



# Monterey Bay Air Resources District BOARD OF DIRECTORS MEETING

WEDNESDAY, May 17, 2017 – 1:30 P.M.

24580 Silver Cloud Court, Board Room, 3<sup>rd</sup> Floor, Monterey, California

## Summary of Actions

1. CALL TO ORDER – The meeting was called to order by Chair Friend at 1:30 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present

Zach Friend, Chair

Jerry Muenzer, Vice Chair

Sandy Brown

Ryan Coonerty

Steve Dallas

Fred Ledesma

Steve McShane

Jane Parker

John Phillips

Oscar Rios

Simon Salinas

Absent

None

4. PRESENTATION OF 2017 ART CONTEST WINNERS FOR DISTRICT'S 2018 CALENDAR

5. RECOGNITION OF GENE MASON AND BOB NUNES UPON THEIR RETIRING FROM THE DISTRICT

6. PUBLIC COMMENT PERIOD – **None**

7. REPORTS BY COMMITTEE CHAIRS ON COMMITTEE MEETINGS

- a. Budget, Personnel, and Nominating Committee
- b. Advisory Committee

8. COMMENTS AND REFERRALS FROM CHAIR AND BOARD MEMBERS

- a. **Director McShane** provided information regarding the first meeting of the Monterey Bay Community Power and said it was a good first time meeting. **Director Brown** said she agreed with Director McShane's assessment of the meeting.

9. REPORT FROM AIR POLLUTION CONTROL OFFICER

**Richard Stedman, APCO**, reported on the following:

- It's Bike to Work Week
- In addition to the retirements of Bob Nunes and Gene Mason Tracy Chavira, AQ Compliance Inspector II, announced his retirement effective July 5, 2017.
- The District opened recruitment to for an Air Quality Inspector I/II. Applications due May 26.
- Air Quality Planner II/III recruitment continues. District is getting closer to making an offer.
- Backyard burn season ended on April 30. During the season, 1,161 permits were issued and 441 calls were handled. A special thank you to Carol Fontanilla and Isabel Navoa for graciously and expertly handling the majority of the phone calls.
- District partnered with the Resource Conservation District of Monterey County by providing a

\$25,000 grant for chipping storm debris in North Monterey County. Chipping will be offered May 27-28, June 3-4, and June 10-11. Staff has developed a \$25,000 grant contract with the Resource Conservation District of Santa Cruz County to offer residential chipping in Santa Cruz County.

- Free Yard Waste Drop-off event at the Ben Lomond Transfer Station in April was a success with over 275 tons of material collected and chipped.
- California Energy Commission grant contract has been received and will be presented to the Board next month for approval.
- All-electric school bus is expected to be delivered to the Santa Rita School District in Salinas this month. This project was funded by AB923.
- Camp Roberts plans to burn 9,000 acres of grass in the ranges next week as part of their preparation for annual training. District is working closely with San Luis Obispo County as San Miguel and Paso Robles are downwind of the prevailing winds.
- District held a pre-bid meeting last week for the 3<sup>rd</sup> floor remodeling project. Representatives from four construction companies attended the meeting which was led by project manager, Roger Miller.
- Outreach Report - Events District has participated in since April Board Meeting:
  - McShane's Earth Day Mixer - Thursday, April 20.
  - Healthy Kids Day (Held in Tres Pinos by the YMCA of San Benito County) – April 29.
  - District represented by Offset Project volunteers at:
    - o Big Sur Marathon and By the Bay 3K - April 29 and 30.
    - o Greening Booth - Marathon Expo - April 28 and 29.
  - District video still in production.
  - Events before the June Board Meeting
    - o June 3-4 - Redwood Mountain Faire
  - Clean Air Leaders Awards - June 22. More information at [CleanAirLeaders.com](http://CleanAirLeaders.com).
- Hannah Muegge, Air Quality Planner I, completed the AMGEN Tour of California Bike race last week and earned a second place finish in one of the races at the Sea Otter Classic last month.

