in legislative body meetings, so the first meeting after September 30, 2021, may be held without making findings. If the Board of Directors desires to continue to meet remotely via teleconference after that first meeting, the Board is required to make certain findings under AB 361 no later than 30 days after the first teleconference meeting held pursuant to AB 361, and every 30 days thereafter. Members of the public that wish to participate in a meeting may do so by joining the Zoom Webinar ID. 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 meeting live verbal public comments may be made by members of the public joining the meeting via Zoom. Zoom access information is provided above. 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 proceedings 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.

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 19, 2022. Comments received will be distributed to the Board prior to the meeting.

SUMMARY OF ACTIONS

1. CALL TO ORDER – **The meeting was called to order by Chair McShane at 1:39 p.m.**
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL – **Present:** Sandy Brown, Mary Ann Carbone, Ryan Coonerty, Zach Friend, Kollin Kosmicki, Chris Lopez, Steve McShane, John Phillips.
Absent: Wendy Askew, Mike LeBarre. Sam Storey is no longer a member of the Board of Directors. He stepped down from the Capitola City Council on December 8, 2022.
4. PRESENTATIONS
 - a. RECOGNITION OF OUTGOING MEMBERS OF THE BOARD OF DIRECTORS
 - Ryan Coonerty, John Phillips and Sam Storey
 - b. RECOGNITION OF DISTRICT STAFF LONGEVITY MILESTONES
 - Mary Giraudo, Engineering Supervisor, 30 years
 - Teresa Sewell, Supervising Air Quality Compliance Inspector, 30 years
 - Julia O. Duran, Senior Administrative Assistant, 30 years
 - David F. Frisbey, Planning and Air Monitoring Manager, 30 years
 - Bronwyn Nielson, 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 McShane reported that the Budget, Personnel and Nominating Committee met on December 21 and recommended Board approval of Financial Statements and Independent Audit Report for the Year Ended June 30, 2022, Prepared by Badawi & Associates
 - b. Advisory Committee
7. COMMENTS AND REFERRALS FROM CHAIR AND BOARD MEMBERS
Chair McShane – Happy Holidays to all.
8. REPORT FROM AIR POLLUTION CONTROL OFFICER

Richard Stedman, APCO, reported on the following:

Advisory Committee

- The Advisory Committee met in December. Received the following presentations:
 - Climate Action Plans, AMBAG
 - Electric Vehicle Incentive Program
 - Carmel Valley Air Monitoring Station changes

District Business

Engineering and Compliance

- Recently signed Senate Bill 1137 imposes new requirements on oil & gas operations in the state. The California Geologic Energy Management Division (CalGEM) is currently developing an emergency regulation to take effect by January 1, 2023. The CalGEM regulation will implement the bill requirements and lay the groundwork for future regulatory activity. MBARD staff will follow the emergency regulation and consider providing comments as they relate to the existing California Air Resources Board's (CARB) Oil and Gas Regulation and our responsibilities under the Memorandum of Agreement with CARB to implement the existing regulation.
- We have a request for proposals out for services to help us setup an electronic data transfer from our database to the US Environmental Protection Agency's (EPA) Integrated Compliance Information System database. We routinely have to manually enter data into EPA's database for our Title V sources. This project will be funded by an EPA Exchange Network Grant.
- On September 28, we received several odor complaints regarding an auto body shop in Santa Cruz. When our inspector arrived less than 30 minutes after the time we received complaints and they were not able to detect an odor. We conducted an additional inspection on October 3, 2022 and did not find any violations of our permit conditions. One complainant has submitted two complaints to the California Air Resources Board (CARB) because they are not satisfied with our findings. CARB refers complaints back to the local air district and we have been in communication with CARB about our findings.
- We received 5 odor complaints from City of Marina residents since the last Board meeting. The odors were described as "acidic/vinegar", "eucalyptus", and "sweet organic odor". In addition, on October 14, we received a public records request for information such as odor complaints which will be used for the Marina Odor Study.
- We have had several inquiries about using air curtain incinerators as an alternative to open pile burning for burning vegetation. Air curtain incinerators operate by forcefully projecting a curtain of air across an open combustion chamber which reduces smoke. However, this method can introduce permit requirements not applicable to open pile burning. For example, a permit may be needed for the engine used to power the air curtain burner. Also, there is a federal Standard of Performance applicable to air curtain incinerators which requires a Title V permit. A Title V permit introduces record-keeping and reporting requirements for the operator and requires MBARD to report data to the US EPA database. Engineering and Planning are working together to coordinate the permit requirement review and communication to potential air curtain incinerator users.

