# PLACER COUNTY AIR POLLUTION CONTROL DISTRICT BOARD OF DIRECTORS

### Thursday, April 9, 2009 2:30 P.M. Meeting Minutes

The Board of Directors of the Placer County Air Pollution Control District met in session at 2:30 P.M., Thursday, April 9, 2009, at the Placer County Board of Supervisors' Chambers, 175 Fulweiler Avenue, Auburn, California. Representing the District were: Tom Christofk, Air Pollution Control Officer; Todd Nishikawa, Compliance and Enforcement Manager; Yu-Shuo Chang, Planning and Monitoring Manager; Ann Hobbs, Air Specialist II; Heather Kuklo, Air Specialist II; and Jane Bailey, Administrative Services Manager.

The meeting was called to order by Chairman Weygandt and the Flag Salute was led by Director Hill. Roll call was taken by the Board Clerk with the following members in attendance: Mike Holmes, Miguel Ucovich, Robert Weygandt, Jim Holmes, Donna Barkle, and Kent Nakata. A quorum was established. Kirk Uhler was absent and John Allard arrived during the first item.

The Minutes for February 19, 2009 were approved unanimously (with Miguel Ucovich abstaining as he did not attend the February meeting) as was the Agenda for the April 9<sup>th</sup> meeting.

There was no public comment and no consent items.

### **Item 8: Action, Clean Air Grants and Contract Authorization (Resolution # 09-03)**

Ms. Heather Kuklo, Air Specialist II and Program Manager for the Clean Air Grant (CAG) Program, gave a Power Point presentation to the Board explaining the CAG Program and the recommended projects submitted by Staff for Board approval. She began with an overview of the types of funds the District has available for these projects and what the goals of the program are. The District has three types of funds that can be used for the CAG program and each fund can only be used for specific purposes. The amount of funds available and the type of funds available are determining factors in the choices Staff have made in recommending the grant awards.

This year there were 56 applications received from both the public and the private sectors. Twenty-two projects are being recommended for funding. Many applicants submitted more than one application. The amount of funds requested totaled over 8.6 million dollars with the District having just over 1.5 million dollars available. The outreach efforts included ads in several regional papers, bulk mailing, open workshops and the APCD website. The website was updated with current information and the new on-line applications.

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Ms. Kuklo described the CAG categories and some of the possible projects within the categories. She also described the methods District Staff use to analyze and score the applications. Again this year, a review panel made up of District Staff scored every application before agreeing on which projects would be recommended. Once this panel concluded their review, a list of recommended projects was submitted to the APCO.

This year, as has been the trend in the last few years, the heavy duty on and off road projects were the most successful applicants. The scoring methods ranked the projects based on a possible score of 100 points with extra credit points available if green house gas emissions were harvested along with the usual criteria pollutants of NOx, ROG and PM. The cost effectivity of the emission reductions was an important factor in scoring the applications as well. This year the average cost effectivity of the recommended projects was \$11,052/ton of quantifiable emission reductions. A total of 187 tons of reductions should be realized over the *lifetime* of the recommended projects.

Ms. Kuklo gave a brief description of each recommended project and asked the Board if they had any questions. Director Ucovich had some questions about the scoring process and the Bio-diesel project. Director Barkle asked about the video-teleconferencing project. Mr. Christofk said that some projects are beneficial on several levels and the amount of funding for each was carefully considered. The District was able to fully fund some projects and partially fund others but tried to "spread the wealth" as much as possible while keeping cost effectivity in mind.

Director Mike Holmes asked about the breakdown between public and private projects. He thought it would be beneficial to include private entities as much as possible. Mr. Christofk said that the public agency projects end up benefitting private businesses in that purchase orders for equipment are filled by the Private Sector.

Ms. Kuklo summed up her report by saying that the annual emission reductions of criteria pollutants from the recommended projects will be 36 tons per year. She said this is an excellent harvest since many of the projects reduce NOx, a pollutant that is often hard to reduce. These reductions will help the District achieve its overall air attainment goals.

Once the recommended projects are approved, Staff will prepare the contracts and send them to be signed. The signed contracts will need to be returned to the District and encumbered before the end of May. All of the funds set aside for CAG were utilized and once all contracts are encumbered, the fund balance for CAG will be zero.

Director Weygandt asked if any members of the public wished to speak before the Board moved on this item. Ms. Ruth Alves, assistant to Supervisor Jim Holmes (District III), spoke on behalf of Brett Storey, Senior Analyst for the Placer County CEO office and Program Manager of the County's Biomass Program. Ms. Alves said that in District III, she knows of many individuals who are "thrilled" to have the biomass boxes available to

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use rather than having to haul away or burn their wood waste. She encouraged the Board to approve the recommended projects.

Mr. John Dunlap, representing the Placer County Contractors Association and Blue Sun Biodiesel, also encouraged the Board to approve the projects. He said he appreciated the opportunity to have the B20 project included in this year's recommended projects and he complimented District Staff and the APCO on their outreach efforts and their assistance in working through the application process.

Ms. Anne Iaccopucci spoke on behalf of Breathe California of Sacramento Emigrant Trails. She thanked the Board for the opportunity to apply for funds and expressed disappointment that their project was not recommended for funding this year.

Chairman Weygandt brought the item back to the Board for a motion to approve Resolution #09-03.