<b>CONSENT AGENDA</b>
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**Upon motion of Director Phillips and seconded by Director Salinas, with Directors Friend and Rios abstaining from Item No. 10 due to their absence from that meeting, the Board unanimously moved approval of the Consent Agenda.**

10. **Accepted and Filed** Summary of Actions for the April 19, 2017, Board of Directors Meeting
11. **Received and Filed** Budget to Actual Report for the Ten Months Ended April 30, 2017
12. **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 March 2017
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 2017
14. **Accepted and Filed** Engineering Division Activity Report for the Month of April 2017

15. **Accepted and Filed** Report of Summary of Mutual Settlement Program Actions for the Month of April 2017
16. **Accepted and Filed** Compliance Division Activity Report for the Month of April 2017
17. **Received and Filed** Report of Fiscal Year 2017-18 Budget Adjustments
18. **Approved** Out-of-State Travel Requests for the Administrative and Fiscal Specialist and Senior Fiscal Assistant to Attend Accela's Finance and Administration National Training in Portland, Oregon in July 2017
19. **Reappointed** Michael Guth to District Hearing Board
- ~~20. Received and File Report of Fiscal Year 2017-18 Budget Adjustments~~ **DUPLICATE ITEM**
21. **RESOLUTION NO. 17-009:** Adopt a Resolution Authorizing the Administrative Services Manager to Declare a 2007 Honda Civic Located at the District Office as Surplus and Authorizing the Disposition, Sale or Donation of District Vehicle.

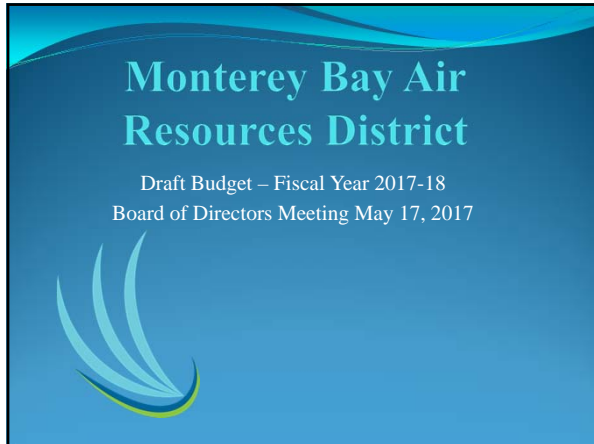
<b>REGULAR AGENDA</b>
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22. **Held** a First Public Hearing on Proposed Budget for Fiscal Year 2017-18 and Provided Direction to Staff  
**Held public hearing; no action required or taken**
23. **Held** First Public Hearing to Consider Adoption of a Resolution Approving New Rule 110 Indemnification of District and Proposed Revisions to the following District Rules:
- 300 (Permit Fees);
  - 301 (Fee Schedules);
  - 306 (Asbestos NESHAP Fees);
  - 308 (Title V: Federal Operating Permit Fees);
  - 310 (Agricultural Diesel Engine Registration Fees); and Provide Direction to Staff.
- Held public hearing; no action required or taken**

<b>CLOSED SESSION</b>
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24. The Board **met** in Closed Session pursuant to Government Code section 54950, relating to the following item:
- a) Pursuant to Government Code section 54956.9 (d) (1), one matter of existing litigation: Sutton et al. v. MBARD – **No reportable action.**
25. Adjournment – **The meeting was adjourned at 3:05 p.m.**

*Ann O'Rourke*  
*Executive Assistant*



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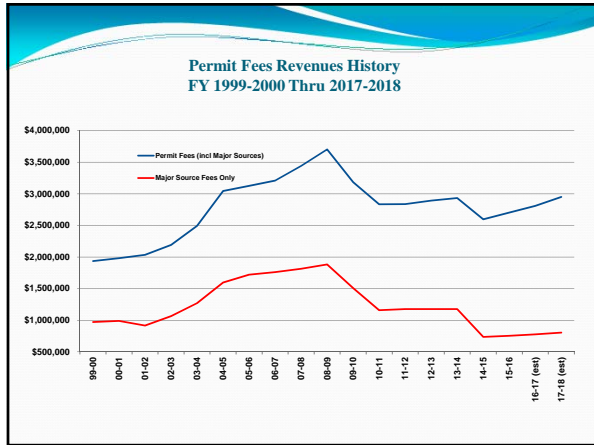
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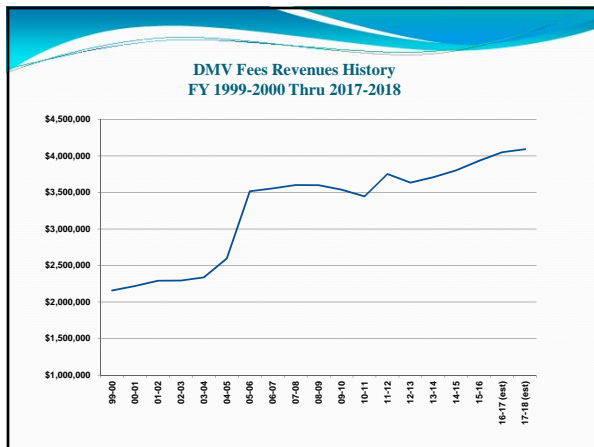
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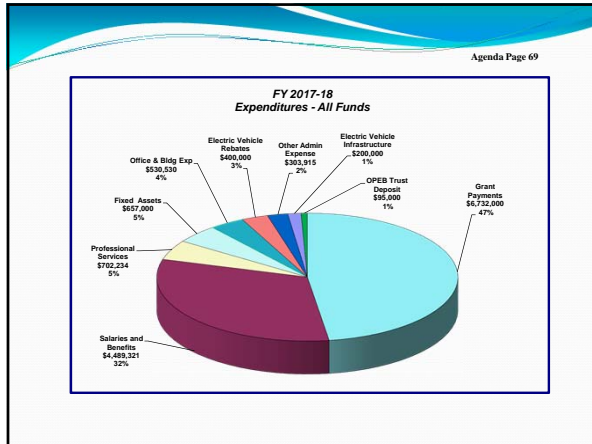
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### Operating Budget