Planning and Air Monitoring

- Welcome to our New Staff, Eli Lessman and Michelle Kaiser. Eli Lessman started working in the Planning Division as an Air Quality Planner in November. Eli has an M.S. in

Agenda Item No. 10

Toxicology and Environmental Health Science from Columbia University and a B.S. Biology, Minor in Biochemistry, from Brooklyn College, City University of New York. Eli's held previous positions as an Environmental Scientist, Produce Safety Program, Cal. Dept. of Food and Agriculture, and as a Research Assistant with Columbia University.

- Michelle Kaiser started working as an Air Monitoring Specialist in December. Prior to arriving at MBARD Michelle was an aquarist at the Monterey Bay Aquarium where she cared for the animals, treated medical conditions, and maintained the aquariums and exhibits. Michelle has a B.S. in Marine Biology from UCSC. Her past work experience includes working as a Scientific Aide with the California Department of Fish and Wildlife.
- The Electric Vehicle Incentive Program has closed. Staff are continuing to process applications. 162 applications have been approved, 28 of which were low-income. \$343,600 is obligated with \$3,900 remaining.
- The Diesel Engine and Equipment Replacement Program application period will begin on January 11. The program uses State grant funds for replacing higher polluting diesel equipment with cleaner burning models as found in marine vessels, tractors, and other off-road equipment. Applications will be accepted until March 24.
- Staff continue to observe weather conditions and air quality in the SLV to forecast when a Spare the Air alert will be declared. 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 will run through Spring when conditions for smoke dispersion improve. No Spare the Air Alerts have been called since the program opened in November due to favorable meteorological conditions.
- MBARD will receive a \$30,000 grant from CAPCOA to develop cleaner air centers in our region. Cleaner air centers are publicly accessed buildings that are equipped with air filtration systems. These buildings are open to the public so that people can have a place to go to take a break from elevated smoke concentrations during a wildfire event. As the grant does not include administrative costs, Planning staff are working with Breathe California and the local Offices of Emergency Services to implement the program as required by the grant agreement. The grant will target locating cleaner air centers in disadvantaged communities and low-income areas.

Outreach

- October 2 Salinas EV Ride, Drive and Display Event - Booth and Sponsor, National Drive Electric Day Event in Salinas. We had positive results all the way around:
 - 80 test drives
 - About 500 attendees
 - 280 passports turned in
 - KSBW coverage on the evening news on 10/2 and morning news on 10/3
- October 8 Breathe California Breath of Life Walk
 - MBARD sponsored the Breath of Life Walk in San Jose. <https://lungsrus.org/breath-of-life-walk-2/>
- [Clearing the Air Newsletter October 2022](#)
 - Our October Newsletter is out in English and Spanish. Stay up to date on the latest news on keeping our air clean in Monterey, San Benito and Santa Cruz Counties.

CONSENT AGENDA

Motion: Approve items on the Consent Agenda. **Action:** Approve. **Moved by** Mary Ann Carbone, **Seconded by** Kollin Kosmicki. **Vote:** Motion carried by unanimous roll call vote (**summary: Yes = 8**). **Yes:** Sandy Brown, Mary Ann Carbone, Ryan Coonerty, Zach Friend, Kollin Kosmicki, Chris Lopez, Steve McShane, John Phillips. **Absent:** Wendy Root Askew, Mike LeBarre.

9. **Accepted** and **Filed** Summary of Actions for the October 19, 2022, Board of Directors Meeting
10. **Received** and **Filed** Budget to Actual Report for the Four Months Ended October 31, 2022
11. **Received** and **Filed** Budget to Actual Report for the Five Months Ended November 30, 2022
12. **Accepted** and **Filed** Report of Summary of Mutual Settlement Program Actions for October and November 2022
13. **Resolution No. 22-016: Adopted** a Resolution Authorizing the Air Pollution Control Officer to Enter into Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities - Implementation and Enforcement Grant Agreement with the California Air Resources Board, Accept \$60,000 in Funding and Direct the Air Pollution Control Officer to Sign Future Oil and Gas Grant Agreements Without Board Approval in Accordance with Policy B.4.a
14. **Resolution No. 22-017: Adopted** a Resolution Authorizing the Air Pollution Control Officer to Accept Funding and Administer the Carl Moyer Program Year 25
15. **Resolution No. 22-018: Adopted** a Resolution Approving the 2022 MBARD Diesel Engine and Equipment Replacement Program (DEERP) Policies and Procedures Manual Update
16. **Approved** Extension Request by the City of Salinas for the AB2766 Grant 21-02 Front Street / Sherwood Drive Adaptive Traffic Control Project to October 11, 2024