**Motion:** Nakata/J. Holmes/Unanimous

# Item 9: Public Hearing/Action, Amend Rule 214: <u>Transfer of Gasoline into Vehicle</u> Fuel Tanks - Resolution #09-04.

Mr. Nishikawa introduced this item and pointed out that a passage in the rule was found that needed to be clarified after the packet was sent out. He asked that the referenced passage, section E.1.a, be adopted as modified rather than as submitted in the meeting packet. He then turned the item over to Ms. Ann Hobbs, Air Specialist II and Program Manager for Vapor Recovery.

Ms. Hobbs explained vapor recovery and described the vapor recovery rules adopted by the District and the air toxics measure adopted by the Air Resources Board (ARB). These rules and measures were put into place to limit ozone forming gasses emitted during gasoline fueling operations. In April of 2001, a state law was passed requiring more reductions in gasoline vapor emissions. This law was phased in over time and required that most gas stations install Enhanced Vapor Recovery (EVR) equipment on their gasoline dispensers by April 1, 2009.

The proposed amendments to Rule 214 include:

- adding a statement that ARB certification of the EVR equipment is pursuant to the Health & Safety Code section 41954,
- adding an exemption for non-retail gas dispensing facilities (GDF) that supply 95% ORVR (on board refueling vapor recovery) fleets,
- adding an exemption for all E85 (fuel blend of 85% ethanol and 15% gas) refueling stations,
- amending the exemption for Mountain Counties and Tahoe air basins to apply to only non-retail GDFs,

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• minor formatting and editing corrections.

Ms. Hobbs said that there are two main exemptions in this amendment. One is that the non-retail facilities be exempted from installing the EVR and that the owner/operator must own both the GDF and the non-retail fleet. These facilities must keep records and submit quarterly reports to prove that over 95% of the use of the GDF is for vehicles that have ORVR installed. Retail facilities cannot be exempted since they have no control over the types of vehicles fueling at their facility.

The other exemption is that the exempted facilities will be allowed to remove the EVR Phase II equipment, if present, in a manner approved by the APCO. There is some incompatibility between the ORVR and the EVR Phase II equipment that increases emissions which is why the proposed amendment allows for these facilities to remove the equipment. Also, the Phase II systems must be maintained, tested and kept in good working order so it is less costly for the owner/operator to remove the equipment than to maintain it and have it tested.

The last exemption is for the E85 stations since there are no ARB certified Phase II vapor recovery systems for them. Most of the vehicles using E85 are manufactured with ORVR.

Ms. Hobbs concluded her report by listing the District's public outreach for this rule. She said that the outreach included public notices in six local newspapers, personal and phone contacts, and this public hearing. No public comments have been received to date.

Chairman Weygandt opened the public hearing. There was no public comment and he brought the item back to the board for action.

**Motion:** Hill/ J. Holmes/Approved unanimously as modified.

\*\*\*\*Item 10, APCO annual evaluation was moved to the end of the meeting\*\*\*\*

#### Item 11: APCO Report.

- a. Mr. Christofk spoke about the District's burn program and said that Staff had developed a flow chart to explain this complex subject. He called upon Ms. Hobbs, who handles the burning program for the District, to explain the program and the flow chart. He said that the categories within the flow chart and the District program are State law (Health & Safety Code) and not determined by the District. Ms. Hobbs explained the flow chart which shows when, where and how outdoor burning is permissible and if a permit is needed or not.
- b. Mr. Christofk went on to this next subject which was to answer a query from the February 19, 2009 meeting. This query was made by Mr. Tyler Harkness of the

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Foresthill Fire District Board of Directors. At that meeting, Mr. Harkness asked the Board to look into adding a special category for public agencies in the burn permit process. Mr. Nishikawa explained the chain of events that led to the Foresthill Community Cemetery being issued a notice of violation for unpermitted burning. This incident is what prompted Mr. Harkness to come to the APCD meeting in February. Mr. Nishikawa said that unless burning is allowed within one of the described categories (from the flow chart) it is not allowed and the rules prohibiting it have to be followed. It has been required by the state that these rules be developed, adopted and enforced by the District.

In the case of the Foresthill Community Cemetery, the fine was reduced after a permit was obtained and all the fines and fees were within the normal range. District is allowed to settle these violations in order to preclude the need for litigation. Mr. Nishikawa said that the system worked as it was designed. The District doesn't have any flexibility in changing the rules for a public entity such as the Community Cemetery.

- c. Mr. Christofk provided a handout showing the compliance statistics for the Phase II EVR (enhanced vapor recovery) upgrade within Placer County. He said that Placer County is doing well with only three stations out of 112 not responding. There are 66 stations that have completed the process and 43 that are in the process and have an agreement with the District to get the upgrades completed. District Staff are working toward getting the three stations to respond and enter into an agreement with the District.
- d. Mr. Christofk then moved to the fiscal report and said that the District is on track and doing well. There is a 16% increase in Revenue compared to the budget, and a 45% decrease in expenditures compared to the budget but, once all of the Clean Air Grants are encumbered, that number will be much lower. He said he has been keeping a close eye on costs and that the preliminary budget for FY 2009-10 will be presented at the next Board meeting in June.

**Item 10 APCO Annual Evaluation, Closed Session:** Chairman Weygandt adjourned the Board to closed session for the APCO annual evaluation. The Board soon returned and Chairman Weygandt stated that the Board had completed the evaluation of the APCO. He then adjourned the meeting.

Margie Koltun, Clerk to the Board	