(Agenda Page 78)

- Total Operating Budget of \$6.1 million.
- Proposed fee rule changes –estimated revenue increase of \$130,000.
- California Energy Commission Grant of \$145,000 – to promote the use of electric vehicles
- Salaries and benefits decrease of about \$175,000
- Projected surplus of \$371,000 – yet Stationary Source Program still operating in a deficit (agenda page 87)

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### Non-Operating Budget

(Agenda Page 79)

- Total Non-Operating Budget of \$8.0 million, which includes grant funding and other non-operating expenditures.
- Major Grant Programs:
  - AB2766 Program - \$2.5 million for grants & \$400,000 for electric vehicle rebates
  - AB923 Program - \$2.0 million for grants + \$200,000 for EV Infrastructure Project
  - Carl Moyer Program - \$1.15 million (ag and marine vessel engines)
  - Offsite Mitigation Grants - \$1.0 mil (ag pumps & school buses)
  - Woodstove Change-outs - \$75,000
- OPEB Trust deposit - \$95,000, funds future retiree health benefits
- Proposed 3<sup>rd</sup> Floor Building Remodel Project - \$600,000, funded by reserves

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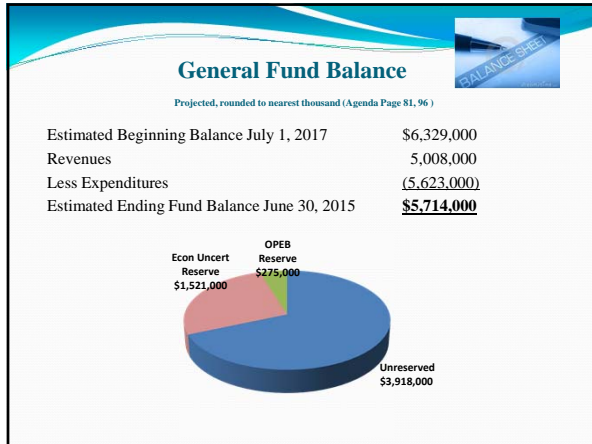
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- ### Budget Review Process
- March 15, 2017: Initial Review by Budget & Personnel Comm
  - April 11<sup>th</sup> - 17<sup>th</sup>: Tri-Counties Budget Workshops
  - May 17, 2017: First Hearing at Board of Directors mtg
  - June 21, 2017: Second Hearing at Board of Directors mtg  
Scheduled for Adoption
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### Questions or Comments?



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## Fee Rule Revisions Rule 110 Indemnification


First Board Hearing

Amy Clymo, Engineering and Compliance Manager  
May 2017




## Overview

- Proposed fee rule revisions
- Proposed new rule – 110 Indemnification of District




## Major Fee Rule Revisions

- Increase fees by 5 %
- Late fee penalty reductions and extend time for payment
- Add source type fees to replace billable emissions fees
- Rule 306 Asbestos NESHAP Fees
  - Require payment of fees at the time notification submitted
  - Add new fee category