REGULAR AGENDA

17. **Approved** Roofing Repair Project Action Requests by Staff
 - a. **Awarded** a contract to **Roofing Constructors Inc. dba Western Roofing Services**, the lowest responsible and responsive bidder for MBARD's roofing repair project, with the base bid amount of **Three Hundred Thirty-Two Thousand Five Hundred Sixty-Seven and no cents (\$332,567.00)**.
 - b. **Authorized** a contingency not to exceed 10% of the contract amount to provide funding for approved contract change orders; and

Agenda Item No. 10

c. **Authorized** the Air Pollution Control Officer to execute the base bid plus **Add Alternate #1 contract for an additional \$23,670** and approve change orders to the contract that do not exceed 10% of the original contract amount and do not significantly change the scope of work.

Motion: Approve the Roofing Repair Project action requests by staff. **Action:** Approve.

Moved by Sandy Brown, **Seconded by** Mary Ann Carbone. **Vote:** Motion carried by unanimous roll call vote (**summary: Yes = 8**). **Yes:** Sandy Brown, Mary Ann Carbone, Ryan Coonerty, Zach Friend, Kollin Kosmicki, Chris Lopez, Steve McShane, John Phillips.

Absent: Wendy Root Askew, Mike LeBarre.

18. **Received** Presentation on the Future of Remote Meetings from Les Girard, Counsel
Receive the presentation only; no action required.

19. **Received** Presentation on Draft Financial Statements and Independent Audit Report for the Year Ended June 30, 2022 Prepared by Badawi & Associates
Receive the presentation only; no action taken, no quorum

20. Adjournment – **The meeting adjourned at 2:55 p.m.**

Sirie Thongchua
Executive Assistant

THE FUTURE OF TELECONFERENCING AND REMOTE MEETINGS

MONTEREY BAY AIR RESOURCES DISTRICT BOARD OF DIRECTORS
DECEMBER 21, 2022

1

PRE-PANDEMIC

- PRIOR TO GOVERNOR NEWSOM'S PROCLAMATION OF A STATE OF EMERGENCY DUE TO COVID-19, AND THE ISSUANCE OF HIS EXECUTIVE ORDER N-25-20 (AS MODIFIED BY EXECUTIVE ORDER N-29-20) IN MARCH OF 2020, THE BROWN ACT ALLOWED THE USE OF TELECONFERENCING BY LEGISLATIVE BODY MEMBERS.

2

PRE-PANDEMIC (cont.)

- STRICT REQUIREMENTS:
 - ✓ ALL VOTES TAKEN BY ROLL CALL;
 - ✓ EACH TELECONFERENCE LOCATION MUST:
 - BE LISTED ON THE NOTICE AND AGENDA;
 - HAVE AN AGENDA POSTED;
 - BE ACCESSIBLE TO THE PUBLIC (INCLUDING THOSE WITH DISABILITIES); AND
 - OFFER AN OPPORTUNITY FOR PUBLIC COMMENT.
 - ✓ A QUORUM OF MEMBERS MUST PARTICIPATE FROM LOCATIONS WITHIN THE PUBLIC ENTITY'S BOUNDARIES.

3

DURING PANDEMIC

- MARCH OF 2020 – GOVERNOR PROCLAIMS EMERGENCY AND EXECUTIVE ORDER WAIVES BROWN ACT REQUIREMENTS FOR MEETING IN PERSON:
 - ✓ MEETINGS MUST BE PUBLICLY NOTICED;
 - ✓ AT LEAST ONE LOCATION IS PUBLICLY ACCESSIBLE AND AVAILABLE FOR MEMBERS OF THE PUBLIC TO ATTEND AND OFFER COMMENT; AND,
 - ✓ PUBLIC ENTITY MUST BE ABLE TO QUICKLY RESOLVE REASONABLE ACCOMMODATION REQUESTS.

4

DURING PANDEMIC (cont.)

- SEPTEMBER 16, 2021 – AB 361 ADOPTED AND EFFECTIVE IMMEDIATELY.
- SUPERSEDES GOVERNOR'S EXECUTIVE ORDER, BUT IS EFFECTIVE ONLY DURING DECLARED EMERGENCY.
 - ✓ ALL VOTES MUST BE TAKEN BY ROLL CALL;
 - ✓ EVERY 30 DAYS AFTER 1ST MEETING, A MAJORITY OF THE MEMBERS MUST MAKE THE FOLLOWING FINDINGS:
 - THERE CONTINUES TO EXIST AN ACTIVE STATE OF EMERGENCY PROCLAMATION BY THE GOVERNOR;
 - STATE OR LOCAL HEALTH OFFICIALS RECOMMEND SOCIAL DISTANCING; AND
 - THE BODY RECONSIDERED THE CIRCUMSTANCES OF THE EMERGENCY.

5

DURING PANDEMIC (cont.)

- AB 361 (cont.)
 - ✓ THE LEGISLATIVE BODY MUST PROVIDE A METHOD BY WHICH THE PUBLIC MAY ACCESS THE MEETING AND MAKE PUBLIC COMMENT.
 - ✓ NO ACTION SHALL BE TAKEN IF AN INTERNET DISRUPTION AFFECTS THE PUBLIC'S ABILITY TO PARTICIPATE.
 - ✓ EFFECTIVE THROUGH DECEMBER 31, 2023.
 - ✓ GOVERNOR NEWSOM HAS INDICATED HIS INTENT TO TERMINATE THE COVID-19 STATE OF EMERGENCY AT THE END OF FEBRUARY, 2023, MAKING AB 361 INOPERATIVE.

6

Agenda Item No. 10

POST-PANDEMIC

- IN SEPTEMBER OF 2022, THE GOVERNOR SIGNED INTO LAW AB 2449, WHICH WILL BECOME EFFECTIVE JANUARY 1, 2023.
- STATUTE INCORPORATES TRADITIONAL TELECONFERENCING UNDER THE BROWN ACT, AND THE PROVISIONS OF AB 361.
- STATUTE PROVIDES OTHER, MORE LIMITED, MEANS FOR LEGISLATIVE BODY MEMBERS TO PARTICIPATE REMOTELY.

7

POST-PANDEMIC (cont.)

- AB 2449:
 - ✓ INCLUDES TRADITIONAL TELECONFERENCING.
 - ✓ INCLUDES AB 361 CONDITIONS.
 - ✓ ADDS "JUST CAUSE" AND "EMERGENCY CIRCUMSTANCES":
 - BOTH REQUIRE A QUORUM OF MEMBERS TO BE IN A PHYSICAL LOCATION WITHIN THE JURISDICTION ACCESSIBLE TO THE PUBLIC.
 - VOTES MUST BE BY ROLL CALL.
 - PUBLIC MUST BE PROVIDED ABILITY TO PARTICIPATE REMOTELY.

8

POST-PANDEMIC (cont.)

- AB 2449:
 - MEETING MUST BE BROADCAST WITH EITHER TWO-WAY AUDIO-VISUAL PLATFORM (E.G. ZOOM) OR A TWO-WAY TELEPHONIC SERVICE WITH LIVE WEBCASTING.
 - MEETING ACTIVITY MUST CEASE IF INTERNET OR TELEPHONIC ACCESS IS INTERRUPTED.
 - MEMBERS MUST PARTICIPATE WITH BOTH AUDIO AND VISUAL TECHNOLOGY.
 - REMOTE MEMBER MUST IDENTIFY ANYONE 18 YEARS OF AGE OR OLDER IN THE ROOM WITH THE LEGISLATOR AND RELATIONSHIP.

9

POST-PANDEMIC (cont.)