## Increase Fees by 5%

Current Fee (FY 16-17)	Fee Increase (5%)	Proposed Fee (FY 17-18)
Filing Fee \$189	\$9	Filing Fee \$198
General Permit Fee \$840	\$42	General Permit Fee \$882
Hourly Staff Rate \$138	\$7	Hourly Staff Rate \$145
Annual Renewal Fee – Billable Tons < 0.1 \$188	\$9	Annual Renewal Fee – Billable Tons < 0.1 \$197
Annual Renewal Fee – Billable Tons < 1.0 \$281	\$14	Annual Renewal Fee – Billable Tons < 1.0 \$295





## Late Fee Penalty Reductions

Current Penalties (FY 16-17)	Proposed Penalties (FY 17-18)
50% of amount billed if payment not received within 30 days	25% of amount billed if payment not received within 60 days
Additional 25% of amount billed if payment not received within 60 days	Additional 25% of amount billed if payment not received within 90 days
Total Potential Penalty 75% of fees billed Maximum Penalty \$7,500	Total Potential Penalty 50% of fees billed Maximum Penalty \$7,500
Permit expires after 90 days	Permit expires after 120 days



## Source Type Permit Fees

- Dry Cleaners
- Emergency Diesel Fueled Internal Combustion Engines
- Emergency Non-Diesel Fueled Internal Combustion Engines
- Fume Hoods
- Fossil-Fueled Power Plant Gas Turbine
- Fossil-Fueled Power Plant Boiler
- Lime Processing Facility (based on 3-year average production rate):
  - Kiln production rate < 100,000 short tons per year
  - Kiln production rate > 100,000 short tons per year
- Marijuana Cultivation/Manufacturing/Processing Operations
- Marijuana Cultivation/Manufacturing/Processing Odors
- Synthetic Minor Permit



## Source Type Permit Fees

Category Type	Fees FY 16-17 (\$/year)*	Proposed Fee FY 17-18 (\$/year)	Potential Fee Increase (\$/year)	Potential Fee Decrease (\$/year)
Dry Cleaner	\$281 - \$501	\$310	\$29	(\$191)
Fume Hood	\$188 - \$351	\$210	\$22	(\$141)
Diesel Fueled Emergency Internal Combustion Engine	\$281 - \$351	\$310	\$29	(\$41)
Non-Diesel Fueled Emergency Internal Combustion Engine	\$188 - \$351	\$210	\$22	(\$141)

\*The fees for FY 16-17 represent the range of annual renewal fees paid by permit holders based on billable tons.



## Source Type Permit Fees -Comparison to Other Districts


Category Type	Proposed Fee (FY 17-18)	Santa Barbara APCD	San Luis Obispo APCD	Yolo-Solano AQMD
Dry Cleaner	\$310	\$421	\$498 - \$830 (depends on type of solvent)	\$388
Fume Hood	\$210	\$421	\$232	\$388
Diesel Emergency Engine	\$310	\$421	\$407	\$197-\$782 (depends on engine hp)
Non-Diesel Emergency Engine	\$210	\$421	\$407	\$197-\$782 (depends on engine hp)



### Rule 306 – Asbestos NESHAP Fees


- Require payment with notification
  - Reduce staff time generating invoices
  - Eliminates late fee penalties
- Add new category with fee at 15% above highest FY16-17 fee
- Add cancellation fee

Demolition or Renovation involving: between 2000 and 4000 3999 sq. ft. RACM, or between 1000 and 2000 1999 linear ft. RACM	\$ 1,295	\$ 1,297
Demolition or Renovation involving: greater than between 4000 and 9999 sq. ft. RACM, or greater than between 2000 and 2999 linear ft. RACM	\$ 1,415	\$ 1,486
Demolition or Renovation involving: greater than 10000 sq. ft. RACM, or greater than 3000 linear ft. RACM	Not applicable	\$ 1,627
Cancellation Fee	Not applicable	\$ 145




### Rule 110 Indemnification of District

- Protect the District from liability and expenses related to legal actions from issuing permits
  - Permit applicants defend and indemnify District




### Comments on Rule 110 Indemnification of District

- Daniel Beck, Chevron – Public Workshop in Monterey
- Bob Siegfried, Carmel Area Wastewater District – Written Comments
- Jean Getchell, Attorney – Written Comments



### Comments on Rule 110 Indemnification of District

- Clarification of rule
- Concern with discretionary requirement for security which lacks specificity
- Rule redundant and not justified
- Avoid legal challenges to permit issuance by effective implementation and enforcement of permitting rules



Questions/Comments?