- AB 2449 (cont.):
 - ✓ JUST CAUSE:
 - MEMBER MUST NOTIFY THE LEGISLATIVE BODY AS SOON AS POSSIBLE (INCLUDES THE START OF A REGULAR MEETING) AND PROVIDE A GENERAL DESCRIPTION OF THE CIRCUMSTANCES.
 - CARE OF A CHILD, PARENT, GRANDPARENT, GRANDCHILD, SIBLING, SPOUSE, OR DOMESTIC PARTNER;
 - CONTAGIOUS ILLNESS THAT PREVENTS A MEMBER FROM ATTENDING IN PERSON;
 - PHYSICAL OR MENTAL DISABILITY; OR
 - OFFICIAL BUSINESS TRAVEL FOR THE LEGISLATIVE BODY OR ANOTHER STATE OR LOCAL AGENCY.

10

POST-PANDEMIC (cont.)

- AB 2449 (cont.):
 - ✓ JUST CAUSE (cont.):
 - BOARD DOES NOT NEED TO VOTE ON JUST CAUSE EXCEPTION.
 - ✓ EMERGENCY CIRCUMSTANCES:
 - MEMBER MUST NOTIFY THE BOARD AS SOON AS POSSIBLE AND INCLUDE A GENERAL DESCRIPTION OF THE REASON (NOT EXCEEDING 20 WORDS).
 - PHYSICAL OR FAMILY MEDICAL EMERGENCY THAT PREVENTS A MEMBER FROM ATTENDING IN PERSON, BUT NEED NOT DISCLOSE MEDICAL CONDITION.

11

POST-PANDEMIC (cont.)

- AB 2449 (cont.):
 - ✓ EMERGENCY CIRCUMSTANCES (cont.):
 - BOARD NEEDS TO VOTE ON EMERGENCY CIRCUMSTANCES EXCEPTION.
 - IF BOARD NOTIFIED AFTER AGENDA PUBLISHED, MAY ADD TO AGENDA AS AN URGENCY ITEM.
 - ✓ JUST CAUSE MAY ONLY BE USED TWICE PER CALENDAR YEAR BY INDIVIDUAL MEMBERS.
 - ✓ ANY TELECONFERENCE/REMOTE PARTICIPATION BY INDIVIDUAL MEMBERS IS LIMITED TO NOT MORE THAN 3 CONSECUTIVE MONTHS OR 20% OF ALL MEETINGS IN A CALENDAR YEAR.

12

POST-PANDEMIC (cont.)

- AB 2449 (cont.):
 - ✓ EFFECTIVE JANUARY 1, 2024, AB 361 PROCEDURES NO LONGER APPLICABLE.
 - ✓ AB 2449 EXPIRES DECEMBER 31, 2026, AND AFTER ONLY MEANS IS TRADITIONAL TELECONFERENCING.

13

QUESTIONS


14

Agenda Item No. 10

Monterey Bay Unified Air Pollution Control District
2022 Audit Presentation

December 21, 2022

Presented by: Mitesh Desai, CPA,
Principal



1

Badawi & Associates
Audit of the
Monterey Bay Unified Air Pollution Control District

2

Agenda

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


3

Engagement Team



4

Engagement Team



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graph TD; Partner[Partner Mitesh Desai, CPA] --- QCR[Quality Control Reviewer]; Partner --> Staff1[Staff Sabhyata Subedi]; Partner --> Staff2[Staff Muneef Darood];
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Deliverables and Scope of the Audit

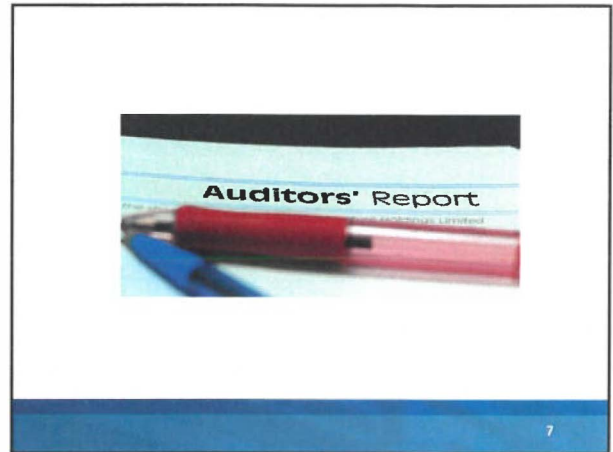
- Report of Independent Auditors on Monterey Bay Unified Air Pollution Control District Basic Financial Statements.
- Communications With Those Charged With Governance.
 - Letter used to summarize communication of various significant matters to those charged with governance.

6

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

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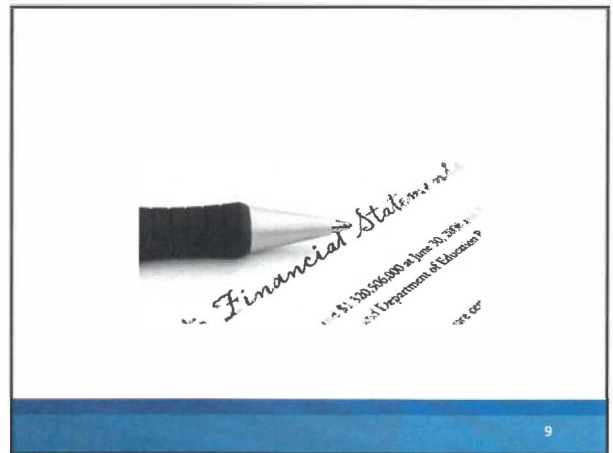


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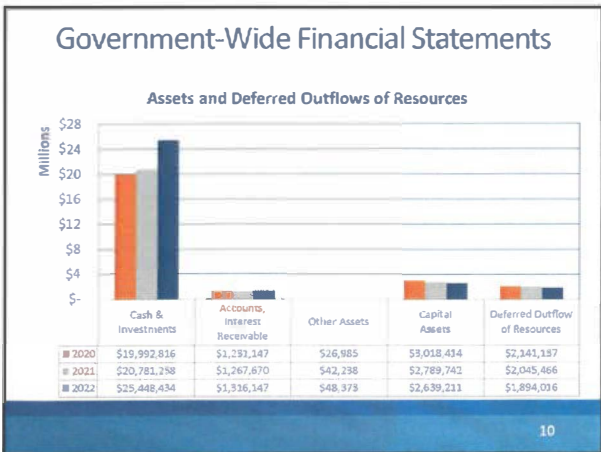
Auditors Report

- 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

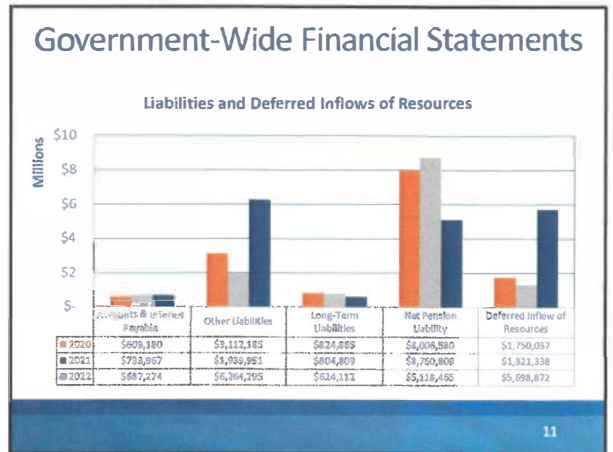
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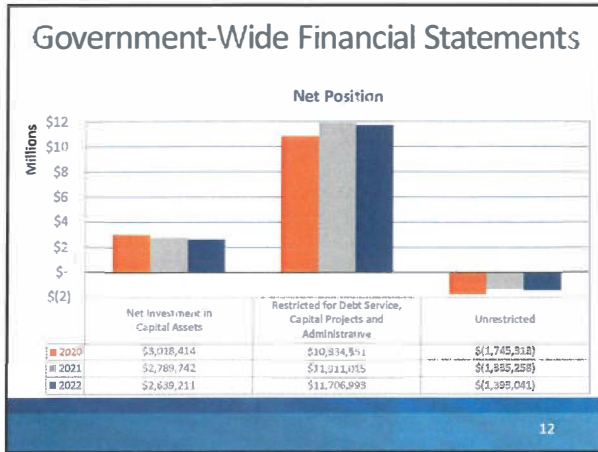


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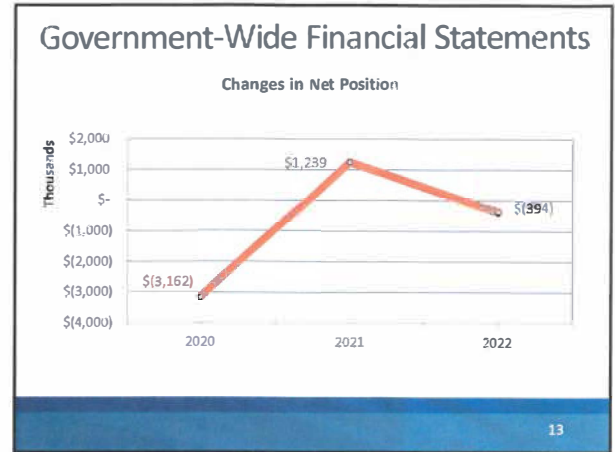


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Agenda Item No. 10



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General Fund

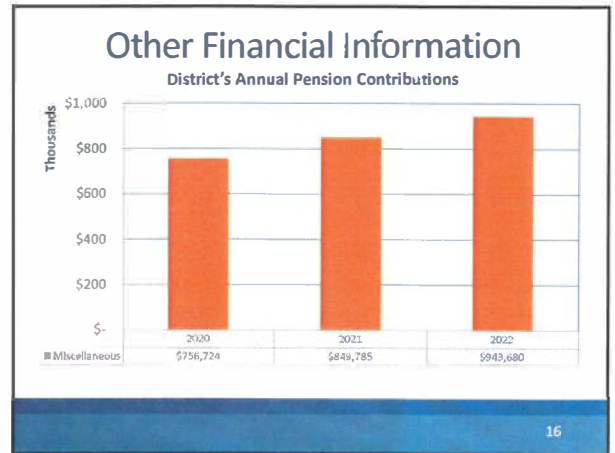
Expense Coverage

	2020	2021	2022
Unrestricted Fund Balance	\$ 6,666,047	\$ 7,463,995	\$ 8,106,018
Total Expenditures	\$ 15,220,993	\$ 11,713,048	\$ 10,216,558
Unrestricted Net Position as a % of Total Expenses	43.81%	63.72%	79.34%
Number of months	5	8	11
CEQA recommendation	2 - 4		

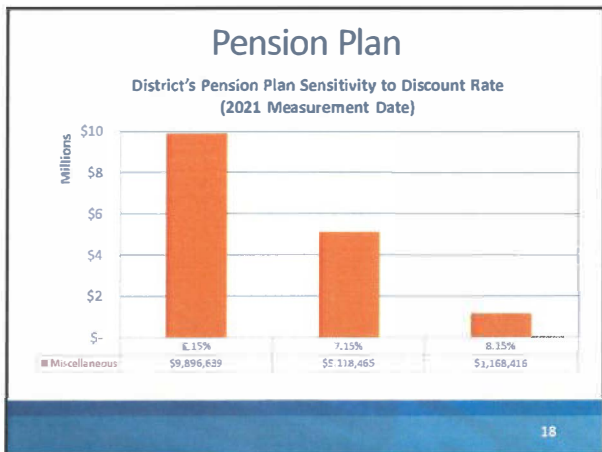
Measure of District's ability to operate with no revenues using available fund balance.

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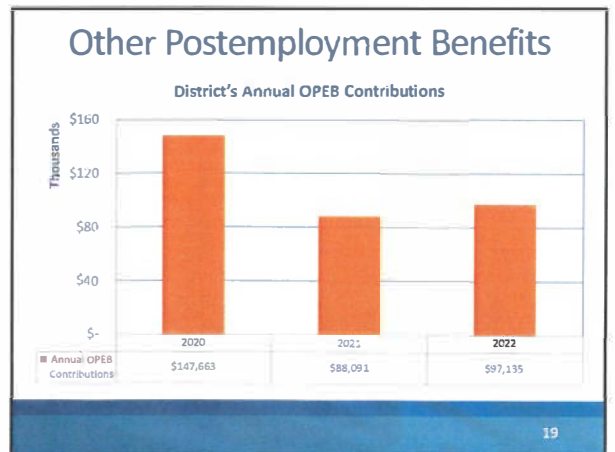
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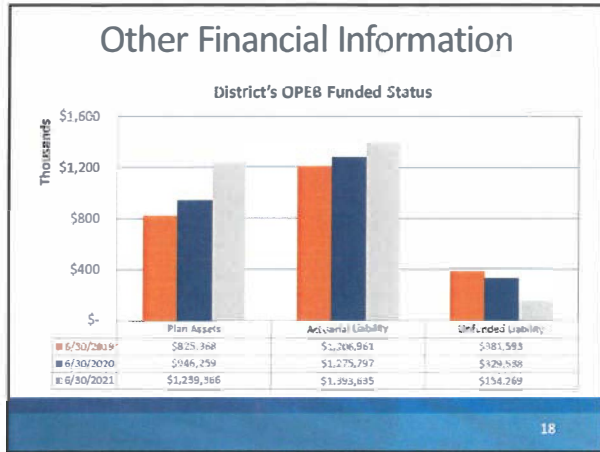
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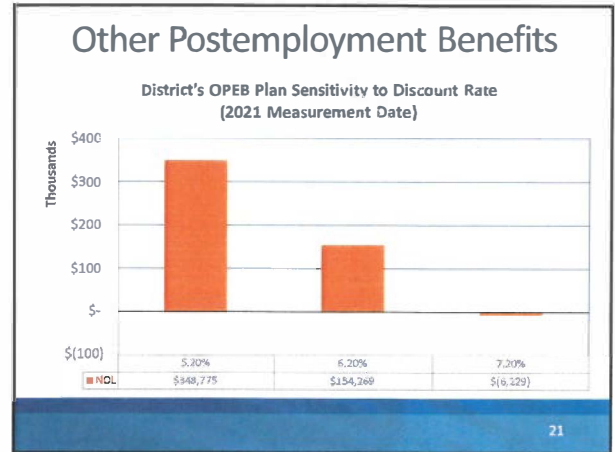
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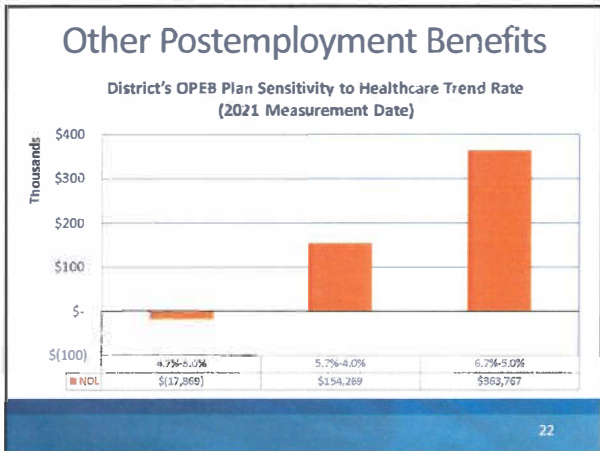
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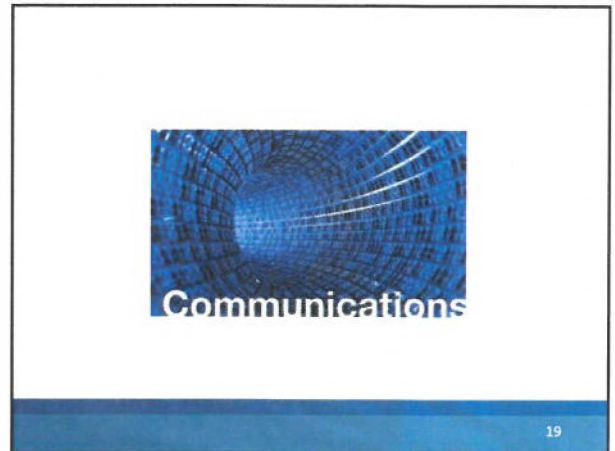
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22

- ### 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

23

- ### 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

24

Agenda Item No. 10

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

22

25

Required Communications

- Significant Accounting Policies and Unusual Transactions → The District adopted the following accounting pronouncements during the current year:
 - GASB Statement 87
 - GASB Statement 89
 - GASB Statement 92
 - GASB Statement 98
- Management Judgment and Accounting Estimates → Significant management estimates impacting the financial statements include the following:
 - Allowance for uncollectable accounts
 - Useful lives of Capital Assets
 - Pension Plans
 - OPEB Plans

23

26

Required Communications

- Sensitive Disclosures → The most sensitive disclosures affecting the District's financial statements are as follows:
 - 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

24

27

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

25

28

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.

26

29

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.

27

30

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.

28

31

New Accounting Standards

- 2023
 - GASB Statement No. 91 – Conduit debt
 - GASB Statement No. 94 – Public-private partnerships
 - GASB Statement No. 96 – Subscription-Based Information Technology Arrangements
- 2024
 - GASB Statement No. 100 – Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62
- 2025
 - GASB Statement No. 101 – Compensated Absences

29

32

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



30

33